



**CYNGOR BWRDEISTREF SIROL  
RHONDDA CYNON TAF  
COUNTY BOROUGH COUNCIL**

**GWŶS I GYFARFOD PWYLLGOR**

C Hanagan  
Cyfarwyddwr Materion Cyfathrebu a Phennaeth Dros Dro'r Gwasanaethau  
Llywodraethol  
Cyngor Bwrdeistref Sirol Rhondda Cynon Taf  
Y Pafiliynau Parc Hen Lofa'r Cambrian  
Cwm Clydach, CF40 2XX

Dolen gyswllt: Julia Nicholls - Gwasanaethau Democrataidd (01443 424098)

**DYMA WŶS I CHI** i gyfarfod hybrid o **GYNGOR BWRDEISTREF SIROL RHONDDA CYNON TAF** sydd i'w gynnal ar **DYDD MERCHER, 18FED IONAWR, 2023** am **5.00 PM.**

<b>AMSR</b>	<b>EITEM</b>	<b>TUDALEN(N AU)</b>
5 Munud	<b>ITEM 1. DATGAN BUDDIANT</b>  Derbyn datganiadau o fuddiannau personol gan Aelodau yn unol â'r Côd Ymddygiad.  <ol style="list-style-type: none"><li>1. Mae gofyn i Aelodau ddatgan rhif a phwnc yr agendwm y mae eu buddiant yn ymwneud ag e a mynegi natur y buddiant personol hwnnw; a</li><li>2. Lle bo Aelodau'n ymneilltuo o'r cyfarfod o ganlyniad i ddatgelu buddiant sy'n rhagfarnu, <b>rhaid</b> iddyn nhw roi gwybod i'r Cadeirydd pan fyddan nhw'n gadael.</li></ol>	
5 Munud	<b>ITEM 1. COFNODION</b>  Cadarnhau cofnodion o gyfarfodydd y Cyngor a gynhaliwyd ar y dyddiadau canlynol yn rhai cywir:  <ul style="list-style-type: none"><li>➤ Cyfarfod Arbennig o'r Cyngor ar 23 Tachwedd 2022 am 3.30pm</li><li>➤ Cyfarfod o'r Cyngor ar 23 Tachwedd 2022 am 5.00pm</li></ul>	7 - 26
5 Munud	<b>ITEM 1. CYHOEDDIADAU</b>	
<b>LLYWODRAETHU AGORED:</b>		

10 Munud	<b>ITEM 1. DATGANIADAU</b>  Yn unol â Rheol 2 o Weithdrefn Llywodraethu Agored Cyfarfodydd y Cyngor, derbyn datganiadau gan Arweinydd y Cyngor a/neu Gynghorwyr sy'n Aelodau Portffolio o'r Cabinet:	
20 Munud	<b>ITEM 1. CWESTIYNAU GAN YR AELODAU</b>  Derbyn cwestiynau'r Aelodau yn unol â Rheol 9.2 o Weithdrefn y Cyngor.  ( <b>Nodwch:</b> Caniateir hyd at 20 munud ar gyfer cwestiynau.)	27 - 34
	<b>RHAGLEN WAITH Y CYNGOR – ER GWYBODAETH I AELODAU</b> <a href="#">Rhaglen Waith y Cyngor 2022/23</a>	
	<b>ADRODDIADAU'R SWYDDOGION</b>	
10 Munud	<b>ITEM 1. DATGANIAD O GYFRIFON RHONDDA CYNON TAF AC ADRODDIAD ARCHWILIO ALLANOL</b>  Trafod adroddiad y Cyfarwyddwr Cyllid a Gwasanaethau Digidol.	35 - 264
10 Munud	<b>ITEM 1. ADRODDIAD BLYNYDDOL CRONFA DEDDF EGLWYS CYMRU 2021/22</b>  Trafod adroddiad y Cyfarwyddwr Cyllid a Gwasanaethau Digidol.	265 - 320
10 Munud	<b>ITEM 1. CYNLLUN GOSTYNGIADAU TRETH Y CYNGOR</b>  Trafod adroddiad y Cyfarwyddwr Cyllid a Gwasanaethau Digidol.	321 - 330
10 Munud	<b>ITEM 1. PREMIWM TRETH Y CYNGOR</b>  Trafod adroddiad y Cyfarwyddwr Cyllid a Gwasanaethau Digidol.	331 - 374
10 Munud	<b>ITEM 1. HUNANASESIAD BLYNYDDOL 2021/22 (CYNNWYS ADRODDIAD CYFLAWNIAD CORFFORAETHOL Y CYNGOR)</b>  Derbyn adroddiad y Prif Weithredwr.	375 - 418
10 Munud	<b>ITEM 1. PECYNNAU YMDDEOL YN GYNNAR O WIRFODD A DISWYDDO AR GYFER PRIF SWYDDOGION</b>	419 - 422

	Trafod adroddiad ar y cyd y Prif Weithredwr a'r Cyfarwyddwr Materion Adnoddau Dynol.	
10 Munud	<p><b>ITEM 1. NEWID AELODAETH PWYLLGORAU</b></p> <p>Derbyn adroddiad y Cyfarwyddwr Gwasanaeth, Gwasanaethau Democraidd a Chyfathrebu.</p>	423 - 426
45 Munud	<p><b>ITEM 1. RHYBUDD O GYNNIG</b></p> <p><b>Trafod Rhybudd o Gynnig sydd wedi'i gyflwyno yn enwau Cynghorwyr y Fwrdeistref Sirol:</b> R. Williams, S. Emanuel, L. Addiscott, M. D. Ashford, J. Barton, D. R. Bevan, J. Bonetto, S. Bradwick, J. Brencher, G. Caple, J. Cook, A. Crimmings, S. J. Davies, R. Davis, A. J. Dennis, V. Dunn, E. L. Dunning, J. Edwards, J. A. Elliott, L. Ellis, R. Evans, A. S. Fox, B. Harris, S. Hickman, G. Holmes, G. Hopkins, W. Hughes, G. Jones, G. O. Jones, R. R. Lewis, W. Lewis, C. Leyshon, M. Maohoub, C. Middle, A. Morgan, N. H. Morgan, S. Morgans, M. A. Norris, D. Owen-Jones, D. Parkin, S. Powderhill, C. Preedy, S. Rees, A. Roberts, J. Smith, G. Stacey, L. A. Tomkinson, W. Treeby, J. Turner, G. L. Warren, K. Webb, M. Webber, D. Williams, G. E. Williams, T. Williams, R. Yeo.</p> <p>Er nad yw'n glir o ddarllen Datganiad yr Hydref y Canghellor yn ddiweddar, mae Llywodraeth y DU wedi cadarnhau na fydd ei hadolygiad o'r Cynllun Rhyddhad ar Filiau Ynni ar gyfer busnesau a chwsmeriaid annomestig yn parhau y tu hwnt i fis Mawrth 2023.</p> <p>Hyd yma, nid yw Llywodraeth San Steffan wedi cyhoeddi p'un a fydd unrhyw gynllun arall yn cael ei roi ar waith ac nid yw'r Llywodraeth wedi rhannu pa fath o gymorth byddai cynllun o'r fath yn ei gynnwys. Wrth gwrs, mae hyn yn broblemus i fusnesau a sefydliadau cyhoeddus.</p> <p>Bydd dod â'r cymorth ynni yma i ben yn golygu y bydd angen defnyddio rhan helaeth o'r cyllid sy'n cael ei ddarparu ar gyfer gwasanaethau cyhoeddus er mwyn talu'r cynnydd sylweddol mewn biliau ynni ar gyfer canolfannau hamdden, canolfannau cymuned ac efallai adeiladau cyhoeddus eraill. Mae'r Cyngor yma yn Rhondda Cynon Taf yn wynebu cynnydd gwerth 355% mewn costau ynni. Ni fydd gan sefydliadau cyhoeddus unrhyw eglurder hyd nes y bydd cyhoeddiad yn cael ei wneud, a fydd dim modd iddyn nhw gynllunio ar gyfer pwysau ar gyllidebau.</p> <p>Mae Llywodraeth y DU wedi ymrwmo i gynyddu budd-daliadau (yr eithriad nodedig yw'r Lwfans Tai Lleol). Fodd bynnag, trwy beidio â rhoi'r cyllid sydd ei angen ar y cymunedau yma er mwyn iddyn nhw gadw'r goleuadau ymlaen mewn adeiladau i'r gymuned hollbwysig, mae hyn fel talu'r hen a dwyn y newydd.</p> <p>Rydyn ni'n annog Llywodraeth y DU i ailystyried ei pholisi aneglur ynghylch cymorth ynni ar gyfer y sector cyhoeddus tu hwnt i fis Mawrth 2023.</p> <p>Yn ogystal â hyn, mae'r Llywodraeth wedi cyhoeddi y bydd</p>	

	<p>toriadau o ran y cymorth sydd ar gael i aelwydydd mewn tloedi tanwydd y gaeaf nesaf.</p> <p>Er bydd y Cynllun Gwarant Pris Ynni yn parhau i roi cap ar gost uned o ynni, bydd pob bil ynni yn cynyddu o 1 Ebrill 2023 - bydd y Cynllun Cymorth Biliau Ynni'n dod i ben ar yr un pryd.</p> <p>Mae'r Cyngor yma'n nodi:</p> <ul style="list-style-type: none"> <li>• Bydd eithrio Cynghorau a sefydliadau'r sector cyhoeddus o'r Cynllun Rhyddhad ar Filiau Ynni yn achosi caledi ariannol sylweddol ar adeg pan fydd sawl ffactor arall yn cyfrannu at heriau digynsail mewn perthynas â'r gyllideb.</li> </ul> <p>Mae'r Cyngor yma, felly, yn penderfynu:</p> <ul style="list-style-type: none"> <li>• Gofyn bod Arweinydd y Cyngor yn ysgrifennu at Ganghellor y Trysorlys a'r Prif Weinidog.</li> <li>• Galw ar Lywodraeth y DU i roi eglurder ar unwaith ynghylch ei chynlluniau i gyflwyno cynllun rhyddhad ynni i'r sector cyhoeddus y tu hwnt i fis Mawrth 2023.</li> <li>• Galw ar Lywodraeth San Steffan i fynd cam ymhellach er mwyn helpu'r miliynau o gartrefi sy'n wynebu tloedi tanwydd trwy gydol 2023</li> </ul>	
	<p><b>ITEM 1. TRAFOD CADARNHAU'R CYNNIG ISOD YN BENDERFYNIAD</b></p> <p>“Bod y cyfarfod hwn yn cadw aelodau o'r wasg ac aelodau o'r cyhoedd allan o ystafell y cyfarfod, dan Adran 100A(4) o Ddeddf Llywodraeth Leol (fel y'i diwygiwyd), yn ystod trafod yr eitem nesaf, ar y sail y byddai'n debygol o olygu datgelu gwybodaeth eithriedig yn ôl diffiniad paragraff 12 a 13 o Ran 4 o Atodlen 12A i'r Ddeddf.”</p>	
<p>10 Munud</p>	<p><b>ITEM 1. STRWYTHUR UWCH ARWEINWYR Y CYNGOR</b></p> <p>Derbyn adroddiad ar y cyd y Prif Weithredwr a'r Cyfarwyddwr Materion Adnoddau Dynol.</p>	<p>427 - 444</p>
	<p><b>ITEM 1. MATERION BRYG</b></p> <p>Trafod unrhyw faterion sydd, yn ôl doethineb y Cadeirydd, yn faterion brys yng ngoleuni amgylchiadau arbennig.</p>	

**Cyfarwyddwr Materion Cyfathrebu a Phennaeth Dros Dro'r Gwasanaethau Llywodraethol**

**At: Pob Aelod o'r Cyngor**

tudalen wag

## **PWYLLGOR CYNGOR RHONDDA CYNON TAF CYNGOR**

Cofnodion o gyfarfod hybrid y Cyngor a gynhaliwyd Dydd Mercher, 23 Tachwedd 2022 am 3.30 pm.

### **Y Cyngorwyr Bwrdeistref Sirol – Roedd y Cyngorwyr canlynol yn bresennol yn Siambr y Cyngor:-**

Y Cyngorydd G Hughes (Cadeirydd)

Y Cyngorydd S Evans	Y Cyngorydd B Stephens
Y Cyngorydd L Addiscott	Y Cyngorydd M Ashford
Y Cyngorydd R Bevan	Y Cyngorydd S Bradwick
Y Cyngorydd G Caple	Y Cyngorydd J Cook
Y Cyngorydd A Crimmings	Y Cyngorydd R Davis
Y Cyngorydd V Dunn	Y Cyngorydd E L Dunning
Y Cyngorydd J Edwards	Y Cyngorydd S Emanuel
Y Cyngorydd H Gronow	Y Cyngorydd B Harris
Y Cyngorydd S Hickman	Y Cyngorydd G Holmes
Y Cyngorydd W Hughes	Y Cyngorydd G Jones
Y Cyngorydd G O Jones	Y Cyngorydd W Jones
Y Cyngorydd R Lewis	Y Cyngorydd W Lewis
Y Cyngorydd C Leyshon	Y Cyngorydd C Lises
Y Cyngorydd M Maohoub	Y Cyngorydd A Morgan
Y Cyngorydd N H Morgan	Y Cyngorydd S Morgans
Y Cyngorydd S Rees	Y Cyngorydd J Smith
Y Cyngorydd G Stacey	Y Cyngorydd L A Tomkinson
Y Cyngorydd G L Warren	Y Cyngorydd K Webb
Y Cyngorydd M Webber	Y Cyngorydd R Williams

### **Roedd y Cyngorwyr canlynol yn bresennol ar-lein:-**

Y Cyngorydd J Barton	Y Cyngorydd J Bonetto
Y Cyngorydd J Brencher	Y Cyngorydd A J Ellis
Y Cyngorydd L Ellis	Y Cyngorydd R Evans
Y Cyngorydd A Fox	Y Cyngorydd K Johnson
Y Cyngorydd C Middle	Y Cyngorydd D Wood
Y Cyngorydd C Preedy	Y Cyngorydd A Roberts
Y Cyngorydd A O Rogers	Councillor P Evans
Y Cyngorydd S Trask	Y Cyngorydd G E Williams

### **Swyddogion oedd yn bresennol**

Derbyniwyd ymddiheuriadau am absenoldeb oddi wrth Gynghorwyr y Fwrdeistref Sirol P Binning, S J Davies, A Dennis, J Elliott, D Evans, Sera Evans, D Grehan, H Gronow, K Morgan, M Norris, D Owen-Jones, D Parkin, S Powderhill, M Powell, W Treeby, J Turner, D Williams, T Williams ac R Yeo.

#### 46 **Datgan Buddiant**

Yn unol â Chod Ymddygiad y Cyngor, cafodd y datganiadau o fuddiant canlynol eu gwneud ynglŷn â'r agenda:

Cynghorydd y Fwrdeistref Sirol S Morgans “Mae fy merch yn nyrs yn Ysbyty Brenhinol Morgannwg”

Cynghorydd y Fwrdeistref Sirol G Caple – “Mae fy mab yn feddyg ac yn cael ei gyflogi gan y Bwrdd Iechyd Lleol”

Cynghorydd y Fwrdeistref Sirol S. Evans – “Rwy'n gweithio i Fwrdd Iechyd Cwm Taf”.

Cynghorydd y Fwrdeistref Sirol K Johnson – “Mae fy ngwraig yn nyrs o fewn Bwrdd Iechyd Cwm Taf Morgannwg”

Cynghorydd y Fwrdeistref Sirol S Trask - “Mae fy ngwraig wedi'i chyflogi gan GIG Cymru”

Cynghorydd y Fwrdeistref Sirol M Ashford – “Mae fy ngwraig yn gweithio yn Ysbyty Brenhinol Morgannwg”

Cynghorydd y Fwrdeistref Sirol R Lewis - “Mae gen i aelod agos o'r teulu sydd yn gweithio i'r GIG.”

Cynghorydd y Fwrdeistref Sirol C Middle – “Mae fy chwaer yn gweithio i Fwrdd Iechyd Cwm Taf Morgannwg”

**Noder:** Cafodd y buddiant canlynol ei ddatgan yn ddiweddarach yn ystod y cyfarfod:

Cynghorydd y Fwrdeistref Sirol R Yeo – “Mae fy ngwraig yn gweithio i'r GIG”

#### 47 **BWRDD IECHYD PRIFYSGOL CWM TAF MORGANNWG**

Cyflwynodd y Llywydd gynrychiolwyr o Fwrdd Iechyd Cwm Taf Morgannwg, a dywedodd wrth yr Aelodau mai dim ond yr eitemau ar yr agenda a fyddai'n cael eu trafod. Fe aeth ati i gydnabod pryderon yr Aelodau ynghylch y newidiadau gyda cherbydau ymateb cyflym ond nododd mai materion i Ymddiriedolaeth Ambiwlans Cymru yw'r rhain. Dywedodd y Llywydd y dylid cyfeirio unrhyw gwestiynau pellach at Wasanaethau Democraidd y Cyngor, a fyddai wedyn yn cysylltu â Bwrdd Iechyd Prifysgol Cwm Taf i gael ymateb.

Cyflwynodd Cadeirydd Bwrdd Iechyd Prifysgol Cwm Taf Morgannwg, Mr Emrys Elias ei hun a phum aelod o'r Garfan Weithredol, Mr P Mears, Prif Weithredwr, Suzanne Hardacre, Cyfarwyddwr Bydwreigiaeth, Gynaecoleg ac Iechyd Rhywiol



Integredig, Sarah Bradley a David Miller, Arweinydd Gweithrediadau ac Arweinydd Meddygol ar gyfer Gofal Sylfaenol a Chymunedol, a Mr Gethin Hughes, Prif Swyddog Gweithredu.

Trwy gymorth sleidiau Powerpoint cyflwynodd Bwrdd Iechyd Prifysgol Cwm Taf, drosolwg o faterion allweddol o dan y penawdau canlynol:

- Y Newyddion Diweddaraf am Wasanaethau Mamolaeth a Newyddenedigol
- Y Newyddion Diweddaraf am Ofal Sylfaenol
- Pwysau'r Gaeaf

Diolchodd Arweinydd y Cyngor i aelodau Bwrdd Iechyd Prifysgol Cwm Taf Morgannwg am eu cyflwyniad a'u presenoldeb rhithwir yng nghyfarfod y Cyngor.

Cyfeiriodd yr Arweinydd at y Newyddion Diweddaraf am Wasanaethau Mamolaeth a Newyddenedigol ac ychwanegodd ei fod wedi gwerthfawrogi ei drafodaethau niferus a'i sesiynau briffio rheolaidd gyda Mick Giannassi, Cadeirydd y Panel Annibynnol ar gyfer Goruchwyllo Mamolaeth, ar yr argymhellion, y cynnydd a wnaed ac adborth cleifion. Holodd a oedd y gostyngiadau blaenorol mewn lefelau staffio bellach wedi gwella? Cyfeiriodd hefyd at y tri adroddiad gan Swyddfa Archwilio Cymru ar y methiannau i gyflawni targedau ymateb y Bwrdd Iechyd o fewn yr amserlenni gofynnol ac ansawdd yr ymatebion, a gofynnodd yr Arweinydd am ddiweddariad ar y mater yma. Gofynnodd hefyd am ddiweddariad pellach gan Fwrdd Iechyd Cwm Taf Morgannwg ar y gwasanaethau Newyddenedigol yn dilyn yr adolygiad Bydwreigiaeth.

Cododd yr Arweinydd ymholiad ynghylch Gwasanaethau Meddygon Teulu ac yn enwedig yr hyn sy'n ymddangos yn loteri cod post ledled y Fwrdeistref Sirol mewn perthynas ag apwyntiadau meddygon teulu. Gofynnodd yr Arweinydd am eglurhad ynghylch sut mae'r Bwrdd Iechyd yn cefnogi meddygfeydd teulu gyda chostau Meddygon Iocwm. Aeth ati i atgoffa'r Aelodau fod y Cyngor wedi parhau i gefnogi'r Bwrdd Iechyd i hyrwyddo ei raglen brechlyn fflw a Covid tra'n cefnogi ei staff ei hun gyda'r brechlyn fflw. Ychwanegodd fod y berthynas waith agos rhwng Bwrdd Iechyd Cwm Taf Morgannwg a'r Cyngor wedi parhau, gyda chyfarfodydd rheolaidd a fydd yn helpu'r naill gorff a'r llall i fynd i'r afael â phwysau'r gaeaf gyda'i gilydd.

Roedd yr Arweinydd yn falch o weld bod yr Uned Mân Anafiadau yn Ysbyty Cwm Cynon wedi ailagor. Aeth ati i gydnabod y gwaith cadarnhaol y mae'r Bwrdd Iechyd yn ei wneud i fynd i'r afael â'r ôl-groniad o lawdriniaethau dewisol a chanmolodd ei ymdrechion i fynd i'r afael â'r broblem yma.

Ymatebodd Mr Paul Mears i'r ymholiadau a godwyd gan yr Arweinydd megis y lefelau staffio diogel yn y Gwasanaethau Mamolaeth, gan ddweud bod y lefelau 'lle mae angen iddyn nhw fod', gyda lefelau staffio'n cael eu monitro'n rheolaidd i sicrhau eu bod nhw'n ddiogel. Ychwanegodd fod heriau o ran recriwtio, ond mae bydwagedd sydd newydd gymhwyso sydd wedi'u hyfforddi yn Ysbyty Brenhinol Morgannwg yn parhau yn eu swyddi. Dywedodd Mr Mears fod llawer o waith wedi'i wneud i wella amseroedd ymateb o fewn y Gwasanaethau Mamolaeth a phan fydd cwynion yn cael eu derbyn, eu bod yn derbyn ymateb priodol a chyflym. Ychwanegodd fod ymatebion i gwynion yn cael eu rhannu gyda chydweithwyr eraill fel y gellir cofnodi enghreifftiau o arfer da.

Ymatebodd Mr David Miller i'r ymholiad ynghylch yr amrywiad o ran mynediad at wasanaethau meddygon teulu a sut mae'r Bwrdd Iechyd yn edrych i osgoi loteri cod post. Ychwanegodd fod yr heriau a wynebir gan y Meddygfeydd Teulu yn cynnwys datblygu carfan gadarn, amlddisgyblaethol i sicrhau y gallant ddarparu gwasanaeth cofleidiol i ddiwallu anghenion y boblogaeth. Blaenoriaethau'r meddygfeydd, yn ystod cyfnodau o brinder staff, yw parhau i fod yn hyblyg i gefnogi'r achosion mwyaf brys a bregus, a chyfleu negeseuon mewn modd clir iawn. Cytunodd y gellid gwella ar hyn.

Esboniodd fod meddygon locwm yn rhan hanfodol o bractisau meddygon teulu, fodd bynnag, oherwydd ffactorau cenedlaethol, y tu allan i reolaeth y Bwrdd Iechyd, mae'r farchnad wedi mynd ychydig yn ansefydlog. Ychwanegodd mai'r hyn sy'n allweddol yw gwneud y Feddygfa mor ddeniadol â phosibl o ran ansawdd y safleoedd fel y rhai yn y Porth neu Gilfach, sy'n gwella'r cyfraddau o ran recriwtio a chadw staff. Mae hyfforddi meddygon cymwys mewn Meddygfeydd hefyd yn gwella cyfraddau recriwtio. Mae'r Bwrdd Iechyd hefyd yn defnyddio'r unedau Cymorth Gofal Sylfaenol i gefnogi meddygfeydd ar adegau o anhawster ac mae Cynllun Cymrodoriaeth Academaidd Prifysgol Caerdydd, lle mae meddygon yn treulio rhan o'u hamser yn gwneud ymchwil, hefyd ar gael i weithio yn y Meddygfeydd lle bo angen.

Cadarnhaodd Mr Paul Mears y byddai Bwrdd Iechyd Prifysgol Cwm Taf yn hapus i fynychu cyfarfod o'r Cyngor Llawn yn y dyfodol i drafod rhestrau aros llawdriniaeth ddewisol.

Gofynnodd y Cynghorydd D Wood a oedd effaith ar bresenoldeb mewn clinigau lle mae trigolion yn gorfod teithio ar drafnidiaeth gyhoeddus ar draws y Fwrdeistref Sirol ac a oedd y Bwrdd Iechyd wedi ystyried sefydlu clinigau lloeren i gefnogi trigolion?

Dywedodd Mr Mears fod y clinigau Cleifion Allanol yn cael eu cynnal mewn lleoliadau mwy cyfleus a bod y BIP yn edrych i weithio gyda grwpiau trafndiaeth a sefydliadau gwirfoddol i nodi cyfleoedd lle mae modd cefnogi a chyfeirio cleifion. Wrth drefnu apwyntiadau gyda chleifion, cadarnhaodd fod trafodaethau'n cael eu cynnal gyda nhw a staff y GIG ynghylch opsiynau trafndiaeth a bod y Bwrdd yn awyddus i weithio gyda chydweithwyr yn yr awdurdod lleol ar y mater yma.

Ar yr adeg yma, dywedodd y Llywydd y byddai'n gwahodd cwestiynau gan Aelodau mewn grwpiau o dri.

Cyfeiriodd y Cynghorydd S Trask at Raglen De Cymru a gofynnodd am ddiweddariad ar gynlluniau'r gwasanaethau Pediatreg i Gleifion Mewnol yn Ysbyty Brenhinol Morgannwg yn y dyfodol, a pha ystyriaethau sy'n cael eu gwneud gan y BIP i ddarparu mynediad at fwyd a diodydd i gleifion mewn adrannau damweiniau ac achosion brys. yn ystod eu hamser yn aros?

Gofynnodd y Cynghorydd D R Bevan p'un a fyddai, yn dilyn y pandemig, yn fwy buddiol datgan argyfwng gaeaf i fynd i'r afael ar y cyd â'r materion allweddol megis amseroedd aros ambiwlansys a rhyddhau cleifion o'r ysbyty. Gofynnodd hefyd am ymateb ynghylch yr hyn y mae'r Bwrdd Iechyd yn ei wneud i fynd i'r afael â materion recriwtio yn y meysydd lle mae staff asiantaeth wedi arfer ag ôl-lenwi a gofynnodd hefyd a yw'r lefelau staffio presennol yn ddiogel?

Mynegodd y Cynghorydd P Evans bryder ynghylch ambiwlansys wedi'u gosod y tu allan i Adrannau Damweiniau ac Achosion Brys ac yn cael eu defnyddio fel

ciwbiclau i drin cleifion a gofynnodd hefyd am gadarnhad bod cleifion yn derbyn y gofal cywir o dan yr amgylchiadau yma.

Dywedodd Mr Mears nad oes unrhyw gynlluniau i newid y ddarpariaeth o Wasanaethau Pediatrig yn Ysbyty Brenhinol Morgannwg. O ran y pryder arlwygo, cadarnhawyd bod gwasanaeth arlwygo rheolaidd ar gael ym mhob rhan o'r ystafelloedd aros ac mae peiriannau gwerthu hefyd ar gael sy'n darparu diodydd poeth ac oer. Yn ogystal â hynny, cynhelir rowndiau i ddarparu bwyd i'r rhai sy'n aros i gael eu gweld.

Cadarnhawyd bod cyfarfodydd rheolaidd rhwng y Bwrdd Iechyd a'r tri awdurdod lleol a chynhelir uwchgyhadledd gaeaf gyda'r awdurdod lleol yn fuan hefyd. Diolchodd Mr Mears i'r awdurdod lleol am ei gyfraniad a'i gefnogaeth i'r Bwrdd Iechyd, yn enwedig y syniadau a oedd yn cael eu cyflwyno ar gyfer darparu cymorth. Ychwanegodd ei fod yn ymdrech ar y cyd rhwng y Bwrdd Iechyd, y Gwasanaeth Ambiwlans a'r awdurdodau lleol ac mae'r fforymau cyson yn fuddiol i ystyried materion ar draws y sefydliad cyfan.

Cadarnhaodd Bwrdd Iechyd Prifysgol Cwm Taf fod ymdrechion yn cael eu gwneud i leihau nifer y staff asiantaeth sydd hefyd yn her genedlaethol ledled y DU. Mae nifer fawr o swyddi gwag staff/nyrsio yn parhau ar draws llawer o wasanaethau. Mae'r Bwrdd Iechyd yn gweithio'n frwd ar y broses recriwtio ac mewn cydweithrediad â Phrifysgol De Cymru. Yn ddiweddar, recriwtiwyd dros 100 o nyrsys tramor drwy'r rhaglen recriwtio dramor ac er bod hyn yn ddefnyddiol mae angen cadw'r nyrsys sydd eisoes yn eu swyddi, ac mae'r cwrdd yn gwneud yr un ymdrech i gadw staff ag y mae wrth recriwtio.

Darparodd Mr Gethin Hughes ddiweddariad ar y ciwiau Ambiwlans ac oedi a dywedodd fod yr all-lif yn dod o adrannau damweiniau ac achosion brys sy'n cael ei yrru gan y gallu i ryddhau cleifion mewn ffordd ddiogel ac amserol i leihau'r oedi. Pan fydd cleifion yn cael eu cadw mewn ambiwlansys maen nhw'n cael eu gweld gan feddygon ac os oes angen sgan arnyn nhw maen nhw'n cael eu symud o'r ambiwlans i'r ysbyty lle maen nhw'n derbyn yr ystod lawn o ofal. Ychwanegodd fod 50% o dderbyniadau i Ofal Dwys yn dod yn uniongyrchol o adrannau damweiniau ac achosion brys a'r her yw asesu pa gleifion sy'n flaenoriaeth. Cydnabu Mr Hughes gyda'r oedi y daw risg i'r gymuned a gallu'r ambiwlans i ymateb i alwadau eraill, ond sicrhodd yr Aelodau fod yr ambiwlansys yn cael eu rhyddhau i ymateb i alwadau coch.

Soniodd y Cynghorydd W Lewis am ei phrofiad da yn ddiweddar yn yr Uned Mân Anafiadau yr ymwelodd â hi yn lle mynd i'r Adran Damweiniau ac Achosion Brys. Gofynnodd hefyd, er bod Gwasanaethau Mamolaeth allan o fesurau arbennig, beth sy'n cael ei roi ar waith i sicrhau bod systemau'n parhau i wella ac nad yw materion blaenorol yn cael eu hailadrodd?

Gofynnodd y Cynghorydd R Williams beth yw effaith ragamcanol Covid a fflw tymhorol y gaeaf hwn yn ogystal â'r ôl-groniadau Covid sydd eisoes yn eu lle?

Gofynnodd y Cynghorydd L Tomkinson, gan fod disgwyl i'r cynnydd mewn prisiau ynni a chwyddiant aros yn uwch na 10%, pa gynlluniau sy'n cael eu rhoi ar waith i wneud arbedion effeithlonrwydd tra'n cynnal gwasanaethau i'r lefel a ddisgwylir gan drigolion?

Cadarnhaodd Mr Paul Mears, er bod Gwasanaethau Mamolaeth yn dod allan o fesurau arbennig, mae'r Bwrdd Iechyd yn edrych yn barhaus ar ffyrdd o wella'r gwasanaethau yn y maes hwnnw. Dywedodd Ms Hardacre fod y Bwrdd Iechyd

wedi sefydlu dull gwella ansawdd o ran ei ddulliau dysgu, sy'n cael ei yrru gan ddata a gweithio'n agos gyda Llywodraeth Cymru fel rhan o'r rhaglen cymorth Newyddenedigol i sicrhau bod gwasanaethau o fewn CTM a ledled Cymru yn ddiogel. O ran sicrwydd, mae'r Gwasanaethau Mamolaeth yn adrodd yn rheolaidd ar ei berfformiad i Bwyllgor Ansawdd a Diogelwch y Bwrdd Iechyd ac yn adrodd yn rheolaidd i berfformiad IQPD Llywodraeth Cymru.

Cadarnhaodd Mr Mears fod cynlluniau ar waith, pe bai niferoedd Covid yn codi, megis dychwelyd i sgrinio cleifion drwy'r drws ffrynt ac mae'r Bwrdd Iechyd yn gweithio gyda Llywodraeth Cymru i nodi unrhyw dueddiadau neu newidiadau mewn gweithgarwch Covid ac mae monitro'n parhau. O ran effeithlonrwydd cost, dywedodd Mr Mears fod pwysau costau ynni a'u heffaith yn enfawr i'r Bwrdd Iechyd, fel pob un o sefydliadau'r GIG, ac mae ganddynt eisoes gynllun sylweddol ar waith i reoli arbedion effeithlonrwydd. Mae'r arwyddion cynnar yn awgrymu y bydd y flwyddyn nesaf yn fwy heriol a dywedodd y Prif Weithredwr y bydd yn bwysig darparu gwasanaethau diogel o ansawdd da i drigolion tra'n sicrhau bod y Bwrdd Iechyd yn gallu delio â'r heriau ariannol o'i flaen. Dywedodd fod 70% o'i gostau yn gysylltiedig â'i weithlu. Ychwanegodd mai blaenoriaeth allweddol yw'r gweithlu, mae ceisio llenwi'r bylchau hynny a gorfod defnyddio staff dros dro a staff asiantaeth yn effeithio ar y gwasanaethau diogel ac ar ansawdd da hynny. I gloi, dywedodd Mr Mears fod rhan o'r rhaglen effeithlonrwydd yn edrych ar sut y gellir gwneud pethau'n wahanol ac yn effeithlon, sy'n rhan o'r rhaglen bresennol.

Gofynnodd y Cynghorydd R Davis am bwysau'r gaeaf, yn enwedig ynghylch pa baratoadau sy'n digwydd yn lleol i'w rheoli?

Roedd y Cynghorydd J Brencher yn dymuno diolch i holl staff y Bwrdd Iechyd am eu gwaith er gwaethaf yr heriau y maent yn eu hwynebu. Dywedodd nad yw targedau canser yn cael eu cyrraedd ar hyn o bryd ac nad yw cleifion yn cael triniaeth o fewn yr amserlenni a argymhellir. Ychwanegodd, o ystyried y pryder enfawr ymhlith meddygon teulu a thrigolion, a oes unrhyw gynllun strategol i fynd i'r afael â hyn mewn ffordd wahanol, drwy wasanaethau preifat? Dywedodd y Cynghorydd Brencher hefyd fod yr Adran Damweiniau ac Achosion Brys wedi'i chau'n ddiweddar gyda chleifion yn cael eu cynghori i ymweld â'u Meddygon Teulu, a oedd yn eu rhoi dan hyd yn oed rhagor o bwysau. Gofynnodd a fyddai wedi bod yn fwy buddiol o edrych yn ôl i'r cleifion hynny gael eu hanfon i Ysbyty arall.

Gofynnodd y Cynghorydd GO Jones pa effaith mae'r argyfwng costau byw yn ei gael ar y galw ar staff a gwasanaethau?

Dywedodd y Prif Weithredwr, Mr Mears, er mwyn rheoli pwysau galw ar lefel leol, mae'r Bwrdd Iechyd yn ceisio rhoi cymaint o fynediad â phosibl i'r meddygfeydd Teulu, er mwyn atal trigolion rhag mynd i'r adran damweiniau ac achosion brys. Ychwanegodd ei bod hefyd yn ddefnyddiol atgoffa trigolion lleol (a dyma lle gall Aelodau Etholedig gefnogi) bod dewisiadau eraill yn bodoli megis y ganolfan Gofal Sylfaenol brys yn y Rhondda neu gleifion sy'n hunanofal neu'n ceisio cyngor gan eu fferyllfa leol. Ychwanegodd ei bod yn bwysig sicrhau bod preswylwyr yn dewis yn dda ac yn cael mynediad at y gwasanaeth cywir i ddiwallu eu hanghenion.

Ymatebodd Mr Gethin Hughes i fater targedau canser, dywedodd nad yw'r targedau lle y dylent fod a bod hyn yn cael ei yrru gan gynnydd sylweddol yn nifer yr atgyfeiriadau canser. Ychwanegodd fod y Bwrdd Iechyd yn trin mwy o gleifion canser nag o'r blaen. Cadarnhaodd fod y Bwrdd Iechyd ar y trywydd

iawn i sicrhau bod 75% o'r holl gleifion yn cael diagnosis a thriniaeth o fewn 62 diwrnod a bod gostyngiad sylweddol wedi bod yn nifer y cleifion sydd wedi bod yn aros am gyfnod sylweddol o amser. Y prif ffocws yw cael y gwasanaeth diagnosteg a thriniaeth canser yn ôl i isafswm targed o 75% eleni ac i 85% y flwyddyn ganlynol, sy'n unol â gofynion GIG Cymru. Dywedodd Mr Hughes am ddau glinig un stop arloesol, sef yr Uned Un Stop Gofal y Fron newydd a fydd yn agor ym mis Ionawr 2023 ar safle Ysbyty Brenhinol Morgannwg, ar gyfer unrhyw glaf sy'n cael ei atgyfeirio ar y llwybr canser y fron ac mae'r safle gynaeoleg un-stop bellach ar agor.

Cyfeiriodd Mr Mears at gau'r adran damweiniau ac achosion brys am ddau ddiwrnod yn olynol, a hynny oherwydd toriad pŵer ar safle Ysbyty Brenhinol Morgannwg. Eglurodd fod trefniadau ar waith ar gyfer digwyddiadau o'r fath a bod ambiwlansys brys yn cael eu dargyfeirio i Ysbytai eraill. Datryswyd y diffyg yn gyflym, a chydabu'r cynnig o gefnogaeth gan Arweinydd y Cyngor yn ystod y cyfnod hwn.

O ran yr argyfwng costau byw, dywedodd Mr Mears fod cymorth ar gael i staff y GIG mewn nifer o ffyrdd megis darparu cyngor, cyfeirio a defnyddio gwasanaeth lles staff. O ran cleifion, eglurodd fod yr argyfwng tanwydd ac ynni yn dod â'r risg o gartrefi oer yn ei sgil a chyfeiriodd at yr effaith a'r anhwylderau cysylltiedig y gall hyn eu hachosi. Ychwanegodd Mr Miller fod hwn yn faes sy'n peri pryder arbennig, a rhannodd Llywydd newydd Coleg Brenhinol yr Ymarferwyr Cyffredinol ei bryderon yn ddiweddar hefyd ynghylch effaith cartrefi oer a maeth gwael, yn enwedig ymhlith cleifion bregus ac oedrannus.

Gofynnodd y Cyngorydd K Johnson beth mae'r Bwrdd Iechyd yn ei wneud i gefnogi morâl y staff yn ystod y cyfnod anodd hwn ac i gefnogi'r aelodau staff gweithgar ac ymroddedig hynny o ystyried y digwyddiadau diweddar gyda'r Gwasanaethau Mamolaeth a Newyddenedigol?

Canmolodd y Cyngorydd J Barton waith y Bwrdd Iechyd a dywedodd fod yr Ysbytai yn gweithio'n dda yn dilyn ei phrofiad diweddar wrth iddi ddelio â covid hir. Gofynnodd y Cyngorydd Barton, faint o ymgynghori ddylai Meddygfeydd ei gael gyda'u cleifion a sut mae cleifion yn derbyn adborth heb unrhyw ymgynghoriad? Roedd y Cyngorydd Barton yn bryderus bod y Meddyg Teulu lleol, yn ei phrofiad ei hun, yn gwrthod siarad â chleifion ac wedi gwrthod cyfarfod â hi yn rhinwedd ei swydd fel Cyngorydd lleol, i drafod materion a godwyd gan drigolion lleol.

Cyfeiriodd y Cyngorydd S Emmanuel at y gwasanaethau Meddygon Teulu yng Ngogledd y Fwrdeistref Sirol a gofynnodd a oedd y Bwrdd Iechyd yn bwriadu cyfathrebu â chleifion a rhoi sicrwydd iddynt y bydd ganddynt fynediad at y gwasanaethau?

Ymatebodd Ms Hardacre i'r ymholiad ynghylch morâl staff yn y Gwasanaethau Mamolaeth a disgrifiodd rywfaint o'r cymorth sydd ar gael i staff. Wrth i bob adroddiad gael ei lansio, cynhaliodd y Bwrdd Iechyd sesiwn ymgysylltu â staff, er mwyn rhoi lle diogel iddynt fynychu a siarad ar MS Teams a chyfarfod wyneb yn wyneb. Ychwanegodd fod y cyfarfod a fynychwyd orau wedi dod yn dilyn lansiad yr adroddiad diweddar a diweddaraf ar 7 Tachwedd a roddodd hwb i forâl staff. Mae cynllun llesiant ymgysylltu â diwylliant wedi'i lansio sy'n cynnwys gweithio'n agos gyda phartneriaid undebau llafur lle cynhelir llawer o ddigwyddiadau gydag uwch arweinwyr a sesiynau galw heibio. Mae'r Seicolegydd Clinigol o fewn y Bwrdd Iechyd hefyd yn mynychu'r sesiynau ymgysylltu yn rheolaidd. Mae'r 'Cynllun Gweithredu Lles Gofalu amdanoch Chi' ('Caring for You Wellbeing

Action Plan') gyda Choleg Brenhinol y Bydwraedd wedi'i lansio'n ddiweddar, ac mae ymgysylltu â holl aelodau eraill y garfan i sicrhau ei fod yn hollgynhwysol ac yn darparu cymorth i bob aelod o'r garfan amlbroffesiynol ar draws y byd. Gwasanaeth.

O ran y cwestiwn a ofynnwyd gan y Cyngorydd Emmanuel, cynigiodd Mr Miller sicrwydd bod meddygon teulu a'u staff yn wydn ac wedi bod yn hyblyg yn eu hymateb a'u hymagwedd at y Pandemig ac y byddant yn parhau i wneud hynny. Cytunodd fod angen gwneud mwy o ran cyfathrebu â phreswylwyr ond fel y dangoswyd yn y cyflwyniad cynharach, bydd y deilsen yn olrhain eu cynnydd neu'n amlygu'r meysydd hynny sydd angen eu gwella. Ychwanegodd, yn yr un modd â'i feddygfa ei hun, y bydd unrhyw drigolyn sy'n mynegi pryder yn dilyn ymgynghoriad yn cael ei wahodd i fod yn rhan o grŵp cyfranogiad cleifion i helpu i gynorthwyo datblygiadau yn y dyfodol.

I gloi, diolchodd Arweinydd y Cyngor i gynrychiolwyr y Bwrdd Iechyd am eu presenoldeb a dywedodd y byddai gwahoddiad i Wasanaethau Ambiwlans Cymru yn cael ei estyn i fynychu cyfarfod o'r Cyngor Llawn yn y Flwyddyn Newydd. Awgrymodd hefyd y dylai cynrychiolwyr Bwrdd Iechyd Prifysgol Cwm Taf Morgannwg ddychwelyd i gyfarfod o'r Cyngor Llawn yn y dyfodol yn y gwanwyn.

Atgoffodd y Llywydd yr Aelodau y gellir anfon unrhyw gwestiynau heb eu hateb at Wasanaethau Democrataidd y Cyngor a fydd yn eu hanfon ymlaen at Fwrdd Iechyd Prifysgol Cwm Taf i gael eu hymateb ysgrifenedi

**Daeth y cyfarfod i ben am 4.49 pm**

**Y Cyngorydd G Hughes  
Cadeirydd.**



**RHONDDA CYNON TAF**

**CYNGOR RHONDDA CYNON TAF**

Cofnodion cyfarfod hybrid y Cyngor a gafodd ei gynnal ddydd Mercher, 23 Tachwedd 2022 am 5pm.

**Cynghorwyr y Fwrdeistref Sirol - Roedd y Cynghorwyr canlynol yn bresennol yn Siambr y Cyngor:-**

Y Cynghorydd G Hughes (Cadeirydd)

Y Cynghorydd S Evans	Y Cynghorydd B Stephens
Y Cynghorydd L Addiscott	Y Cynghorydd M Ashford
Y Cynghorydd R. Bevan	Y Cynghorydd S. Bradwick
Y Cynghorydd J Brencher	Y Cynghorydd G Caple
Y Cynghorydd J Cook	Y Cynghorydd A. Crimmings
Y Cynghorydd S J Davies	Y Cynghorydd R Davis
Y Cynghorydd V Dunn	Y Cynghorydd E L Dunning
Y Cynghorydd J Edwards	Y Cynghorydd A J Ellis
Y Cynghorydd L Ellis	Y Cynghorydd S Emanuel
Y Cynghorydd B Harris	Y Cynghorydd S Hickman
Y Cynghorydd G. Holmes	Y Cynghorydd W Hughes
Y Cynghorydd K Johnson	Y Cynghorydd G. Jones
Y Cynghorydd G O Jones	Y Cynghorydd W Jones
Y Cynghorydd R. Lewis	Y Cynghorydd W. Lewis
Y Cynghorydd C. Leyshon	Y Cynghorydd C Lises
Y Cynghorydd M Maohoub	Y Cynghorydd A Morgan
Y Cynghorydd S Morgans	Y Cynghorydd M Norris
Y Cynghorydd S Rees	Y Cynghorydd J Smith
Y Cynghorydd G Stacey	Y Cynghorydd L A Tomkinson
Y Cynghorydd S Trask	Y Cynghorydd W Treeby
Y Cynghorydd G L Warren	Y Cynghorydd K Webb
Y Cynghorydd M Webber	Y Cynghorydd R Williams
Y Cynghorydd R Yeo	

**Roedd y Cynghorwyr canlynol yn bresennol ar-lein:**

Y Cynghorydd J Barton	Y Cynghorydd P Binning
Y Cynghorydd J Bonetto	Y Cynghorydd J Elliott
Y Cynghorydd P Evans	Y Cynghorydd R Evans
Y Cynghorydd S Evans	Y Cynghorydd A Fox
Y Cynghorydd D Grehan	Y Cynghorydd H Gronow
Y Cynghorydd C Middle	Y Cynghorydd K Morgan
Y Cynghorydd N H Morgan	Y Cynghorydd D Owen-Jones
Y Cynghorydd D Parkin	Y Cynghorydd C Preedy
Y Cynghorydd A Roberts	Y Cynghorydd A O Rogers
Y Cynghorydd G E Williams	Y Cynghorydd D Wood
	Y Cynghorydd A Dennis

**Swyddogion oedd yn bresennol**

Mr P Mee, Prif Weithredwr  
Mr B Davies, Cyfarwyddwr Cyllid a Gwasanaethau Digidol

Mr C. Hanagan, Cyfarwyddwr Gwasanaeth – Gwasanaethau Democraidd a Chyfathrebu  
Mr S Humphreys, Cyfarwyddwr Gwasanaeth - Gwasanaethau Cyfreithiol  
Mr M Jones, Archwilio Cymru  
Ellis Williams, Archwilio Cymru

#### **48 Croeso ac Ymddiheuriadau**

Croesawodd y Llywydd bawb i gyfarfod hybrid y Cyngor a derbyniwyd ymddiheuriad am absenoldeb gan Gyngorwyr y Fwrdeistref Sirol D Evans, G Hopkins, W Owen, S Powderhill, M Powell, J Turner, D Williams a T Williams.

#### **49 Datgan Buddiant**

Yn unol â Chod Ymddygiad y Cyngor, cafodd y datganiadau o fuddiant canlynol eu gwneud ynglŷn â'r agenda:

##### **Eitem 8 ar yr Agenda – Rhybudd o Gynnig**

Cynghorydd y Fwrdeistref Sirol D R Bevan - "Rydw i'n Aelod o Unite the Union"

Cynghorydd y Fwrdeistref Sirol S Emmanuel - "Rydw i'n Aelod o Unite the Union"

Cynghorydd y Fwrdeistref Sirol W Hughes - "Rydw i'n Aelod o Unite the Union"

Cynghorydd y Fwrdeistref Sirol K Johnson - "Rydw i'n Aelod o Unite the Union ac yn Aelod o'r Pwyllgor Trwyddedu"

Cynghorydd y Fwrdeistref Sirol D O Jones - "Rydw i'n Aelod o Unite the Union"

Cynghorydd y Fwrdeistref Sirol G Jones – "Rydw i'n Aelod o Unite the Union"

Cynghorydd y Fwrdeistref Sirol M Maohoub - "Rydw i'n Aelod o Unite the Union"

Cynghorydd y Fwrdeistref Sirol C Middle - "Rydw i'n Aelod o Unite the Union"

Cynghorydd y Fwrdeistref Sirol C Preedy - "Rydw i'n Aelod o Unite the Union"

Cynghorydd y Fwrdeistref Sirol S Trask - "Rydw i'n Aelod o Unite the Union,

Cynghorydd y Fwrdeistref Sirol R Williams - "Rydw i'n aelod o Unite the Union ac yn Stiward siop"

#### **50 Cofnodion**

**PENDERFYNODD** y Cyngor gymeradwyo cofnodion y cyfarfod, a gynhaliwyd ar 19 Hydref 2022 yn rhai cywir.

#### **51 Cyhoeddiadau**

Cafodd y cyhoeddiadau canlynol eu gwneud:

- Croesawodd y Llywydd Cynghorydd y Fwrdeistref Sirol A Dennis i'w



gyfarfod Cyngor cyntaf, ar ôl iddo gael ei ethol yn yr isetholiad diweddar.

- Dymunodd y Llywydd longyfarch trigolyn o Donypandy, Mr Mason Harris, sydd wedi cystadlu ym Mhencampwriaeth Cicfosio WCKA y Byd yng Nghaerdydd yn ddiweddar. Ychwanegodd fod Mason eisoes wedi ennill Pencampwriaeth Cymru, ond enillodd medal aur, arian a dwy fedal efydd er mwyn ennill Pencampwriaeth y Byd. Mae Mason wedi bod yn cystadlu ers iddo fod yn 4 oed ac mae ei ymrwymiad i'r gamp, trwy fynychu sesiynau hyfforddi bob dydd, wedi ysbrydoli aelodau ifainc o'r tîm. Gofynnodd y Llywydd a fyddai modd i'r Maer anfon llythyr at Mason i'w longyfarch.
- Croesawodd y Llywydd Mr Paul Mee i'w gyfarfod Cyngor cyntaf fel Prif Weithredwr. Roedd Arweinydd y Cyngor hefyd wedi rhoi gwybod bod Mr Chris Bradshaw wedi gorffen gweithio i'r Cyngor. Siaradodd yr Arweinydd am arweinyddiaeth gref a synhwyrol y Cyngor, gan ddymuno pob dymuniad da i'r Prif Weithredwr newydd. Roedd Mr Mee yn ddiolchgar iawn am y sylwadau gan nodi bod camu i rôl Prif Weithredwr y Cyngor yn frain fawr.
- Roedd Cynghorydd y Fwrdeistref Sirol A Lewis wedi llongyfarch Mr Dane Blacker ar gael ei ddewis i fod yn rhan o garfan Undeb Rygbi Cymru. Ychwanegodd ei bod hi'n gobeithio y bydd Dane yn dilyn olion traed Garin Jenkins a Steff Jones, sydd hefyd o Ynys-y-bwl. Nododd y Cynghorydd Ellis fod Ynys-y-bwl yn falch iawn o lwyddiant Dane, a bod holl drigolion yr ardal yn dymuno pob llwyddiant iddo yn y dyfodol
- Roedd Cynghorydd y Fwrdeistref Sirol A O Rogers wedi cydnabod llwyddiannau trigolion o ward Hirwaun, Penderyn a Rhigos:
  - Enillodd Mr David James Gwobr Cyflawniad Oes Scouts Cymru gan nodi ei fod e wedi gwneud cyfraniad mawr i Grŵp Hirwaun;
  - Mae Ms Amy Williams wedi ennill Pencampwriaeth Bowls i Fenywod Ynysoedd Prydain yn ogystal â'r fedal efydd a enillodd hi ym mis Ebrill;
  - Enillodd Mr Tyler Lee-Jones sawl gwobr ym Mhencampwriaeth Cicfosio'r Byd a gafodd ei chynnal yng Nghaerdydd yn ddiweddar, roedd hynny'n cynnwys medal Aur;
  - Enillodd Mr Alistair Cope Wobr Rhagoriaeth ym maes Maethu 2022 am ei gyfraniad i'r gymuned faethu.
- Cyfeiriodd Cynghorydd y Fwrdeistref Sirol W Jones at yr achlysur a gynhaliwyd i agor y caeau 3G newydd yn Nhrefherbert a Threorci gan ddiolch i'r Arweinydd, Aelodau'r Cabinet a'r Cyngor am y cyfleusterau arbennig yma. Roedd y Cynghorydd wedi cydnabod bod Aelodau'r Cabinet, Y Cynghorydd A Crimmings a'r Cynghorydd R Lewis, ynghyd ag Ysgrifennydd Gwladol Cymru wedi mynychu'r achlysur. Dymunodd y Cynghorydd Jones ddiolch i Mr Keith Nicholls, Pennaeth Hamdden, Chwaraeon a Pharciau, a'i staff, yn ogystal â phlant yr ysgolion cynradd a ddaeth i'r achlysur.

## 52 Datganiadau

Rhoddodd yr Arweinydd ddiweddariad mewn perthynas â Chyllideb y Cyngor. Er bod y ffigurau diweddaraf o Gyllideb y DU yn darparu rhai adnoddau ychwanegol

i Gymru, nododd fod y Cyngor yn aros i weld a fydd unrhyw gyllid canlyniadol ar gyfer Addysg a Gofal Cymdeithasol yn rhan o Setliad Llywodraeth Cymru a fydd yn cael ei gyhoeddi cyn y Nadolig. Pwysleisiodd na fyddai cynnydd yn y Grant Cynnal Ardrethi yn cael effaith ar y diffyg yn y gyllideb gwerth £47miliwn. Rhoddodd yr Arweinydd wybod bod Canghellor y DU wedi cynghori bod angen i Awdurdodau Lleol weithredu o fewn eu cyllidebau a bod hyn yn cyflwyno heriau enfawr, gan ystyried cynnydd mewn costau ynni a chostau bwyd.

Nododd yr Arweinydd y bydd y Cyngor yn rheoli pwysau costau drwy addasu gwasanaethau a gweithredu dulliau cyflawni gwahanol. Ychwanegodd fod y Cyngor wedi gwneud ymrwymiad i'r Undebau Llafur drwy nodi y bydd y Cyngor yn gweithio'n galed er mwyn osgoi diswyddiadau gorfodol, trwy droi at ddiswyddiadau gwirfoddol a dileu swyddi gwag ble y bo'n addas. Rhoddodd wybod i'r Aelodau y bydd y Cyngor yn parhau i weithio gyda chydweithwyr o'r Undebau Llafur er mwyn mynd i'r afael â'r materion yma. Daeth i ben drwy nodi nad oedd y Gyllideb yr wythnos ddiwethaf yn cynnig digon o gymorth er mwyn osgoi bwlch sylweddol yn y gyllideb y flwyddyn nesaf.

## 53 Cwestiynau gan yr Aelodau

### 1. Cwestiwn gan Gynghorydd y Fwrdeistref Sirol L Addiscott i Arweinydd y Cyngor, Cynghorydd y Fwrdeistref Sirol A Morgan:

*"Pa effaith ydy cynlluniau economaidd Llywodraeth y DU yn ei chael ar brisiau ynni, yn enwedig ar gyfer Awdurdodau Lleol?"*

#### **Ymateb Arweinydd y Cyngor, y Cynghorydd A Morgan:**

O ran ynni annomestig, roedd y Cynghorydd Morgan wedi ymateb trwy ddweud nad oedd unrhyw eglurder mewn perthynas â sut bydd y cynllun yn gweithio ar ôl mis Mawrth. Mae hyn yn golygu nad oes gan fusnesau, sefydliadau'r sector gwirfoddol ac awdurdodau lleol unrhyw sicrwydd o ran beth fyddan nhw'n talu'r flwyddyn nesaf.

Ar gyfer aelwydydd, bydd y cap yn cynyddu ym mis Ebrill y flwyddyn nesaf, o £2,500 i £3,000, sy'n gynnydd sylweddol. Rhoddodd yr Arweinydd wybod nad oes cap cyfwerth ar gael i Awdurdodau Lleol, felly os yw'r Cyngor yn edrych ar opsiynau ynni amgen, megis tyrbinau gwynt, ynni dŵr, ffermydd solar ac os yw'n cynhyrchu ei ynni ei hun, bydd hi'n hanfodol defnyddio'r holl ynni (gan ei fod e'n fwy gwerthfawr na gwerthu'r ynni yn ôl i'r Grid Cenedlaethol).

Cyfeiriodd yr Arweinydd at y pwysau mawr fydd ar yr Awdurdod Lleol dros y 12 mis nesaf.

#### **Cwestiwn Ategol:**

*"Pa ddatrysiadau hir-dymor y mae modd i ni eu hystyried er mwyn osgoi sefyllfaoedd tebyg yn y dyfodol?"*

#### **Ymateb Arweinydd y Cyngor, y Cynghorydd A Morgan:**

Cyfeiriodd yr Arweinydd at yr angen i newid Llywodraeth er mwyn osgoi'r sefyllfaoedd yma gydag economi sy'n tyfu ynghyd â buddsoddi parhaus. Byddai hyn yn effeithio ar bris cyffredinol uned o ynni. Roedd yr Arweinydd hefyd wedi

sôn mai dod yn fwy cynaliadwy ar lefel leol a chenedlaethol yw'r ffordd ymlaen a bod Swyddogion y Cyngor yn adolygu ystyriaethau blaenorol mewn perthynas ag opsiynau ynni gwahanol, sydd bellach yn fwy economaidd. Rhoddodd wybod y bydd gofyn i'r Cabinet a'r Cyngor fuddsoddi cyllid sylweddol mewn datrysiadau ynni amgen megis solar ac ynni dŵr, fel bod modd i'r Cyngor fod yn fwy hunangynhaliol.

Cyfeiriodd yr Arweinydd at y pŵer sydd gan Rwsia dros y cyflenwad nwy yn Ewrop a'r effaith mae hynny'n ei chael ar yr argyfwng ynni. Byddai modd osgoi hyn os oedd modd sicrhau ein bod ni'n hunangynhaliol a chynaliadwy.

## **2. Cwestiwn gan Gyngorydd y Fwrdeistref Sirol D Parkin i Arweinydd y Cyngor – Cyngorydd y Fwrdeistref Sirol A Morgan:**

*"Pa sylwadau sy'n cael eu cyflwyno i Lywodraeth San Steffan mewn perthynas â'r argyfwng cyllid y mae'r Awdurdodau Lleol yn ei wynebu yn y flwyddyn ariannol nesaf?"*

### **Ymateb Arweinydd y Cyngor, y Cyngorydd A Morgan:**

Roedd yr Arweinydd wedi ymateb trwy ddweud ei fod e wedi ysgrifennu at y Prif Weinidog a Changhellor Llywodraeth y DU, yn rhan o'i rôl fel Arweinydd Cyngor RhCT ac Arweinydd Cymdeithas Llywodraeth Leol Cymru, mewn perthynas â'r pwysau y mae Awdurdodau Lleol yn eu hwynebu'r flwyddyn nesaf gan nodi ei fod wedi llobio Llywodraeth y DU am gyllid ychwanegol.

Ychwanegodd fod rhan helaeth o gronfeydd wrth gefn y Cyngor wedi cael ei neilltuo ar gyfer gwasanaethau penodol, gan gynnwys £21 miliwn ar gyfer Ysgolion. Er bod y Cyngor yn wynebu gorwariant sylweddol, mae'r Cyngor wedi cadw ei gronfeydd wrth gefn i'w defnyddio'r flwyddyn yma a'r flwyddyn nesaf. Cyfeiriodd at y diffyg buddsoddi mewn gwasanaethau cyhoeddus, megis y GIG, DVLA, y Swyddfa Pasbortau (mae'r ddau yma'n wynebu llwyth gwaith sylweddol), Network Rail a meysydd eraill sydd angen rhagor o fuddsoddiad ac sydd ddim yn derbyn digon o gymorth gan Lywodraeth y DU, sydd efallai ddim yn cael eu heffeithio'n bersonol nac yn cael eu heffeithio gan y gwasanaethau ac felly dydyn nhw ddim yn gwerthfawrogi'r gwasanaethau yma.

### **Dim Cwestiwn Ategol**

## **3. Cwestiwn gan Gyngorydd y Fwrdeistref Sirol K. Morgan i Arweinydd y Cyngor, Cyngorydd y Fwrdeistref Sirol A. Morgan:**

*"Pa fesurau rhagweithiol sy'n cael eu rhoi ar waith gan y Cyngor er mwyn sicrhau bod draeniau a gyliau yn cael eu clirio, gan atal llifogydd?"*

### **Ymateb Arweinydd y Cyngor, y Cyngorydd A Morgan:**

Cadarnhaodd yr Arweinydd fod y Cyngor wedi sefydlu Carfan Cynnal a Chadw Draenio sy'n cynnwys 33 swyddog, mae hyn yn uwch nag unrhyw Awdurdod Lleol arall yng Nghymru. Yn dilyn yr adroddiad ar Storm Dennis a gafodd ei gyflwyno i'r Cabinet yn 2020, mae'r Cyngor wedi caffael contract 5 mlynedd gydag Arch, sydd â depo rhanbarthol yn ardal Porth ar gyfer arolwg teledu cylch cyfyng a glanhau ceuffosydd dŵr wyneb.

Dywedodd yr Arweinydd fod arolygwyr (mae yna 3 yn y Fwrdeistref Sirol erbyn

hyn) yn asesu gyliau pan fydd cais i glirio draen neu gyli. Os nad oes perygl o ddŵr yn casglu, byddwn ni'n mynd i'r afael â'r cais yn rhan o gynllun cynnal a chadw cyffredinol y Cyngor. Os yw'r cais yn ymwneud ag ardal breswyl lle mae perygl i eiddo neu mae yna gofnod o rwystrau yn y gyli, yna bydd y gyli yn cael ei glirio.

### **Cwestiwn Ategol**

*"Roedd gyli wedi'i rwystro ar y brif ffordd yn Hirwaun y bore ma, a gallai hyn wedi achosi llifogydd. Mae sawl digwyddiad arall wedi bod lle mae dail neu saim o fusnesau preifat wedi achosi rhwystr mewn gyli. Pan fydd y mesurau rhagweithiol a ddisgrifiwyd yn methu i atal llifogydd, fel rydyn ni wedi'i brofi, ydy'r Cyngor yn monitro hyn ac a oes unrhyw ddata ar gyfer nifer yr alwadau rydyn ni'n ymateb iddyn nhw, hefyd ydy'r Cyngor yn rhoi unrhyw fesurau pellach ar waith wrth ymateb i'r data yma a hynny er mwyn cyflawni'r nod o atal llifogydd mewn modd rhagweithiol?"*

### **Ymateb Arweinydd y Cyngor, y Cynghorydd A Morgan:**

Nododd y Cyngor ei fod e wedi ymateb i'r alwad mewn perthynas â'r gyli soniodd y Cynghorydd K Morgan amdano gan nodi ei fod e wedi cynghori'r trigolyn i gysylltu â Chanolfan Alwadau'r Cyngor. Cadarnhaodd yr Arweinydd fod gwaith glanhau gyliau'n cael ei flaenoriaethu ar sail data sy'n nodi ardaloedd mewn perygl neu unrhyw gofnod o lifogydd yn y gorffennol. Cynhelir gwaith clirio â dŵr mewn rhai ardaloedd a chaiff rhai ardaloedd eu glanhau bob mis. Pwysleisiodd yr Arweinydd fod cofnod yn cael ei greu ar system Rheoli Cysylltiadau Cwsmeriaid (CRM) y Cyngor ar gyfer pob galwad i'r ganolfan alwadau. Daeth yr Arweinydd i ben drwy nodi y dylai Aelodau gysylltu â swyddogion os oes gyda nhw unrhyw bryderon mewn perthynas â gyliau wedi'u rhwystro a hynny trwy ffonio Canolfan Alwadau'r Cyngor.

### **4. Cwestiwn gan Gyngorydd y Fwrdeistref Sirol J. Smith i Arweinydd y Cyngor - Cynghorydd y Fwrdeistref Sirol A. Morgan:**

*"A wnaiff yr Arweinydd ddatganiad mewn perthynas â'r gwaith y mae'r Cyngor yn ei wneud o ran cynllunio cyllideb y Cyngor cyn i'r setliad Llywodraeth Leol is ar gyfer y ddwy flynedd nesaf ddod i rym?"*

### **Ymateb Arweinydd y Cyngor, y Cynghorydd A Morgan:**

Nododd yr Arweinydd ei fod e wedi cwrdd ag Arweinwyr, Aelodau'r Cabinet ar faterion Cyllid, yn ogystal â Phrif Weithredwr a Thrysorydd 21 Awdurdod Lleol arall yn RhCT yn ddiweddar, ychwanegodd fod y ffigur ledled Cymru yn debyg i'r diffyg yn RhCT, gydag Abertawe, Caerdydd a Merthyr Tudful, ynghyd ag awdurdodau lleol eraill o faint tebyg, yn nodi diffygion tebyg.

Defnyddiodd yr Arweinydd y gyfatebiaeth ganlynol i ddisgrifio'r sefyllfa, bydd y flwyddyn nesaf yn debyg i gerdded i fyny bryn, bydd y flwyddyn ar ôl hynny yn debyg i ddringo clogwyn ac ymhen dwy flynedd bydd hi'n debyg i gwmpo oddi ar y clogwyn gan y bydd Llywodraeth y DU wedi gohirio'i thoriadau sylweddol, a bydd hyn efallai yn arwain at doriadau sylweddol i wariant cyhoeddus. Roedd yr Arweinydd yn gobeithio bod y rhagolygon sy'n nodi y bydd y dirwasgiad yn fyrrach, a bydd yr economi yn tyfu ac ni fydd angen rhagor o doriadau i drethi'r

cyfoethog. Yn ei farn ef, dylai'r dreth ffawdelw fod wedi'i chynyddu i 50% neu hyd yn oed 75%, a phwysleisiodd fod y dreth yma'n cyfrif fel elw annisgwyl y tu hwnt i unrhyw beth a ddisgwyliwyd. Roedd e'n gobeithio y bydd unrhyw Lywodraeth yn y dyfodol yn mynd cam ymhellach gyda'i threth ffawdelw.

#### **Datganiad Ategol**

"Nid bai'r Cyngor yw'r penderfyniadau anodd yma, mae angen i ni gyfathrebu bod y newidiadau yma i wasanaethau yn digwydd o ganlyniad i benderfyniadau gwleidyddol Llywodraeth y DU. Mae'r unigolion a'r Cyngor mewn sefyllfa debyg, ac mae gofyn iddyn nhw wneud penderfyniadau anodd heb unrhyw fai arnyn nhw eu hunain"

#### **5. Cwestiwn gan Gyngorydd y Fwrdeistref Sirol M. D. Ashford i'r Aelod o'r Cabinet ar faterion lechyd a Gofal Cymdeithasol, Cyngorydd y Fwrdeistref Sirol G. Caple:**

*"Sut mae Cyngor Cymuned Pont-y-clun wedi ymgysylltu â'r Cyngor mewn perthynas â dyfodol Café 50+?"*

#### **Ymateb y Cyngorydd G Caple:**

Rhoddodd y Cyngorydd Caple wybod fod Cyngor Cymuned Pont-y-clun wedi rhoi gwybod ar 8 Medi na fyddan nhw'n cymryd Café 50 ar brydles. O ran ymgysylltu, fodd bynnag, nododd y Cyngorydd Caple fod Swyddogion wedi cadarnhau nad oedd y Cyngor Cymuned wedi ymgysylltu â'r Cyngor ac roedd y Cyngor wedi synnu eu bod nhw dim ond wedi rhoi gwybod am y newid.

#### **Cwestiwn Ategol:**

*A fyddech chi'n cytuno y dylai gwaith ymgysylltu ystyrion gael ei gynnal gyda thrigolion a'r Cyngor mewn perthynas â'r mater yma?*

#### **Ymateb y Cyngorydd G Caple:**

Dywedodd y Cyngorydd Caple y dylai proses ymgynghori gael ei chynnal cyn gwneud penderfyniad o'r fath, a'i bod hi'n siomedig nad oedd gwaith ymgysylltu ystyrion wedi'i gynnal gyda'r Cyngor yn yr achos yma. Ychwanegodd fod Café 50+ yn boblogaidd iawn ac yn cael ei ddefnyddio'n aml gan y bobl leol, ac mae'n hanfodol bod unrhyw newidiadau i'r gwasanaeth yn cael ei chyfathrebu â thrigolion a defnyddwyr gwasanaeth.

#### **6. Cwestiwn gan Gyngorydd y Fwrdeistref Sirol S. Rees i Arweinydd y Cyngor – Cyngorydd y Fwrdeistref Sirol A. Morgan:**

*"Yn dilyn y gyllideb fach drychinebus ym mis Medi, sut fydd y mesurau a nodwyd yn natganiad yr hydref yn ddiweddar yn effeithio ar Awdurdodau Lleol Cymru o ran fformiwla Barnett a'r Grant Bloc?"*

#### **Ymateb Arweinydd y Cyngor, y Cyngorydd A Morgan:**

Rhoddodd yr Arweinydd wybod fod marchnadoedd Gilt wedi gwella sy'n golygu ei bod hi'n effeithio ar gostau benthyca ar gyfer buddsoddi cyfalaf, tra bod costau

benthycia llywodraeth leol eisoes wedi'u pennu. Mae tua 80% o gostau benthycia Llywodraeth y DU wedi'u pennu, ac mae 20% o'r benthycia yn dibynnu ar lefelau llog ar y diwrnod. Roedd hyn yn golygu bod y gyllideb fach ond yn ychwanegu £15miliwn at fenthycia'r DU.

Ychwanegodd yr Arweinydd fod y mesurau a gyhoeddwyd yn Natganiad yr Hydref yr wythnos ddiwethaf, yn golygu y bydd Cymru'n derbyn cyllid ychwanegol gwerth £1.2biliwn dros y ddwy flynedd nesaf. Esboniodd yr Arweinydd fod y cyllid yma'n cael ei groesawu ar gyfer ein gwasanaethau mawr; fodd bynnag, nid yw'r cyllid yn mynd i'r afael â'r bwloch yn y gyllideb y mae'r Cyngor yn ei wynebu ac sy'n ehangu o hyd. Mae costau ynni'n cynyddu i £200miliwn ac mae'r GIG yn wynebu cynnydd gwerth £207miliwn mewn costau ynni. Gan ystyried yr uchod, bydd 80% o'r cyllid ar gyfer y flwyddyn nesaf dim ond yn talu am gostau ynni ar gyfer y GIG a Chynghorau Cymru.

Daeth yr Arweinydd i ben drwy nodi y bydd cyfres o gyfarfodydd yn cael ei chynnal rhwng nawr a 14 Rhagfyr pan fydd y Setliad Llywodraeth Leol Dros Dro yn cael ei gyhoeddi ond hyd yn oed gyda'r £1.2biliwn ychwanegol dros y ddwy flwyddyn nesaf, ni fydd y gyllideb ar gyfer 2024/25 yn uwch na'r flwyddyn gyfredol mewn gwirionedd.

#### **Nid oedd unrhyw amser ar gyfer cwestiwn ategol.**

#### **54 Rhaglen Waith y Cyngor 2022/23 – er gwybodaeth**

Cyflwynodd Cyfarwyddwr Gwasanaeth y Gwasanaethau Democratiaidd a Chyfathrebu Raglen Waith y Cyngor ar gyfer Blwyddyn y Cyngor 2022/23, gan roi gwybod y bydd manylion y cyfarfod Cyngor arbennig ym mis Rhagfyr yn cael eu rhannu maes o law. Ychwanegodd y bydd y cyfarfod Cyngor yn cael ei gynnal ar 18 Ionawr 2023. Byddai hyn yn cynnwys busnes y Cyngor fel sydd wedi'i bennu yn y rhaglen waith a bydd manylion am Strategaeth Cyfranogiad y Cyhoedd a'r Cyfansoddiad yn cael eu rhannu cyhyd â bod y materion yma'n cael eu trafod gan Bwyllgor y Cyfansoddiad a'r Pwyllgor Trosolwg a Chraffu.

#### **55 CRONFA BENSIWN RHONDDA CYNON TAF 2021/22 – DATGANIAD O GYFRIFON AC ADRODDIAD ARCHWILIO ALLANOL**

Rhoddodd y Cyfarwyddwr Cyllid a Gwasanaethau Digidol wybod bod fersiwn terfynol o gyfrifon wedi'u harchwilio'r gronfa ar gyfer y flwyddyn sy'n dod i ben ar 31 Mawrth, 2022, yn cael eu cyflwyno i'r Cyngor, ac yntau'n Awdurdod Gweinyddu ar gyfer Cronfa Bensiwn RhCT. Ychwanegodd fod y broses archwilio allanol bellach wedi'i chwblhau, a chyflwynodd Mr Mike Jones, o Archwilio Cymru, er mwyn iddo ddarparu crynodeb o'r adroddiad archwilio diwedd blwyddyn.

Cyflwynodd Mr M Jones, Archwilio Cymru, Adroddiad Archwilio Cyfrifon Cronfa Bensiwn RhCT gan Archwilio Cymru, gan gyfeirio Aelodau'n benodol at baragraff 4 a 5 sy'n pennu lefelau perthnasedd eleni gwerth £45miliwn. Roedd Mr Jones yn dymuno cydnabod bod yr adroddiad byr a chadarnhaol yn adlewyrchu camddatganiadau argraffyddol a fformatio (fel sydd wedi'i nodi ym mharagraff 11,12 a 13 o'r adroddiad). Aeth ati i roi clod i Wasanaeth Cyllid Cyngor RhCT. Rhoddodd Mr Jones wybod bod oedi wrth gymeradwyo cyfrifon RhCT o ganlyniad i broblemau sy'n ymwneud â seilwaith a sut mae hyn yn cael ei chyfrif. Ychwanegodd fod yr oedi yma'n digwydd ar lefel genedlaethol gyda

Llywodraeth Cymru yn ystyried trechu statudol ar hyn o bryd.

Rhoddodd y Cyfarwyddwr Cyllid a Gwasanaethau Digidol wybod nad oedd unrhyw broblemau sy'n peri pryder, ychwanegodd fod cyfrifon y gronfa wedi'u hatodi ynghyd â'r llythyr o gynrychiolaeth. Nododd y Cyfarwyddwr fod trefniadau llywodraethu cynhwysfawr y gronfa wedi bod yn effeithiol trwy gydol y flwyddyn a bod y cyfrifon wedi cael eu hadolygu gan y Pwyllgor Llywodraethu ac Archwilio ar 7 Medi 2022. Ni chafodd unrhyw bryderon a fyddai'n atal y Cyngor rhag cymeradwyo'r cyfrifon yma eu codi yn ystod y cyfarfod.

Dymunodd yr Arweinydd ddiolch i Archwilio Cymru gan gydnabod y gwaith ymgysylltu a'r cydweithio llwyddiannus. Dymunodd hefyd ddiolch i Gyfarwyddwr Cyllid a Gwasanaethau Digidol a'i garfanau am reoli cyfrifon y Cyngor gan ystyried nifer y grantiau sydd wedi'u prosesu yn ystod y blynyddoedd diwethaf.

Ar ôl trafod yr adroddiad, **PENDERFYNWYD**:

1. Cymeradwyo a nodi Datganiad o Gyfrifon Cronfa Bensiwn Rhondda Cynon Taf (Atodiad 1), a'r Llythyr o Gynrychiolaeth cysylltiedig (Atodiad 2); a
2. Nodi deilliant cyfarfod y Pwyllgor Llywodraethu ac Archwilio a gynhaliwyd ar 7 Medi 2022 yn unol â gofynion y Mesur Llywodraeth Leol (paragraff 8.2).

## 56 Adroddiad Canol Blwyddyn Cylch Rheoli'r Trysorlys 2022-23

Yn unol â gofynion Cod Ymarfer Sefydliad Siartredig Cyllid Cyhoeddus a Chyfrifyddiaeth mewn perthynas â Rheoli'r Trysorlys, rhoddodd y Cyfarwyddwr Cyllid a Gwasanaethau Digidol wybod i'r Aelodau am weithgarwch Rheoli'r Trysorlys y Cyngor yn ystod 6 mis cyntaf 2022/23 a'r Dangosyddion Darbodus a Thrysorlys yn ystod y cyfnod yma.

Rhoddodd y Cyfarwyddwr wybod bod modd i'r Cyngor barhau i gynnal ei strategaeth fuddsoddi risg isel er gwaetha'r sefyllfa economaidd. Mae'r strategaeth yn cyflawni'n dda gyda chyfradd uwch o log sy'n gysylltiedig â risg o'i chymharu ag eraill. Ychwanegodd nad oedd unrhyw ofynion benthyca yn y tymor agos yn debygol o fod yn ofynion sylweddol na hir dymor a bydd benthyca byr dymor yn mynd i'r afael â hyn.

Rhoddodd y Cyfarwyddwr wybod bod yna un risg sy'n gysylltiedig â dod â dyled LOBO y Cyngor i ben, cyfanswm y ddyled LOBO yn 2022/23 yw £31 miliwn, gyda chyfradd llog o 4.5%. Nododd y Cyfarwyddwr y bydd y Cyngor yn defnyddio cymysgedd o ddulliau benthyca er mwyn sicrhau'r gwerth gorau am arian.

Ar ôl trafod y mater, **PENDERFYNWYD** cymeradwyo cynnwys yr adroddiad.

## 57 Rhybudd o Gynnig

Derbyniwyd y Rhybudd o Gynnig canlynol yn enwau:

A. Morgan, M. Webber, L. Addiscott, M. D. Ashford, J. Barton, D. R. Bevan, J. Bonetto, S. Bradwick, J. Brencher, G. Caple, J. Cook, A. Crimmings, S. J. Davies, R. Davis, V. Dunn, E. L. Dunning, J. Edwards, J. A. Elliott, L. Ellis, S. Emanuel, R. Evans, A. S. Fox, R. Harris, S. Hickman, G. Holmes, G. Hopkins, W. Hughes, G. Jones, G. O. Jones, R. R. Lewis, W. Lewis, C. Leyshon, M.

Maohoub, C. Middle, N. H. Morgan, S. Morgans, M. A. Norris, D. Owen-Jones, D. Parkin, S. Powderhill, C. Preedy, S. Rees, A. Roberts, J. Smith, G. Stacey, L. A. Tomkinson, W. Treeby, J. Turner, G. L. Warren, K. Webb, D. Williams, G. E. Williams, R. Williams, T. Williams, R. Yeo:

Mae Unite yn cynnal yr ymgyrch 'Get Me Home Safely' i sicrhau bod trafndiaeth ar gael i weithwyr yr economi nos a gweithwyr sifftiau er mwyn iddyn nhw gyrraedd adref yn ddiogel. Mae'r gweithwyr yma'n aml yn ei chael hi'n anodd dod o hyd i drafndiaeth ar ôl canol nos, a thalu amdani. Mae modd darllen rhagor am yr ymgyrch [Get ME Home Safely | Make Our Communities & Workplaces Safer \(unitetheunion.org\)](https://www.unitetheunion.org)

Mae gan Gyngorau rôl allweddol i'w chwarae wrth weithio gyda busnesau a phartneriaid cymunedau diogel er mwyn sicrhau bod modd i bobl sy'n gweithio ac yn byw yn eu cymuned leol gyrraedd adref yn ddiogel.

#### **Mae'r Cyngor yma'n nodi:**

- Bod gweithwyr mewn amrywiaeth o ddiwydiannau'n gweithio sifftiau, yn enwedig lletygarwch, iechyd a gofal, manwerthu, glanhau, diogelwch a phorthorion. Mae hyn yn aml yn cynnwys gweithio gyda'r nos.
- Bod nifer o weithwyr, yn enwedig menywod, yn dod yn fwy pryderus am eu diogelwch wrth deithio i'r gwaith ac yn ôl gyda'r nos.
- Er ei bod hi'n bosibl bod cyflogwyr yn teimlo bod eu dyletswydd gofal o ran staff yn dod i ben wrth i weithiwr orffen sifft, mae angen iddyn nhw hefyd ystyried teithio adref, yn enwedig yn ystod oriau anghymdeithasol.
- Bod gwybodaeth gan Unite yn dangos bod y gwendid o ran gorfodi'r gyfraith mewn perthynas ag ymosodiadau rhywiol ar drafndiaeth gyhoeddus, gan gynnwys tynnu llun o dan ddilledyn rhywun arall, yn ofnadwy. Deallir mai dim ond 2% o ddiodefwyr yn rhoi gwybod am achosion o aflonyddu rhywiol ar drafndiaeth gyhoeddus.
- Bod ymgyrch Unite the Union, Get Me Home Safely, sy'n galw ar bob cyflogwr i gymryd pob cam rhesymol i sicrhau bod modd i weithwyr gyrraedd adref yn ddiogel gyda'r nos ar ôl gweithio, yn un sydd ei hangen yn fawr a dylid ei chefnogi.
- Bod angen i ragor o staff trafndiaeth gyhoeddus dderbyn hyfforddiant ar sut i nodi a rhoi gwybod am achosion o aflonyddu rhywiol a bod angen cymryd camau pellach er mwyn gorfodi'r gyfraith o ran ymosodiadau ac aflonyddwch rhywiol ar drafndiaeth gyhoeddus.

#### **Bydd y Cyngor yn:**

- Cefnogi ymgyrch 'Get Me Home Safely' Unite the Union.
- Ailddatgan ei ymrwymiad i gymryd camau cadarnhaol i atal trais yn erbyn menywod a merched a sicrhau bod pobl yn teimlo'n ddiogel mewn mannau cyhoeddus ledled RhCT. Bydd y Cyngor yn parhau i fynd ati i gyflawni nodau Strategaeth Trais yn erbyn Menywod, Cam-drin yn y Cartref, a Thrais Rhywiol 2022-2026 Llywodraeth Cymru.
- Parhau i weithio gyda busnesau sydd angen trwydded er mwyn gweithredu economi nos diogel yn unol ag Amcanion ein Polisi Trwyddedu, gweithio gyda deliaid trwydded, cyflogwyr, yr Heddlu a phartneriaid Cymunedau Diogel i sicrhau bod ein cymunedau yn lleoedd



diogel gyda'r nos.

- Gweithio gyda'n busnesau a sefydliadau sy'n gweithredu gyda'r hwyr ac sy'n cyflogi gweithwyr sifft i hyrwyddo diogelwch gweithwyr ac annog deiliaid trwydded a chyflogwyr i ystyried trafndiaeth i staff yn rhan annatod o weithredu busnes diogel a chynaliadwy. Bydd hyn yn helpu i sicrhau bod gweithwyr y sectorau yma'n cael eu gwerthfawrogi. Bydd hyn hefyd o fudd mawr o ran diogelwch a lles gweithwyr lletygarwch, yn enwedig menywod, nad oes modd iddyn nhw fforddio trafndiaeth ddiogel gyda'r nos, na dod o hyd iddi. Bydd trafndiaeth i staff hefyd o fudd i'n cymuned a'r busnesau trwy wella mesurau recriwtio a chadw staff.
- Parhau i weithio gyda Llywodraeth Cymru a Chymdeithas Llywodraeth Leol Cymru i ddwyn ymlaen ymrwymiad Llywodraeth Cymru i ddiwygio'r safonau gofynnol cenedlaethol ar gyfer tacsis a cherbydau hurio preifat a sut mae'r fframwaith deddfwriaethol yn gweithredu yng Nghymru.

Yn dilyn trafodaeth, **PENDERFYNWYD** mabwysiadu'r Rhybudd o Gynnig.

## 58 Materion brys

Rhoddodd y Llywydd wybod y bydd adroddiad y Cyfarwyddwr Gwasanaeth, Gwasanaethau Democrataidd a Chyfathrebu mewn perthynas â 'Newid Aelodaeth Pwyllgorau' yn cael ei drafod nawr, fel mater brys.

## 59 Newid Aelodaeth Pwyllgorau

Rhoddodd Cyfarwyddwr Gwasanaeth - Gwasanaethau Democrataidd a Chyfathrebu wybod am y newidiadau i gynrychiolaeth y Grŵp Llafur ar Bwyllgor y Gronfa Bensiwn ac Elusen Edward Thomas yn lle cyn-Gynghorydd y Fwrdeistref Sirol Marcia Rees-Jones.

Ar ôl trafod yr adroddiad, **PENDERFYNWYD** nodi y bydd:

1. Cynghorydd y Fwrdeistref Sirol N Morgan yn cael ei enwebu yn lle cyn-Gynghorydd y Fwrdeistref Sirol M Rees-Jones yn rhan o Bwyllgor y Gronfa Bensiwn;
2. Cynghorydd y Fwrdeistref Sirol A Dennis yn cael ei enwebu yn lle cyn-Gynghorydd y Fwrdeistref Sirol Marcia Rees-Jones ar Fwrdd Elusen Edward Thomas.

Daeth y cyfarfod i ben am 6.15pm

Y Cynghorydd G. Hughes  
Cadeirydd.

tudalen wag

## RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

### COUNCIL

18 JANUARY 2023

#### MEMBERS QUESTIONS ON NOTICE

#### REPORT OF THE SERVICE DIRECTOR, DEMOCRATIC SERVICES & COMMUNICATION.

##### 1. PURPOSE OF THE REPORT

- 1.1 To present the order of questions in respect of the Members Questions on Notice, following the amendment to the process agreed at the [Council AGM 2019](#).

##### 2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Receive the Questions and any supplementary questions proposed, as in accordance with the running order advised upon in 4.3 of the report, which should not exceed a 20-minute time period.

##### 3. REASONS FOR RECOMMENDATIONS

- 3.1 As agreed at the Council AGM on the 15<sup>th</sup> May, 2019, Members agreed to amend Council Procedure Rule 9.2 in respect of Members Questions on Notice. A further amendment was made to Council Procedure Rule 9.2 at the Council AGM on the 26<sup>th</sup> May 2021 in respect of supplementary questions following expiry of the 20 minute time duration. [Council AGM 2021](#)

##### 4. MEMBERS QUESTION ON NOTICE

- 4.1 The closing date for receipt of Members Questions on Notice to the Council Business Unit for the Council meeting on the 18<sup>th</sup> January 2023 was 5pm on the 5<sup>th</sup> January 2023.
- 4.2 Twenty-eight questions were received and put forward to the Council Ballot held on the 9<sup>th</sup> January 2023, to determine the running order of the questions at the Council Meeting.
- 4.3 The results of the ballot are outlined below:-

Number	Corresponding Question
1	<p><b>Question from County Borough Councillor K Johnson to the Cabinet Member for Climate Change and Corporate Services, County Borough Councillor C. Leyshon:</b></p> <p><i>“Please can you advise of a go live date for the Electric charge points that have been installed throughout RCTCBC, with support from Cardiff Capital Region funding. These assets have been sitting idle after installation for a considerable period, when provision across RCTCBC is very limited”</i></p>
2	<p><b>Question from County Borough Councillor M. D. Ashford to the Cabinet Member for Education, Youth Participation and Welsh Language, County Borough Councillor R. Lewis:</b></p> <p><i>“With the Welsh Government recently announcing funding under the MIM for the new school in Pontyclun, can the Cabinet Member outline a timeframe for the works and when pupils and residents can expect the new facility to open?”</i></p>
3	<p><b>Question from County Borough Councillor J. Edwards to the Leader of the Council, County Borough Councillor A. Morgan:</b></p> <p><i>“Can the Leader outline what support is available to help RCT residents with the cost-of-living crisis?”</i></p>
4	<p><b>Question from County Borough Councillor S. Morgans to the Leader of the Council, County Borough Councillor A. Morgan:</b></p> <p><i>“Can the Leader outline what measures are being considered to help bridge the funding gap that this Council faces in the next financial year?”</i></p>
5	<p><b>Question from County Borough Councillor N. H. Morgan to the Cabinet Member for Climate Change and Corporate Services, County Borough Councillor T. Leyshon:</b></p> <p><i>“Will the relevant Cabinet Member please make a statement on the Council’s biodiversity policy?”</i></p>
6	<p><b>Question from County Borough Councillor S. J. Davies to the Cabinet Member for Education, Youth Participation and Welsh Language, County Borough Councillor R. Lewis:</b></p> <p><i>“Can the Cabinet Member make a statement on the three new school developments for the south of the County Borough?”</i></p>

7	<p><b>Question from County Borough Councillor S. Powderhill to the Cabinet Member for Environment and Leisure, County Borough Councillor A. Crimmings:</b></p> <p><i>“Can the Cabinet Member please provide an update on the works to improve Ynysangharad War Memorial Park?”</i></p>
8	<p><b>Question from County Borough Councillor D. Owen-Jones to the Leader of the Council, County Borough Councillor A. Morgan:</b></p> <p><i>“Can the Leader please provide an update on the progress of schemes awarded funding under the Levelling Up fund?”</i></p>
9	<p><b>Question from County Borough Councillor H Gronow to the Cabinet Member for Environment and Leisure, County Borough Councillor A Crimmings:</b></p> <p><i>“In the ward of Cilfynydd, which I represent, we have an issue with fly tipping. Can the Cabinet Member please give us an update on how the council is addressing these issues?”</i></p>
10	<p><b>Question from County Borough Councillor M. Maohoub to the Cabinet Member for Health and Social Care, County Borough Councillor G. Caple:</b></p> <p><i>“Will the Cabinet Member please provide a statement on the recent Santa Appeal initiative?”</i></p>
11	<p><b>Question from County Borough Councillor E. L. Dunning to the Cabinet Member for Education, Youth Participation and Welsh Language, County Borough Councillor R. Lewis:</b></p> <p><i>“Will the Cabinet Member please make a statement on outreach work and detached youth service provision in Rhondda Cynon Taf?”</i></p>
12	<p><b>Question from County Borough Councillor D. Grehan to the Cabinet Member for Prosperity and Development, County Borough Councillor M. Norris:</b></p> <p><i>“Yn dilyn y ‘problemau’ gyda’r system gosod cartrefi yn Nhonyrefail yn ddiweddar, a’r dioddefaint sydd wedi dod yn sgil y system, ac o ystyried anniddigrwydd o bob plaid gyda’r drefn, a fyddai’r Cyngor yn teimlo ei bod yn briodol i drefnu sesiwn ar gyfer yr holl aelodau i drafod y system a’r polisïau sy’n arwain y penderfyniadau gosod eiddo?”</i></p> <p><i>“Following the recent ‘problems’ with the housing letting system in Tonyrefail, and the suffering as a result of the system, and considering the discontent from all parties with this arrangement, does the Council consider it appropriate to organise a session for all Members to discuss</i></p>

	<i>the system and policies that guide decisions relating to the housing letting system?"</i>
<b>13</b>	<p><b>Question from County Borough Councillor C. Preedy to the Cabinet Member for Environment and Leisure, County Borough Councillor A. Crimmings:</b></p> <p><i>"Will the Cabinet Member please give a statement on the National Lido of Wales' 2022 season?"</i></p>
<b>14</b>	<p><b>Question from County Borough Councillor G. E. Williams to the Leader of the Council, County Borough Councillor A. Morgan:</b></p> <p><i>"How is the Council preparing for further winter weather events following the recent spate of Weather Warnings?"</i></p>
<b>15</b>	<p><b>Question from County Borough Councillor K Morgan to the Leader of the Council, County Borough Councillor A. Morgan:</b></p> <p><i>"Will the Leader give an update on any plans for passenger trains to Hirwaun and Rhigos including possible sites for station(s)?"</i></p>
<b>16</b>	<p><b>Question from County Borough Councillor J. Bonetto to the Leader of the Council, County Borough Councillor A. Morgan:</b></p> <p><i>"Can the Leader please make a statement on the Winter Welcome Centres in RCT?"</i></p>
<b>17</b>	<p><b>Question from County Borough Councillor C. Middle to the Cabinet Member for Environment, Leisure, County Borough Councillor A. Crimmings:</b></p> <p><i>"Can the Cabinet Member please provide an update on the Council's programme to improve outdoor play facilities for children?"</i></p>
<b>18</b>	<p><b>Question from County Borough Councillor G. O. Jones to the Leader of the Council, County Borough Councillor A. Morgan:</b></p> <p><i>"We have heard in recent weeks that the combined impacts of both Brexit and the war in Ukraine are having a profound effect on our construction industry. What does this mean for the Council and how can we mitigate these impacts?"</i></p>
<b>19</b>	<p><b>Question from County Borough Councillor J. Smith to the Cabinet Member for Education, Youth Participation and Welsh Language, County Borough Councillor R. Lewis:</b></p>

	<p><i>"Following the granting of planning approval, can the Cabinet Member outline the next steps for the development of a brand-new school in Ferndale for YGG Llyn-Y-Forwyn?"</i></p>
20	<p><b>Question from County Borough Councillor A Rogers to the Cabinet Member for Prosperity and Development, County Borough Councillor M. Norris:</b></p> <p><i>"How will the Council be supporting tourism in the Hirwaun, Penderyn and Rhigos Ward in 2023?"</i></p>
21	<p><b>Question from County Borough Councillor W. Lewis to the Leader of the Council, County Borough Councillor A. Morgan:</b></p> <p><i>"How is the Council working with and supporting local food banks through the effects of the Cost-of-Living crisis?"</i></p>
22	<p><b>Question from County Borough Councillor J. Brencher to the Leader of the Council, County Borough Councillor A. Morgan:</b></p> <p><i>"Can the Leader provide an update on the Council's ongoing programme of investment in the County's Highways network?"</i></p>
23	<p><b>Question from County Borough Councillor S. Bradwick to the Leader of the Council, County Borough Councillor A. Morgan:</b></p> <p><i>"Can the Leader provide an update on the progress of any funding bids planned or submitted under the U.K. Government's Shared Prosperity Fund?"</i></p>
24	<p><b>Question from County Borough Councillor S. Emanuel to the Leader of the Council, County Borough Councillor A. Morgan:</b></p> <p><i>"Can the Leader provide an update on the Council's preparations for winter weather events?"</i></p>
25	<p><b>Question from County Borough Councillor M. Powell to the Leader of the Council, County Borough Councillor A. Morgan:</b></p> <p><i>"Could the Cabinet portfolio holder for highways say what measures or proposals the RCT Highways department are considering, to alleviate the dire traffic congestion problems that the Pontypridd Town centre has been enduring for many, many years please?"</i></p>

26	<p><b>Question from County Borough Councillor R. Williams to the Leader of the Council, County Borough Councillor A. Morgan:</b></p> <p><i>“In light of the funding shortfall facing councils across Wales for next year, please can the Leader provide an update on discussions with other Council Leaders and Welsh Government?”</i></p>
27	<p><b>Question from County Borough Councillor S. Rees to the Cabinet Member for Development and Prosperity, County Borough Councillor M. A. Norris:</b></p> <p><i>“How is this Council supporting businesses across the Cynon Valley and throughout Rhondda Cynon Taf?”</i></p>
28	<p><b>Question from County Borough Councillor A. J. Dennis to the Leader of the Council, County Borough Councillor A. Morgan:</b></p> <p><i>“What support and signposting services are available to residents with regards to the cost-of-living crisis?”</i></p>

- 4.4 At the Council meeting a maximum of 20 minutes shall be allowed for Questions on Notice. Any questions that are not dealt with in this time limit shall fall. Any questions on notice not answered will need to be resubmitted to the Proper Officer for the next full Council meeting in accordance with these rules.

#### **5. CONSULTATION / INVOLVEMENT**

- 5.1 The amendments to the Council Procedure Rule in respect of Members Questions was considered and agreed at the Council’s AGM 2019 and AGM 2021, following consultation with the Constitution Committee.

#### **6. EQUALITY AND DIVERSITY IMPLICATIONS**

- 6.1 The amendment to the Council procedure rule taken forward at the Council AGM, allows the opportunity for more Members to ask a question at Council

#### **7. FINANCIAL IMPLICATIONS**

- 7.1 There are no financial implications aligned to this report.

#### **8. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

- 8.1 The report has been prepared in accordance with Council Procedure Rule 9.2.

#### **9. LINKS TO THE COUNCILS CORPORATE PLAN / OTHER CORPORATE PRIORITIES.**

- 9.1 The opportunity for Members to propose questions at Council meetings allows Members to receive information which potentially detail the Council priorities. It also embraces the Future Generations Act as all work and



decisions taken by Council seek to improve the social, economic, environmental and cultural well-being of the County Borough.

**10. CONCLUSION**

- 10.1 Detailing the procedure for Members Questions on Notice assists in transparency for both Members and for public engagement.

**Other Information:-**

**Relevant Scrutiny Committee** – Overview & Scrutiny Committee

**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

**THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**COUNCIL**

**18 JANUARY 2023**

**REPORT OF THE SERVICE DIRECTOR, DEMOCRATIC SERVICES &  
COMMUNICATION.**

**Item: MEMBERS QUESTIONS ON NOTICE**

**Background Papers**

[Council AGM 2019.](#)

[Council AGM 2021](#)

Officer to contact: Emma Wilkins, Council Business Unit

## Audit of Accounts Report – Rhondda Cynon Taf County Borough Council

Audit year: 2021/22

Date issued: January 2023

### **Purpose of this document**

This document is a draft supplied in confidence solely for the purpose of verifying the accuracy and completeness of the information contained in it and to obtain views on the conclusions reached.

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

# Contents

We intend to issue an unqualified audit report on your Accounts. There are some issues to report to you prior to their approval.

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# Audit of Accounts Report

## Introduction

- 1 We summarise the main findings from our audit of your 2021-22 annual report and accounts in this report.
- 2 We have already discussed these issues with the Director of Finance and Digital Services and his team.
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
- 4 We set this level at £8,977k for this year's audit.
- 5 There are some areas of the accounts that may be of more importance to the reader and we have set a lower materiality such as Senior Officer Remuneration and Related Parties
- 6 We have now substantially completed this year's audit.
- 7 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.

## Proposed audit opinion

- 8 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**.
- 9 We issue a 'qualified' audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.
- 10 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards along with confirmation of other specific information you have provided to us during our audit.
- 11 Our proposed audit report is set out in **Appendix 2**.

## Significant issues arising from the audit

### Uncorrected misstatements

- 12 There are no misstatements identified in the accounts, which remain uncorrected.

### Corrected misstatements

- 13 There were initially misstatements in the accounts that have now been corrected by management. However, we believe that these should be drawn to your attention and they are set out with explanations in **Appendix 3**.

### Other significant issues arising from the audit

- 14 In the course of the audit, we consider a number of matters relating to the accounts and report any significant issues arising to you. There were some issues arising in these areas this year as shown in **Exhibit 2**:

#### Exhibit 2 – significant issues arising from the audit

<b>Creditors classification</b>	The analysis of creditors was incorrect due to the methodology used to compile note 10	See <b>Recommendation 1</b>
<b>Property, plant and Equipment additions</b>	The methodology used to allocate capital expenditure on projects with multiple assets led to incorrect records in the fixed asset register.	See <b>Recommendation 2</b>

#### Infrastructure Assets

- 15 In common with other local authorities, the Council has taken advantage of temporary reliefs for reduced disclosures related to infrastructure assets allowed for in the Update to the Code and Specifications for Future Codes for Infrastructure Assets and the 2022 amendments to the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003.
- 16 The Council has not disclosed gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant

information deficits mean gross cost and accumulated depreciation are not measured accurately and would not faithfully represent the asset position to the users of the financial statements.

- 17 The reliefs are a temporary expedient that are intended to allow Councils to address the information deficits and prepare robust information to support the carrying value of infrastructure assets. The temporary reliefs are only applicable for financial years up to and including 2024-25.

## Recommendations

- 18 The recommendations arising from our audit are set out in **Appendix 4**. Management has responded to them and we will follow up progress against them during next year's audit. Where any actions are outstanding, we will continue to monitor progress and report it to you in next year's report.



# Appendix 1

## Final Letter of Representation

[Audited body's letterhead]

Auditor General for Wales  
Wales Audit Office  
24 Cathedral Road  
Cardiff  
CF11 9LJ

[Date]

### Representations regarding the 2021/22 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Rhondda Cynon Taf CBC for the year ended 31 March 22 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

For LG/charitable bodies:

We have fulfilled our responsibilities for:

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

### Information provided

We have provided you with:

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

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

## **Financial statement representations**

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

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

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

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

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

The financial statements are free of material misstatements, including omissions.

## Representations by those charged with governance.

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 Rhondda Cynon Taf Council on 18 January 2023.

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:

[Officer who signs on behalf of management]

Date:

Signed by:

[Officer or Member who signs on behalf of those charged with governance (director only for companies)]

Date:

# Appendix 2

## Proposed Audit Report

### The independent auditor's report of the Auditor General for Wales to the members of Rhondda Cynon Taf County Borough Council

#### Opinion on financial statements

I have audited the financial statements of:

- Rhondda Cynon Taf County Borough Council; and
- the Rhondda Cynon Taf County Borough Council Group

for the year ended 31 March 2022 under the Public Audit (Wales) Act 2004.

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

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

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

In my opinion the financial statements:

- give a true and fair view of the financial position of Rhondda Cynon Taf County Borough Council and Rhondda Cynon Taf County Borough Council Group as at 31 March 2022 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

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

## **Conclusions relating to going concern**

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

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

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

## **Other Information**

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

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

I have nothing to report in this regard.

## **Report on other requirements**

### **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 2021/22;
- 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 Rhondda Cynon Taf County Borough Council and the Rhondda Cynon Taf County Borough Council group and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Governance Statement.

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

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

## **Responsibilities**

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

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on pages 15 to 16, the responsible financial officer is responsible for the preparation of the statement of accounts, including Rhondda Cynon Taf County Borough Council's Group financial statements, which give a true and fair view, and for such internal control 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.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing Rhondda Cynon Taf County Borough Council and its group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

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

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 Rhondda Cynon Taf County Borough Council and group's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and

- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud;
- Obtaining an understanding of Rhondda Cynon Taf County Borough Council and its group's framework of authority as well as other legal and regulatory frameworks that the Council and its group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Council.

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

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

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

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

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

### **Certificate of completion of audit**

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

Adrian Crompton  
Auditor General for Wales  
[Date]

24 Cathedral Road  
Cardiff  
CF11 9LJ

# Appendix 3

## Summary of Corrections Made

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

### Exhibit 3: summary of corrections made

Value of correction	Nature of correction	Reason for correction
£6,963k	<b>Note 6.1 – Property, Plant and Equipment</b> Increase in NBV of Other land and buildings	To ensure calculation of building values is accurate
£421k	<b>Note 6.1 – Property, Plant and Equipment</b> Increase in NBV of Other land and buildings	To reflect latest valuation
£755k	<b>Note 6.1 – Property, Plant and Equipment</b> Decrease in NBV of Other land and buildings	To reflect latest valuation
£10,362k	<b>Note 10 - Creditors</b> Reanalysed expenditure between lines	To ensure creditors are analysed correctly
£3,430k	<b>Note 10 - Creditors</b> Reclassified to long term creditors	To ensure creditors are classified correctly
£14,511k	<b>Note 20.1 – Adjustment between Funding and accounting basis</b> Reclassification of expenditure	To ensure consistency with prior year treatment



£2k	<p><b>Note 22 – Officers' Remuneration</b>  Reclassification as no Benefits in Kind had been received</p>	To ensure remuneration is classified correctly
£579k	<p><b>Note 29.2 – Related Parties</b>  Decrease in expenditure with Members interests.</p>	To accurately reflect related party transactions
£75k	<p><b>Note 29.2 – Related Parties</b>  Decrease in amount owed to University Health Board</p>	To accurately reflect related party transactions
£10,180k	<p><b>Group Accounts CIES</b>  Increase in Income and Expenditure</p>	To correct consolidation adjustments
Various disclosures	<p>A number of presentational and typographical errors were identified within the draft financial statements which have been corrected by management.</p>	To remove the errors included within the financial statements.

# Appendix 4

## Recommendations

We set out all the recommendations arising from our audit with management's response to them. We will follow up these next year and include any outstanding issues in next year's audit report:

### Exhibit 4: Recommendation 1

<b>Recommendation 1 – Classification of Creditors</b>	
<b>Findings</b>	Due to the methodology used to compile note 10 amounts outstanding had been misstated in the accounts and the Council was initially unable to provide a detailed listing of the amounts outstanding that reconciled to the note.
<b>Priority</b>	High
<b>Recommendation</b>	The Council revises its methodology of compiling note 10 to ensure its accuracy.
<b>Benefits of implementing the recommendation</b>	Improved accuracy of the financial statements.
<b>Accepted in full by management</b>	Yes
<b>Management response</b>	A report has been developed to improve accuracy of disclosures.
<b>Implementation date</b>	December 2022

**Exhibit 5: Recommendation 2**

<b>Recommendation 2 – Allocation of Capital Expenditure</b>	
<b>Findings</b>	Where a project on the capital program relates to multiple assets, the Council used planned works as the basis of its estimate to allocate the spend incurred during the financial period. Our audit testing identified cases where this methodology was leading to capital expenditure being allocated to assets where no works had taken place during the financial period.
<b>Priority</b>	Medium
<b>Recommendation</b>	The Council revises this methodology
<b>Benefits of implementing the recommendation</b>	Improved accuracy of information in the fixed asset register
<b>Accepted in full by management</b>	Yes
<b>Management response</b>	Further checks to be undertaken to ensure appropriate allocation of costs to assets.
<b>Implementation date</b>	Closure of 2022/23 accounts.



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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.



**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**  
**COUNCIL**

**18<sup>th</sup> January 2023**

**STATEMENT OF ACCOUNTS FOR RHONDDA CYNON TAF CBC 2021/22**

**REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES**

**AUTHOR:** Barrie Davies (01443) 424026

**1.0 PURPOSE OF REPORT**

1.1 This report ensures that the Authority complies with the legal requirements relating to the production of a “Statement of Accounts” for the financial year ended 31<sup>st</sup> March 2022 with regard to Rhondda Cynon Taf CBC.

**2.0 RECOMMENDATIONS**

It is recommended that Members:

- (a) Approve and note the Statement of Accounts of Rhondda Cynon Taf CBC (Appendix 1), and associated Letter of Representation (Appendix 2).
- (b) Approve and note the audited final out-turn position for the Council with regard to the financial year 2021/22 and the level of General Fund Balances (paragraph 8.4); and
- (c) Note the considerations and comments of the 7<sup>th</sup> September 2022 Governance and Audit Committee meeting as required by the Local Government Measure (paragraphs 11.1 and 11.2).

### **3.0 STATUTORY APPROVAL PROCESS**

- 3.1 The Accounts and Audit (Wales) Regulations require that Council approve the **audited** Statement of Accounts by the 31<sup>st</sup> July.
- 3.2 The regulations require the Responsible Financial Officer to certify unaudited accounts by the 31<sup>st</sup> May following financial year end and further information in this regard is set out in Section 5.
- 3.3 The Authority has administrative responsibility for the production of the Annual Return for Llwydcoed Crematorium Joint Committee, which has been audited and was approved by the relevant Joint Committee on 14<sup>th</sup> October 2022.
- 3.4 The Authority also has administrative responsibility for the production of the Statement of Accounts for the Central South Consortium Joint Education Service Joint Committee which has been audited and was approved by the relevant Joint Committee on 25<sup>th</sup> October 2022.

### **4.0 ACCOUNTS AND AUDIT (WALES) (AMENDMENT) REGULATIONS 2018**

- 4.1 The Accounts and Audit (Wales) (Amendment) Regulations 2018 require Local Authorities to produce and publish Statements of Accounts in accordance with the table below:

<b>Financial Year</b>	<b>Draft Statement of Accounts certification</b>	<b>Audited Statement of Accounts publication</b>
2017/18	30 <sup>th</sup> June	30 <sup>th</sup> September
2018/19	15 <sup>th</sup> June	15 <sup>th</sup> September
2019/20	15 <sup>th</sup> June	15 <sup>th</sup> September
2020/21	31 <sup>st</sup> May	31 <sup>st</sup> July
2021/22	31 <sup>st</sup> May	31 <sup>st</sup> July

- 4.2 To enable officers to meet the earlier closure requirements, and prior to the COVID 19 pandemic, an earlier closure timetable had been prepared which saw the Council publish audited accounts by the 31<sup>st</sup> July for the financial year 2018/19, two years before the statutory requirement. The pandemic and the necessary reprioritisation of resources during this period has resulted in a planned delay in the production of the Council's accounts.

### **5.0 IMPACT OF COVID 19 UPON THE STATUTORY APPROVAL PROCESS**

- 5.1 The Accounts and Audit (Wales) Regulations 2014 (as amended) require the Responsible Financial Officer (for Rhondda Cynon Taf, the Director of

Finance and Digital Services) to certify unaudited accounts by 31<sup>st</sup> May following financial year-end as detailed above. The regulations include a provision whereby if the Responsible Financial Officer does not certify the draft accounts by 31<sup>st</sup> May, there is a requirement to publish a statement setting out the reasons for non-compliance. In accordance with the requirements, the appropriate notice was published on the Council website from the 31<sup>st</sup> May 2022.

- 5.2 Welsh Government clarified their expectation for the timescales for the preparation and publication of 2021/22 statutory financial statements, confirming there is no requirement to amend regulations and, in line with the revised 2019/20 timetable, would require preparation and certification of draft accounts by 31<sup>st</sup> August 2022 and publication of final audited accounts by 30<sup>th</sup> November 2022 for all local government bodies in Wales. However, the Welsh Government encouraged Councils to approve earlier wherever possible.
- 5.3 Officers have maintained regular dialogue with Audit Wales with regard to timescales for the production and audit of the Statement of Accounts. Finance teams have continued to work effectively (generally from home) and the target date was re-set in light of continued pressures as a result of the on-going recovery phase from the pandemic.
- 5.4 The draft Statement of Accounts for Rhondda Cynon Taf County Borough Council was subsequently certified by the Director of Finance and Digital Services on the 28<sup>th</sup> July 2022.

## **6.0 STATEMENT OF ACCOUNTS**

- 6.1 In respect of the timing for the completion of the external audit process, a technical accounting issue regarding accounting for infrastructure assets necessitated a further delay in auditors being able to “sign off” local authority accounts. This was a national issue impacting across the whole of local government.
- 6.2 Following consultation, CIPFA issued an update to the Code of Practice on Local Authority Accounting in the UK (the Code) on 29<sup>th</sup> November 2022 in relation to the accounting for infrastructure assets. The update amends both the 2021/22 and 2022/23 codes and includes specifications for future codes.
- 6.3 To address the issue, section 4.1 of the Code has been updated to include a temporary relief from disclosing gross cost and accumulated depreciation of infrastructure assets until 31<sup>st</sup> March 2025.
- 6.4 Along with this, the Welsh Government issued a statutory override amending the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 by adding a new regulation (24L). This override was made on 2<sup>nd</sup> December 2022 and came into force immediately and is set out in

the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2022.

- 6.5 This statutory instrument considered the treatment of the derecognition and replacement expenditure on infrastructure assets.
- 6.6 The amendments to the Code and regulations are reflected in the Statement of Accounts at Appendix 1.
- 6.7 The 2021/22 Statement of Accounts for Rhondda Cynon Taf CBC at Appendix 1 are “final” and the external audit process has been completed. The approval of the 2021/22 Statement of Accounts provides Members with the continued assurance that the Council operates within the statutory requirements and builds further upon the robust financial management arrangements which the Council has in place.

## **7.0 LETTER OF REPRESENTATION**

- 7.1 It is normal practice for Audit Wales to request that the Responsible Finance Officer provides a “Letter of Representation”, which highlights material issues relating to the completeness and/or accuracy of the information included in their financial statements and could, therefore, influence his audit opinion. This is to ensure that the accounts properly reflect financial standing and is consistent with the approach taken by Audit Wales in prior years.
- 7.2 The draft Letter of Representation for this Council, which has been prepared after full consultation with the Council’s Senior Leadership Team, is provided at Appendix 2.

## **8.0 OUT-TURN UPDATE, GENERAL FUND BALANCES & EARMARKED RESERVES**

- 8.1 The unaudited outturn for 2021/22 was presented to the Cabinet on the 18<sup>th</sup> July 2022, within the Council Performance report. Within this report, the variance against the revenue budget was an overspend of £0.213M.
- 8.2 During the intervening period, the external audit process has taken place resulting in a number of amendments to the Statement of Accounts. As detailed in the Audit Wales ISA 260 Report to those charged with governance, the auditor has identified a number of misstatements within the Financial Statements, which have been corrected in the updated version now presented to Council for approval. The misstatements do not impact upon the General Fund balances.
- 8.3 In line with the 2021/22 Revenue Budget Strategy report presented to Council on 10<sup>th</sup> March 2021, it is my view, as Section 151 Officer, that £10M represents the minimum level of General Fund Balances the Council should maintain to ensure financial flexibility and stability going forward. During



2021/22 Welsh Government made additional funding available to local authorities to support the on-going financial implications of the pandemic and any flexibilities available have been set aside to support the Council's on-going resilience. This has included reinstating the level of general fund reserve balances to the minimum level, from £8.505M to £10.292M. The level of General Fund reserves will be kept under on-going review taking into account the overall quantum of the budget and the financial risks therein and facing the Council.

- 8.4 The level of balances maintained by the Council at the end of financial year 2021/22 are detailed below:

### **General Fund Balances**

	<b>£M</b>
General Fund Balances as at 1 <sup>st</sup> April 2021	(8.505)
General Fund In-Year Contribution	(2.000)
2021/22 Net Overspend (as reported to Cabinet 18 <sup>th</sup> July 2022)	0.213
Audited General Fund Balances as at 31 <sup>st</sup> March 2022	(10.292)

### **Earmarked Reserves**

- 8.5 At the 31<sup>st</sup> March 2022, revenue stream funding earmarked reserves amounted to £112.422M. These are detailed within the Statement of Accounts (note 13.2 to the accounts).
- 8.6 For Members information, I provide some detail on a number of these below.

Revenue Grant Reserves IFRS (£5.7M) – this represents accounting for grants entries necessary to comply with International Financial Reporting Standards (it is not distributable for other purposes).

Financial Management and Human Resources Risk Management (£36.1M) – this represents a risk based judgement as to financial risks into the future and protects the annual revenue budget from foreseeable volatility (e.g. economic downturn) and risk assessed future liabilities.

Prior Year Commitments (£34.8M) – represents monies allowed for carry forward from one year to another as a result of budgeted / committed spend not actually being incurred before the 31<sup>st</sup> March (as reported in the Council's quarterly Performance Reports).

Revenue Budget Strategy 2022/23 (£1.0M) – this reflects the money released from earmarked reserves as funding for the 2022/23 budget, as approved by Council (9<sup>th</sup> March 2022).

Medium Term Financial Planning and Service Transformation (£3.6M) – this represents transitional funding to support medium term financial and service planning requirements.

Investment / Infrastructure (£19.8M) – this represents funding for the costs of maintaining and enhancing infrastructure across the County Borough.

Invest to Save (£5.0M) – this represents funding identified (pump priming) to support Invest to Save opportunities as and when they arise.

- 8.7 In addition to the above, there are specific reserves relating to Capital Funding, Insurance and Treasury Management.

Capital Developments (£75.5M) – this relates to funding needed to balance the existing 3-year capital programme. This Council's capital funding strategy is to maximise the use of capital resources in the first instance, retaining revenue funding for latter years, thereby providing greater future year flexibility if necessary. Included here are the resources identified but not yet expended in respect of the additional capital investment agreed during 2021/22 (aligned to Corporate Plan Investment Priorities).

Insurance Reserve (£7.9M) – funding identified as needed for financing the Council's insurance liabilities over the medium term.

Treasury Management (£2.5M) – funding for known and potential future pressures upon the Capital Financing budget.

## **9.0 INTERNATIONAL STANDARD ON AUDITING (ISA) 260**

- 9.1 The External Auditor is required, under ISA260, to report to "those charged with governance", relevant matters relating to the audit of the financial statements. This is to be provided to those charged with governance, as distinct from management, before an opinion is given on the financial statements.
- 9.2 The auditor, in his report on the Rhondda Cynon Taf CBC Statement of Accounts, draws attention to a number of misstatements that have been corrected by management. These are detailed in the Audit Wales ISA 260 report.
- 9.3 The auditor also makes recommendations arising from the audit process. These require a management response and are detailed in the Audit Wales ISA 260 report.
- 9.4 Audit Wales intend to issue an unqualified auditor's report on the financial statements of Rhondda Cynon Taf CBC.

## **10.0 UNCORRECTED MISSTATEMENTS**

- 10.1 The ISA260 report on the Rhondda Cynon Taf CBC Statement of Accounts identifies there are no misstatements identified in the accounts, which remain uncorrected

## **11.0 LOCAL GOVERNMENT MEASURE REQUIREMENTS**

- 11.1 The Statutory Guidance from the Local Government Measure 2011 was published in June 2012 which provided clarity on the role of Audit Committees in the approval process of a Council's Statement of Accounts. The relevant excerpt is shown below.

### ***Financial statements***

*9.21 Before their approval by the authority, the audit committee should consider and comment on the authority's certified draft financial statements. They will want to see to what extent the statements take cognisance of audit reports during the year, and changes in accounting policy and internal control mechanisms. Audit committees may approve the financial statements themselves where local authorities have delegated that power to them under regulation 9 of the Accounts and Audit Regulations (Wales) 2005 (as amended).\**

*\* The Statutory Guidance referred to above references regulation 9 of the Accounts and Audit Regulations (Wales) 2005 (as amended). However, this has now been replaced by regulation 10 of the Accounts and Audit Regulations (Wales) 2014. Welsh Government have advised that references to the 2005 regulations in subordinate legislation and statutory guidance will be replaced with the 2014 regulation references in due course.*

- 11.2 The Council's Governance and Audit Committee considered the draft accounts on 7<sup>th</sup> September 2022. The Governance and Audit Committee concluded that there were no issues that would prevent Council from approving the Statement of Accounts.

## **12.0 EQUALITY AND DIVERSITY IMPLICATIONS AND SOCIO-ECONOMIC DUTY**

- 12.1 The report provides the legal requirements for the approval of the Council's Statement of Accounts in accordance with the Accounts and Audit (Wales) (Amendment) Regulations 2018. As a result, there are no equality and diversity or socio-economic duty implications to report.

## **13.0 WELSH LANGUAGE IMPLICATIONS**

- 13.1 There are no Welsh language implications as a result of the recommendations in this report.

## **14.0 CONSULTATION**

- 14.1 There are no consultation requirements emanating from the recommendations set out in the report.

## **15.0 FINANCIAL IMPLICATION(S)**

- 15.1 The financial results / implications within this report have been reported to Cabinet on 18<sup>th</sup> July 2022. The Council's financial performance will continue to be monitored within quarterly Performance Reports during 2022/23. Such reports are presented to Cabinet and are also subject to scrutiny by the Overview and Scrutiny Committee.
- 15.2 There are no additional financial implications as a result of the recommendations set out in the report.

## **16.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

- 16.1 The report ensures the Council complies with the Accounts and Audit (Wales) (Amendment) Regulations 2018 and in doing so is in line with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

## **17.0 LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT**

- 17.1 This report supports the Council's Corporate Plan 2020-24 – "Making a Difference", in particular through supporting the 'Living Within Our Means' theme.
- 17.2 The report also supports the Well-being of Future Generations Act in particular 'a globally responsible Wales' through responsible management of the Council's financial resources.

## **18.0 CONCLUSION**

- 18.1 The certification of the draft Statement of Accounts on 28<sup>th</sup> July 2022 demonstrates the continued effective financial management arrangements at this Council despite the on-going challenges of COVID 19.
- 18.2 The completion of the external audit and sign off of the 2021/22 final accounts represents further assurance as to the Council's general financial standing.

**Other information:**

**Governance and Audit Committee 7<sup>h</sup> September 2022**

\*\*\*\*\*

Appendix 1



Statement of  
Accounts  
2021/22



**Rhondda Cynon Taf County Borough Council  
Statement of Accounts 2021/22**

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## Narrative Report

### 1. Introduction

Rhondda Cynon Taf is the third largest Council in Wales with a population of 241,873 (2020 mid-year estimate), serving an area in the South Wales Valleys covering 424 square kilometres, stretching from the Brecon Beacons National Park in the north to the Capital City of Cardiff in the south.

The accounts for 2021/22 have been prepared in accordance with:

- Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 based on International Financial Reporting Standards (IFRS).
- Accounts and Audit (Wales) Regulations 2014 (as amended).

The accounts set out on pages 1 to 167 comply with the above.

### 2. Impact of Major Events

#### 2.1 Covid-19 and Cost of Living Support

The Council's financial and operational performance position throughout 2021/22 reflects the context of operating within a very challenging and unprecedented environment as a result of the on-going impact of Covid-19. This has required the Council, like all local authorities in Wales, to continue to adapt and change the way it provides services, many in partnership with others, to help meet the needs of residents and businesses.

The pandemic has resulted in widespread challenges in the delivery of Council services with significant additional cost and income losses that have, throughout 2021/22, been funded by Welsh Government. Specific financial assistance has been provided to local authorities for additional expenditure incurred as a result of Covid-19 (for example, additional costs incurred in respect of housing / homelessness, free school meal payments, Adult Social Services, staff cover due to absence / shielding and increased demand for the Council Tax Reduction Scheme) and also income loss where there has been a need to temporarily suspend or reduce service provision (for example, leisure centres and the provision of school meals).

Welsh Government have stated that they do not intend to continue to provide such additional support going forward and that councils will have to manage these implications through the additional resources provided in the settlement. Exceptions to this are ongoing support for free school meals up to the end of school summer holidays 2022, SSP enhancement and self-isolation payments.

The Council will need to monitor the financial implications of the withdrawal of the Hardship Fund closely moving forward, using any flexibility afforded within its available reserves to transition any permanent additional costs into the base budget over the medium term.

During the financial year, with specific regard to the financial impact of Covid-19, updates have been included within quarterly Performance Reports to Cabinet and the Finance and Performance Scrutiny Committee that have set out actual and projected additional costs and income losses for the year and accompanying Welsh Government Covid-19 funding received. The following table provides details of funding received:

Service Area	Actual Additional Costs / Income Loss Recovered (Quarters 1 - 4)
	£'m
Education & Inclusion Services	(8.050)
Community & Children's Services	(16.112)
Chief Executive	(1.621)
Prosperity, Development & Frontline Services	(2.697)
Authority Wide	(1.600)
<b>TOTAL</b>	<b>(30.080)</b>

Please note the above table excludes additional costs incurred in respect of Test, Trace and Protect and vaccination centres, the funding for which is being made available by Welsh Government. It also excludes spend incurred and funded on Welsh Government schemes for which we acted as an agent.

Due to the impact of the Covid-19 pandemic, Welsh Government continued to make available a large number of grants and financial support packages. Some of these grants are made directly to support local authorities with their additional costs or loss of income because of the pandemic. Others have been to enable local authorities to meet the additional costs related to the pandemic of their commissioned services. There have also been a number of grants or areas of financial support that local authorities have been asked to administer on the Welsh Government's behalf.

In terms of accounting arrangements, risk-based criteria was used to determine whether grants are to be accounted as income and expenditure through the Comprehensive Income and Expenditure Statement (Principal) or through the Balance Sheet (Agent). All administration fees are treated as Principal.

The table below details the main areas of financial support:

Grant Scheme	£'m	Accounting Treatment
Additional Expenditure and Loss of Income (Hardship Fund)	30.080	Principal
Economic Resilience Fund	0.501	Agent
Economic Resilience Fund - Admin Fee	0.020	Principal
WG - Emergency Non Domestic Rates Scheme	3.120	Agent
WG - NDR Discretionary Grant (Retail, Hospitality, Leisure)	0.238	Agent
WG - Emergency Non Domestic Rates Scheme - Admin Fee	0.291	Principal
Cost of Living (Main Scheme)	13.933	Agent
Cost of Living Admin	0.464	Principal
Cost of Living (Discretionary Scheme)	2.292	Principal
Statutory Sick Pay (SSP) Enhancement	0.157	Agent
Winter Fuel Support Scheme Payments	2.953	Principal
Winter Fuel Support Scheme Payments - Admin Fee	0.140	Principal
Self Isolation payments	4.594	Agent
Self Isolation payments - Admin Fee	0.358	Principal
Freelancer Grant	0.105	Agent
Test Trace Protect	7.973	Principal

## 2.2 The Council's Response to Extreme Weather

A Strategic Flood Risk Management Board for Rhondda Cynon Taf has been established. The Board is chaired by Cllr. Andrew Morgan, Leader of the Council and comprises senior representation from the Council, Welsh Government, Natural Resources Wales (NRW) and Dŵr Cymru. The Board's work-plan includes the management of investment opportunities and funding applications and the development of a comprehensive integrated emergency response. The first formal meeting of the Board took place on 9<sup>th</sup> February 2021.

The recommendations of the Cabinet report of [18<sup>th</sup> December 2020](#), "Review of the Council's response to Storm Dennis" will be monitored by the Council's Cabinet and scrutinised by the Council's Overview and Scrutiny Committee. An update on Flood Alleviation recommendations of the December 2020 report was provided to Council on [29<sup>th</sup> September 2021](#). Updates are provided in quarterly performance reports with a summary of the progress against agreed actions available on this [link](#).

Additional funding from Welsh Government has been made available from the Resilient Road Funding grant.

## 3. Impact of Economic Climate

On the 2<sup>nd</sup> March 2021, the Minister for Housing and Local Government (Julie James AM/MS) announced the 2021/22 Local Government Settlement. This included an overall increase in Revenue Support Grant (RSG) and Non-Domestic

Rates funding of 3.8%, with an increase for Rhondda Cynon Taf of 3.8%. Council officers and Members continue to take their fiduciary duty extremely seriously and this has been demonstrated by the setting of prudent, equitable and fair budgets. The financial results and position demonstrated in this Statement of Accounts reflect sound financial stewardship.

Given the continuing financial pressures the Council is working under, it remains the view of the Director of Finance and Digital Services (Section 151 Officer) that the Council should hold a minimum of £10m as General Fund Balances, (i.e. its working balance). This level is set given the context of the need for continued strong financial management that is felt to be essential to ensure that the Council maintains financial flexibility and stability going forward. As part of year-end arrangements for 2021/22, the Council has utilised additional one-off funding to reinstate general fund reserve balances to the minimum level (i.e. £10.292m as at 31<sup>st</sup> March 2022).

#### **4. Medium Term Financial Plan 2021/22 to 2024/25**

As reported to Council on 29<sup>th</sup> September 2021, the Council has set out assumptions within its [Medium Term Financial Plan 2021/22 to 2024/25](#). The Medium Term Financial Plan is the cornerstone of good governance and is an enabler of service delivery and service improvement within the constraints of available resources. The Public Sector has faced a prolonged period of real term reductions in funding levels for a number of years and unprecedented challenges lie ahead for services across local government, not least as a result of the national and international economic impact of the coronavirus pandemic. This position is also coupled with increasing demand and costs associated with many services, in particular Social Care Services and the need to support our residents, businesses and communities in recovering from the pandemic.

Locally, this Council has demonstrated its ability and willingness to invest in services over a long term period, linked to our priorities as set out in the Council's Corporate Plan "[Making a Difference - 2020 – 2024](#)", in order to meet the changing needs of our residents and communities. The significant 'additional' investment already agreed by Members during recent years is providing real improvements across many areas including Extra Care facilities, Schools, Town Centres, Roads, and Parks and Play Areas.

Whilst investment through the use of one-off funds has been very positive, the Council recognises that it must still address base budget shortfalls and make difficult decisions to balance its ongoing revenue budget into the medium term. The Council continues to focus on the budget gap position over the medium term and has successfully implemented a strategy of early identification and delivery of base budget reducing measures in-year. This has enabled the Council to deliver financial savings early and to replenish the Medium Term Financial Planning and Service Transformation Reserve which has been used proactively as part of the budget strategy for a number of years.

## 5. **The Council's Corporate Plan 2020-2024 "Making a Difference"**

For 2021/22 the Council's Corporate Plan 2020-2024 was the key strategic plan, focusing on 3 priorities:

- Ensuring People are independent, healthy and successful;
- Creating Places where people are proud to live, work and play;
- Enabling Prosperity, creating the opportunity for people and businesses to be innovative, be entrepreneurial and fulfil their potential and prosper.

A set of key commitments sits underneath each core priority:

- **People:**
  - Supporting our residents who are older, vulnerable or who have disabilities, to remain independent and have a good quality of life
  - Encouraging all residents to lead active and healthy lifestyles and maintain their mental wellbeing
  - Integrating health and social care and providing support for those with mental health problems and complex needs
  - Improving services for children and young people and ensuring the needs of children are considered in everything we do
- **Places:**
  - Keeping RCT clean through efficient street cleaning services, minimising the amount of waste we send to landfill, achieving our recycling targets through weekly recycling and regular refuse collections, and reducing our carbon footprint
  - Keeping the County Borough moving, including improvements to roads and pavements and public transport, whilst also improving air quality
  - Ensuring the County Borough is one of the safest places in Wales, with high levels of community cohesion and where residents feel safe
  - Getting the best out of our parks by looking after and investing in our greenspaces
- **Prosperity:**
  - Investing in our town centres, bringing jobs and homes into our town centres to create vibrant, thriving places people wish to live, work and socialise
  - Delivering major regeneration and transportation schemes, maximising the impact of the new South Wales Metro, to create better places to live and work, whilst protecting and enhancing the County Borough
  - Ensuring we have good schools, so all children have access to a great education
  - Increase the number of quality homes available and affordable to provide greater housing choice for residents
  - Helping people into work and better paid employment

The delivery of the above priorities is underpinned within the Corporate Plan through an approach that, amongst other things, focusses on 'Living within our means', and being an 'Efficient and effective Council', and taking action to tackle climate change.

During 2021/22, the Council's Cabinet received progress updates on the delivery of the three Corporate Plan priorities, these being reported as part of the Council's quarterly performance reporting arrangements and Cabinet confirmed that they were satisfied with the progress made. Following this, the Performance Reports were reported to the Council's Finance and Performance Scrutiny Committee for review and challenge (the quarter 4 / year-end Performance Report was reported to the Overview and Scrutiny Committee in line with the Council's updated scrutiny arrangements for the Council term 2022 - 2027).

The Council also publishes a Corporate Performance Report each year setting out an assessment of performance across its Corporate Plan priorities for the previous year and priority plans for the year ahead. The 2021/22 [report](#) was approved by Council on 20<sup>th</sup> October 2021. The publication of the Corporate Performance Report ensures the Council complies with its statutory responsibilities to assess its performance and set out plans for the year ahead in line with the Well-being of Future Generations Act 2015.

To guide the delivery of Corporate Plan priorities, in September 2017, Cabinet agreed that the Council will focus on five workstreams to improve the essential services provided:

- Digitalisation - in line with the Council's updated Digital Strategy (2022-2026) approved by Cabinet on [21st March 2022](#) setting out the Council's vision of being a truly "Digitally Driven Council," that provides excellent services, which are efficient, effective and designed with the person and modern customer expectations at their heart and delivered by a digitally empowered workforce.
- Commercialisation - creating the conditions within the Council in terms of capacity and capability to widen opportunities to trade with external organisations.
- Early Intervention and Prevention - investing in preventative services to support the delivery of savings in the medium term.
- Independence - modernising and reshaping services to ensure independence is promoted for vulnerable residents; this includes building Extra Care facilities and linking into community hub provision.
- Efficient and Effective Organisation - challenging on-going service delivery and driving out further efficiencies through bringing together similar back-office functions, reducing administration costs and also the size of the property portfolio.

In addition to these modernisation changes, the Council has committed to a strategic capital investment programme, a number of which will link in with and complement the Cardiff Capital Region City Deal:

- Regeneration Projects;
- Improving school buildings and facilities;

- Improving adult social care provision through a long-term programme of creating new Extra Care facilities;
- Improving the condition of both roads and community assets such as parks and playgrounds; and
- A programme of flood alleviation works.

The Council is also a key partner in the Cwm Taf Public Services Board. Its purpose is to improve the economic, social, environmental and cultural well-being in this area by strengthening joint working and published its first well-being plan in May 2018.

The Cwm Taf Well-being Objectives are:

- Thriving Communities;
- Healthy People;
- Strong Economy; and
- Tackling Loneliness and Isolation.

The objectives set out in the Council's Corporate Plan and the Cwm Taf Well-being Plan will help the Council and Cwm Taf Public Services Board to contribute to the seven national Well-being goals, as set out in the Well-being of Future Generations Act:

- A globally responsible Wales;
- A prosperous Wales;
- A resilient Wales;
- A healthier Wales;
- A more equal Wales;
- A Wales of cohesive communities; and
- A Wales of vibrant culture and thriving Welsh Language.

## **6. Explanation of Core Financial Statements**

The Statement of Accounts that follow this Narrative Report contains the following Core Financial Statements:

- **Movement in Reserves Statement (MiRS)** – analyses the movement in usable and unusable reserves.
- **Comprehensive Income and Expenditure Statement (CI&ES)** – reflects income and expenditure in accordance with IFRS and is analysed into service areas which reflect the way in which services operate and performance is managed.
- **Balance Sheet** – reflects all assets, liabilities and reserves of the Council as at the end of the financial year.
- **Cash Flow Statement** – analyses the movement in cash and cash equivalents for the year.



In the financial statements for 2021/22, two joint committees are consolidated:

- Central South Consortium Joint Education Service (CSCJES); and
- Cardiff Capital Region City Deal (CCRCD).

**Group Accounts** - Amgen Cymru Ltd. and Amgen Rhondda Ltd have been identified as group companies and have been consolidated into the group financial statements. Based on materiality, the associate company is not consolidated. Subsidiary companies are consolidated into the group statements using the acquisition method.

**Annual Governance Statement** – this is included within the Statement of Accounts. This statement details the Council’s governance arrangements and reviews its effectiveness.

## 7. **Revenue Income and Expenditure 2021/22**

The Comprehensive Income and Expenditure Statement provides an analysis of the Council’s gross revenue expenditure and income in accordance with IFRS.

The broad objectives of [The Council’s 2021/2022 Revenue Budget Strategy](#) were to:

- Support the delivery of our key strategic priorities (as set out in the Corporate Plan “Making a Difference” 2020-2024):
  - People – Are independent, healthy and successful
  - Places – Where people are proud to live, work and play
  - Prosperity – Creating the opportunity for people and businesses to: be innovative; be entrepreneurial; and fulfil their potential and prosper;
- Retain the support of Audit Wales for the approach the Council has adopted to securing strong financial management;
- Continue with the delivery of our key services and protect as many local jobs as possible; and
- Take a responsible approach to the level of Council Tax.

The Council’s services are managed and delivered by four groups:

- **Chief Executive** - Providing the authority wide functions of Human Resources; Democratic Services & Communications; Legal Services; the frontline services of Customer Care, Housing Benefit & Council Tax administration; and key support services of Finance, ICT & Digital Services, Corporate Estates Management and Procurement.
- **Prosperity, Development & Frontline Services** - Providing the frontline services of Highways; Transportation; Strategic Projects; Streetcare (including Waste and Street Cleansing) and Parks Services; together with Regeneration, Housing, Planning Services and Marketing, Events, Tourism & Design.

- **Education & Inclusion Services** - Providing support services to schools; Access and Inclusion; Education Other than At School; School Admissions and Governance; Early Years Services; Attendance and Wellbeing; 21<sup>st</sup> Century Schools; Asset and Data Management; Music Services; Catering Services; and school improvement support in partnership with the Central South Consortium.
- **Community & Children's Services** - Providing Adult Services (Community Care Services and Health & Social Care Services); Children's Services; Community Housing Services; Public Health & Protection; Leisure, Countryside & Cultural Services (including Theatres); Visitor Attractions & Heritage; Community Learning Services; Libraries; Welsh Language Services; Youth Engagement & Participation and Employment Programmes.

The following table details each of the service groups' actual net expenditure and budget during 2021/22. Further details were published on the Council's website within the year-end Performance Report for 2021/22.

This represents the net revenue expenditure of the Council in line with the statutory provisions that need to be taken into account when setting local taxes.

The variance against budget contributes to the movement on the Council Fund Balance:

Service Group	Budget	Spend	Variance
	£'000	£'000	£'000
Chief Executive	31,720	31,431	(289)
Community & Children's Services	168,059	168,589	530
Education & Inclusion Services	195,536	195,425	(111)
Prosperity, Development & Frontline Services	59,237	59,375	138
<b>Total</b>	<b>454,552</b>	<b>454,820</b>	<b>268</b>
Authority Wide Budgets	73,351	73,296	(55)
<b>Total</b>	<b>527,903</b>	<b>528,116</b>	<b>213</b>

	£'000
<b>Council Fund Reserves as at 31st March 2021</b>	<b>(8,505)</b>
General Fund in-year contribution	(2,000)
Revenue Budget Out-turn (Variance as above)	213
<b>Council Fund Reserves as at 31st March 2022</b>	<b>(10,292)</b>

Expenditure on services amounted to £833m and this can be analysed over the following expenditure categories:

Type of Expenditure	£'m	%
Employees	399	48
Premises	33	4
Transport	25	3
Supplies and Services	88	11
Payments to Third Parties	147	18
Transfer Payments	87	10
Capital Charges	52	6
Other Operating Costs (e.g. Support Services)	2	0
<b>Total Gross Expenditure</b>	<b>833</b>	<b>100</b>

Income during the year totalled £955m and came from the following sources:

Income Analysis	£'m	%
Direct Service Income		
Specific Grants	238	25
Sales, Fees & Charges	35	4
Other Income	47	5
<b>Sub-Total Direct Service Income</b>	<b>320</b>	<b>34</b>
Other Income		
Council Tax	146	15
Non-Domestic Rates	79	8
Non-Ringfenced Government Grants	334	35
Capital Grants and Contributions	74	8
Other	2	0
<b>Total Income</b>	<b>955</b>	<b>100</b>

## 8. Capital Expenditure and Income 2021/22

During the year the Council incurred £105.9m of capital expenditure, as summarised below:

Group	£'000
Chief Executive	3,765
Prosperity, Development & Frontline Services	68,409
Community & Children's Services	6,710
Education & Inclusion Services	27,062
<b>Total</b>	<b>105,946</b>

The type of capital expenditure incurred during the year is summarised below:

Capital Expenditure	£'000
Tangible Long-Term Assets	90,667
Intangible Long-Term Assets	1,853
Revenue Expenditure Funded from Capital under Statute	13,426
<b>Total</b>	<b>105,946</b>

This expenditure was financed as follows:

<b>Capital Financing</b>	<b>£'000</b>
Revenue Funding	17,265
Borrowing	12,426
Grants	75,446
Third Party Contributions	809
<b>Total</b>	<b>105,946</b>

Significant expenditure was incurred on:

- Disabled Facilities Grants/Adaptations (DFG);
- Fleet Vehicles;
- Highways improvements;
- Robertstown Development;
- Storm Dennis Flood Recovery;
- Transforming Towns, Taff Street and Sardis Road Properties;
- Valleys Taskforce RCT and Empty Homes;
- Ysgol Gyfun Rhydywaun; and
- Ysgol Gynradd Gymraeg Aberdar School Modernisation.

## 9. Summary of Future Capital and Revenue Plans

The priorities included within the Council's Corporate Plan 2020-2024 "Making a Difference" need to be underpinned by robust financial management. Forward looking financial and service planning arrangements are critical in ensuring the Council's priorities are affordable and lead the work to become more efficient, transform services and deliver investment priorities.

Capital and revenue budgets are approved annually by full Council. The Capital Programme is approved for a rolling 3-year period and updated annually. Revenue budgets are set annually in line with the Welsh Government settlement announcements.

A summary of the [Capital Programme 2022-2025](#) agreed by Council in March 2022 is as follows:

<b>Group Expenditure</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Chief Executive	2,909	1,975	1,975	<b>6,859</b>
Prosperity, Development & Frontline Services	52,567	19,875	16,112	<b>88,554</b>
Education & Inclusion Services	26,128	4,567	4,265	<b>34,960</b>
Community & Children's Services	12,396	5,011	990	<b>18,397</b>
<b>Total</b>	<b>94,000</b>	<b>31,428</b>	<b>23,342</b>	<b>148,770</b>

Estimated resources required to fund the future Capital Programme are:

Estimated Resources Required to Fund Capital Programme	2022/23	2023/24	2024/25	Total
	£'000	£'000	£'000	£'000
Supported Borrowing	6,867	6,867	6,867	<b>20,601</b>
Unsupported Borrowing	11,502	289	1,000	<b>12,791</b>
Capital Grants	27,074	12,122	4,732	<b>43,928</b>
Third Party Contributions	259	13	0	<b>272</b>
General Fund Capital Resources	20,710	4,287	2,751	<b>27,748</b>
Revenue Contributions	27,588	7,850	7,992	<b>43,430</b>
<b>Total</b>	<b>94,000</b>	<b>31,428</b>	<b>23,342</b>	<b>148,770</b>

As at 31<sup>st</sup> March 2022, major capital commitments over the next three years (per the Capital Programme 2022-2025) include the following schemes:

Scheme	£'000
Porth Interchange Metro+ Local Transport Fund (LTF)	5,939
Disabled Facilities Grants/Adaptations (DFG)	12,000
Highways Improvements	6,800
Structures	6,250
Transportation Infrastructure	27,765
Storm Dennis Flood Recovery	6,441
Vehicles	7,719
School Modernisation	7,577
YG Rhydywaun School Modernisation	5,235
Modernisation Programme (Adults)	6,264
Muni Arts Centre Redevelopment	5,324

A summary of the Council's [revenue budget for 2022/23](#) (agreed in March 2022) is outlined below:

Service Area	£'000
Authority Wide	75,716
Individual Schools Budget	174,966
Community & Children's Services	183,619
Prosperity, Development and Frontline Services	65,993
Chief Executive	32,673
Education & Inclusion Services	33,825
<b>Total</b>	<b>566,792</b>

## 10. Borrowing Arrangements and Sources of Funds

Each year, in accordance with the Local Government Act 2003 and the Prudential Code, the Council is required to set limits in relation to borrowing and to set various other prudential and treasury indicators.

The limit set at the start of the financial year was as follows:

The Authorised borrowing limit approved at the start of the year was £532.0m.

The Council's borrowing totals £392.7m, of which £373.5m is long-term and £19.2m is short-term. This external borrowing is from the Public Works Loan Board (PWLB) £221.5m, Welsh Government repayable funding £80.6m, £90.6m from market loans and other sources.

The Council is required to prepare a Treasury Management Strategy and a Capital Strategy for the forthcoming year, and these were approved by full Council on 10<sup>th</sup> March 2021 for the 2021/22 financial year. The Council's Treasury Management Practices allow the Council to raise funds from a variety of sources, including the PWLB and the money market. The Section 151 Officer is authorised to take the most appropriate form of borrowing from approved sources within the overall borrowing limits set by Council.

## 11. Pensions Assets and Liabilities

As a result of International Accounting Standard (IAS) 19 "Employee Benefits", local authorities are required to account for pensions liabilities in respect of the cost of decisions made up to the Balance Sheet date. Please refer to notes 14.4 and 33.0 to the Core Financial Statements for further details. The effect of IAS 19 upon the reserves of the Council is as follows:

	<b>£'000</b>
Net Assets excluding Pensions Reserve	1,102,423
Net Assets as per Balance Sheet	497,463

## 12. Cardiff Capital Region City Deal (CCRCD)

On 15<sup>th</sup> March 2016, the ten Council Leaders in South East Wales, the First Minister, the Welsh Government Minister for Finance and Government Business, the Secretary of State for Wales and the Chief Secretary to the Treasury signed the Cardiff Capital Region City Deal, an agreement between the UK Government, the Welsh Government and the ten leaders to develop and manage £1.2 billion investment in the Cardiff Capital Region's infrastructure through a 20-year Investment Fund. This investment comprises £734m on a Metro scheme and £495m for Investment in infrastructure, housing, skills and training, innovation, business growth and "Metro plus" transport proposals. On 25<sup>th</sup> February 2021, Rhondda Cynon Taf Cabinet received a report [The Cardiff Capital Region City Deal – Five Years On](#). This report provides an update on the progress made by the Cardiff Capital Region Joint Cabinet in respect of the agreed commitments set out in the CCRCD. Some of the major investments in the last five years are:

- Compound Semi Conductor Foundry;
- Metro Plus Schemes, for example Porth Interchange;
- Metro Central, redevelopment of Cardiff Central Station; and
- Housing Investment Fund.

On [27th January 2022](#), Cabinet received an update on Welsh Government Regulations to establish Corporate Joint Committees and the impact this has on

the Cardiff Capital Region Joint Committee. As reported to Cabinet on [4th October 2021](#), the CCRCD Cabinet on 20<sup>th</sup> September 2021 agreed to transition CCR's existing operational and delivery model into a single corporate body, the South East Wales Corporate Joint Committee (SEWCJC). This would mean carrying across CCR's existing governance arrangements under the Joint Working Arrangement to the CJC such that the CJC adopts the existing decision-making and oversight role of the Joint Committee. They also agreed to undertake an exercise analysing existing projects/pipeline projects and, where appropriate (in the case of existing projects), transferring such projects to the CJC to act as the vehicle for project delivery going forwards.

For 2021/22 the Joint Committee accounts of CCRCD (which includes the subsidiary company CSC Foundry Ltd) have been consolidated into the Council's accounts based upon the population figures as specified in the Joint Working Agreement approved by Council on 25<sup>th</sup> January 2017.

## Statement of Responsibilities for the Statement of Accounts

### The Council's Responsibilities

The Council is required:

- To make arrangements for the proper administration of its financial affairs and to ensure one of its Officers has the responsibility for the administration of those affairs. In this Council, that Officer is the Director of Finance & Digital Services.
- To manage its affairs to ensure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

I confirm that these accounts were approved by Council.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Presiding Officer**  
Rhondda Cynon Taf CBC  
The Pavilions  
Cambrian Park  
Clydach Vale  
Tonypany  
CF40 2XX



## **The Director of Finance & Digital Services' Responsibilities**

The Director is responsible for the preparation of the Council's Statement of Accounts which, in terms of the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom, is required to present a true and fair view of the financial position of the Council at the accounting date and its income and expenditure for the year.

In preparing this Statement of Accounts, the Director has:

- Selected suitable accounting policies and applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the code.

The Director has also throughout the financial year:

- Maintained proper accounting records that were kept up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

### **Certificate of the Director of Finance & Digital Services on the Accounts of Rhondda Cynon Taf CBC for 2021/22**

I certify that the accounts present a true and fair view of the financial position of Rhondda Cynon Taf CBC as at 31<sup>st</sup> March 2022 and its income and expenditure for the year.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Barrie Davies**  
**Director of Finance & Digital Services**  
Rhondda Cynon Taf CBC  
The Pavilions  
Cambrian Park  
Clydach Vale  
Tonypandy  
CF40 2XX

### **Movement in Reserves Statement (MiRS)**

This Statement shows the movement in the year on the different reserves held by the Council, analysed into “usable reserves” (i.e. those that can be applied to fund expenditure or reduce local taxation) and “unusable reserves”. The Total Comprehensive Income and Expenditure line shows the economic cost of providing the Council’s services on an International Financial Reporting Standards basis, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the Council Fund Balance for Council Tax setting. The Net Increase/(Decrease) before transfers to Earmarked Reserves line shows the statutory Council Fund Balance before any discretionary transfers to or from Earmarked Reserves undertaken by the Council.

Movement in Reserves Statement for the year ending 31<sup>st</sup> March 2021

	Council Fund Balance	Earmarked Reserves: Capital, Treasury & Insurance	Earmarked Reserves: Other Revenue Related	Delegated Schools Reserve	Usable Capital Receipts Reserve	Capital Grants Unapplied Account	MGCC Insurance Reserve	Total Usable Reserves	Unusable Reserves	Total Reserves of the Council
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Notes:</b>	13.1	13.2	13.2	13.3	13.4	13.5			14.0	
<b>Balance at 1<sup>st</sup> April 2020</b>	8,709	69,616	39,028	2,384	1,750	24,934	136	<b>146,557</b>	53,175	<b>199,732</b>
<b>Movement in reserves during 2020/21:</b>										
Total Comprehensive Income and Expenditure	34,811	0	(118)	0	0	0	0	<b>34,693</b>	(8,950)	<b>25,743</b>
<b>Adjustments between accounting basis and funding under regulations:</b>										
<b>Adjustments primarily involving the Capital Adjustment Account:</b>										
<b>Reversal of items debited/credited to CI&amp;ES:</b>										
Charges for depreciation and impairment of long-term assets	28,566	0	0	0	0	0	0	<b>28,566</b>	(28,566)	<b>0</b>
Revaluation losses on property, plant & equipment	36,900	0	0	0	0	0	0	<b>36,900</b>	(36,900)	<b>0</b>
Movement in the fair value of Investment Properties	215	0	0	0	0	0	0	<b>215</b>	(215)	<b>0</b>
Capital Grants and Contributions applied	0	0	0	0	0	0	0	<b>0</b>	0	<b>0</b>
Amortisation of intangible assets	1,675	0	0	0	0	0	0	<b>1,675</b>	(1,675)	<b>0</b>
Revenue expenditure funded from capital under statute	10,735	0	0	0	0	0	0	<b>10,735</b>	(10,735)	<b>0</b>

Continued Overleaf...

Amounts of long-term assets written off on disposal or sale as part of the gain/loss on disposal to the CI&ES	(358)	0	0	0	358	0	0	0	0	0
<b>Insertion of items not debited/ credited to CI&amp;ES:</b>										
Statutory provision for the financing of capital investment	(13,561)	0	0	0	0	0	0	(13,561)	13,561	0
Capital expenditure charged against the Council Fund Balances	(14,209)	0	0	0	0	0	0	(14,209)	14,209	0
<b>Adjustments primarily involving the Capital Grants Unapplied Account:</b>										
Capital grants and contributions unapplied credited to CI&ES	(70,103)	0	(706)	0	0	70,103	0	(706)	706	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0	0	0	(62,674)	0	(62,674)	62,674	0
<b>Adjustments involving the Capital Receipts Reserve:</b>										
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CI&ES	0	0	0	0	1,512	0	0	1,512	(1,512)	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	0	0	(515)	0	0	(515)	515	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	0	0	849	0	0	849	(849)	0
<b>Adjustments involving the Financial Instruments Adjustment Account:</b>										
Amount by which finance costs charged to the CI&ES are different from finance costs chargeable in the year in accordance with statutory requirements	(88)	0	0	0	0	0	0	(88)	88	0
<b>Adjustments involving the Pensions Reserve:</b>										
Reversal of items relating to retirement benefits debited or credited to the CI&ES	72,460	0	295	0	0	0	0	72,755	(72,755)	0
<i>Continued Overleaf...</i>										

Employer's pensions contributions and direct payments to pensioners payable in the year	(35,120)	0	(52)	0	0	0	0	(35,172)	35,172	0
<b>Adjustment involving the Accumulated Absences Account:</b>										
Amount by which officer remuneration charged to the CI&ES on an accruals	123	0	7	0	0	0	0	130	(130)	0
<b>Other adjustments include:</b>										
Adjustment between the Capital Adjustment Account and the Revaluation Reserve	0	0	0	0	0	0	0	0	0	0
Depreciation of long-term asset revaluation gains	0	0	0	0	0	0	0	0	0	0
<b>Net increase or (decrease) before transfers to Earmarked Reserves</b>	52,046	0	(574)	0	2,204	7,429	0	61,105	(35,362)	25,743
<b>Transfers to or from Earmarked Reserves</b>	(52,250)	7,213	35,337	9,651	0	0	49	0	0	0
<b>Increase or (decrease) in the year</b>	(204)	7,213	34,763	9,651	2,204	7,429	49	61,105	(35,362)	25,743
<b>Balance at 31<sup>st</sup> March 2021</b>	<b>8,505</b>	<b>76,829</b>	<b>73,791</b>	<b>12,035</b>	<b>3,954</b>	<b>32,363</b>	<b>185</b>	<b>207,662</b>	<b>17,813</b>	<b>225,475</b>

Movement in Reserves Statement for the year ended 31<sup>st</sup> March 2022

	Council Fund Balance	Earmarked Reserves: Capital, Treasury & Insurance	Earmarked Reserves: Other Revenue Related	Delegated Schools Reserve	Usable Capital Receipts Reserve	Capital Grants Unapplied Account	MGCC Insurance Reserve	Total Usable Reserves	Unusable Reserves	Total Reserves of the Council
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Notes:</b>	13.1	13.2	13.2	13.3	13.4	13.5			14.0	
<b>Balance at 1<sup>st</sup> April 2021</b>	8,505	76,829	73,791	12,035	3,954	32,363	185	<b>207,662</b>	17,813	<b>225,475</b>
<b>Movement in reserves during 2021/22:</b>										
Total Comprehensive Income and Expenditure	57,449	0	684	0	0	0	0	<b>58,133</b>	213,853	<b>271,986</b>
<b>Adjustments between accounting basis and funding under regulations:</b>										
<b>Adjustments primarily involving the Capital Adjustment Account:</b>										
<b>Reversal of items debited/credited to CI&amp;ES:</b>										
Charges for depreciation and impairment of long-term assets	3,688	0	94	0	0	0	0	<b>3,782</b>	(3,782)	<b>0</b>
Revaluation losses on property, plant & equipment	33,205	0	1,094	0	0	0	0	<b>34,299</b>	(34,299)	<b>0</b>
Movement in the fair value of Investment Properties	610	0	114	0	0	0	0	<b>724</b>	(724)	<b>0</b>
Capital Grants and Contributions applied	0	0	(603)	0	0	0	0	<b>(603)</b>	603	<b>0</b>
Government Grant Deferred Adjustment	0	0	0	0	0	0	0	<b>0</b>	0	<b>0</b>
Amortisation of intangible assets	1,582	0	0	0	0	0	0	<b>1,582</b>	(1,582)	<b>0</b>
Movement in the Donated Assets Account	(1,020)	0	0	0	0	0	0	<b>(1,020)</b>	1,020	<b>0</b>
Revenue expenditure funded from capital under statute	13,425	0	0	0	0	0	0	<b>13,425</b>	(13,425)	<b>0</b>

Continued Overleaf...

Amounts of long-term assets written off on disposal or sale as part of the gain/loss on disposal to the CI&ES	758	0	0	0	0	0	0	0	758	(758)	0
<b>Insertion of items not debited/ credited to CI&amp;ES:</b>											
Statutory provision for the financing of capital investment	(14,511)	0	0	0	0	0	0	0	(14,511)	14,511	0
Capital expenditure charged against the Council Fund Balances	(17,264)	0	0	0	0	0	0	0	(17,264)	17,264	0
<b>Adjustments primarily involving the Capital Grants Unapplied Account:</b>											
Capital grants and contributions unapplied credited to CI&ES	(81,868)	0	0	0	0	81,868	0	0	0	0	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0	0	0	(76,256)	0	(76,256)	76,256	0	0
<b>Adjustments involving the Capital Receipts Reserve:</b>											
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CI&ES	(1,079)	0	0	0	1,079	0	0	0	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	0	0	423	0	0	423	(423)	0	0
<b>Adjustments involving the Financial Instruments Adjustment Account:</b>											
Amount by which finance costs charged to the CI&ES are different from finance costs chargeable in the year in accordance with statutory requirements	(90)	0	0	0	0	0	0	(90)	91	1	0
<b>Adjustments involving the Pensions Reserve:</b>											
Reversal of items relating to retirement benefits debited or credited to the CI&ES	97,810	0	463	0	0	0	0	98,273	(98,273)	0	0

Continued Overleaf...

Employer's pensions contributions and direct payments to pensioners payable in the year	(37,170)	0	(62)	0	0	0	0	0	<b>(37,232)</b>	37,232	<b>0</b>
<b>Adjustment involving the Accumulated Absences Account:</b>											
Amount by which officer remuneration charged to the CI&ES on an accruals basis	933	0	7	0	0	0	0	0	<b>940</b>	(939)	<b>1</b>
<b>Other adjustments include:</b>											
Adjustment between the Capital Adjustment Account and the Revaluation Reserve	0	0	0	0	0	0	0	0	<b>0</b>	0	<b>0</b>
Depreciation of long-term asset revaluation gains	0	0	0	0	0	0	0	0	<b>0</b>	0	<b>0</b>
<b>Net increase or (decrease) before transfers to Earmarked Reserves</b>	56,458	0	1,791	0	1,502	5,612	0	65,363	206,625	271,988	
<b>Transfers to or from Earmarked Reserves</b>	(54,671)	9,108	36,840	8,526	213	0	(16)	<b>0</b>	0	<b>0</b>	
<b>Increase or (decrease) in the year</b>	1,787	9,108	38,631	8,526	1,715	5,612	(16)	<b>65,363</b>	206,625	<b>271,988</b>	
<b>Balance at 31<sup>st</sup> March 2022</b>	<b>10,292</b>	<b>85,937</b>	<b>112,422</b>	<b>20,561</b>	<b>5,669</b>	<b>37,975</b>	<b>169</b>	<b>273,025</b>	<b>224,438</b>	<b>497,463</b>	



## **Comprehensive Income and Expenditure Statement (CI&ES)**

This Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise 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.

**Comprehensive Income and Expenditure Statement for the year ended  
31<sup>st</sup> March 2022**

2020/21			Note:	2021/22		
Gross Exp	Gross Income	Net Exp		Gross Exp	Gross Income	Net Exp
£'000	£'000	£'000		£'000	£'000	£'000
109,676	(24,785)	84,891	Prosperity, Development & Frontline Services	118,864	(32,872)	85,992
65,526	(10,109)	55,417	Chief Executive	54,336	(11,847)	42,489
257,439	(56,989)	200,450	Education & Inclusion Services	274,712	(71,802)	202,910
262,473	(81,609)	180,864	Community & Children's Services	292,105	(110,540)	181,565
98,130	(113,705)	(15,575)	Authority Wide Budgets	90,523	(90,493)	30
1,308	(1,758)	(450)	Joint Committees	2,478	(2,413)	65
<b>794,552</b>	<b>(288,955)</b>	<b>505,597</b>	<b>Cost of Services</b>	<b>833,018</b>	<b>(319,967)</b>	<b>513,051</b>
			<b>Other Operating Expenditure</b>			
23,230	0	23,230	Precepts	29.3 24,316	0	24,316
12,406	0	12,406	Levies	29.3 12,901	0	12,901
0	(358)	(358)	(Gains) or Losses on Disposal of Non-Current Assets	0	(319)	(319)
		0				
		0	<b>Financing and Investment Income and Expenditure</b>			
11,397	0	11,397	Interest Payable and Similar Charges	7.2 11,171	0	11,171
14,579	0	14,579	Net Interest on Net Defined Liability	33.2 14,491	0	14,491
0	(597)	(597)	Interest Receivable and Similar Income	7.2 0	(640)	(640)
1,310	(324)	986	Income, Expenditure and Changes in the Fair Value of Investment Properties	628	(324)	304
		0				
		0	<b>Taxation and Non-Specific Grant Income</b>			
0	(140,915)	(140,915)	Council Tax Income	26.0 0	(146,388)	(146,388)
0	(74,592)	(74,592)	NDR Distribution	25.0 0	(79,250)	(79,250)
0	(321,312)	(321,312)	Non-Ringfenced Government Grants	0	(333,966)	(333,966)
0	(64,987)	(64,987)	Capital Grants and Contributions	0	(73,881)	(73,881)
0	(127)	(127)	Corporation Tax - Joint Committees	77	0	77
<b>857,474</b>	<b>(892,167)</b>	<b>(34,693)</b>	<b>(Surplus) or Deficit on the Provision of Services</b>	<b>896,602</b>	<b>(954,735)</b>	<b>(58,133)</b>
14,468	(18,999)	(4,531)	(Surplus) or Deficit on Revaluation of Property, Plant & Equipment Assets	7,646	(56,720)	(49,074)
13,481	0	13,481	Remeasurement of the Net Defined Benefit Liability	0	(164,779)	(164,779)
<b>27,949</b>	<b>(18,999)</b>	<b>8,950</b>	<b>Other Comprehensive Income and Expenditure</b>	<b>7,646</b>	<b>(221,499)</b>	<b>(213,853)</b>
<b>885,423</b>	<b>(911,166)</b>	<b>(25,743)</b>	<b>Total Comprehensive Income and Expenditure</b>	<b>904,248</b>	<b>(1,176,234)</b>	<b>(271,986)</b>

## **Balance Sheet**

The Balance Sheet shows the value of the assets and liabilities recognised by the Council at the financial year end. The net assets (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves are those that the Council 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) and reserves that hold timing differences shown in the Movement in Reserves Statement section 'Adjustments between accounting basis and funding basis under regulations'.

Balance Sheet as at 31<sup>st</sup> March 2022

31/03/21			Note:	31/03/22	
				£'000	£'000
	<b>Long-Term Assets</b>	Property, Plant & Equipment:	6.0		
709,205		Other Land & Buildings		765,911	
497,215		Infrastructure		526,504	
11,987		Vehicles, Plant & Equipment		15,129	
5,074		Community Assets		5,011	
1,983		Assets Under Construction		15,832	
145		Heritage Assets		145	
8,164		Investment Properties		7,546	
0		Defined Benefit Pension Scheme Asset		230	
3,204		Long-Term Intangible Assets		3,475	
6,615		Long-Term Investments	7.1	2,515	
3,035		Investment in Subsidiaries		3,032	
4,919		Long-Term Debtors		7,122	
<b>1,251,546</b>		<b>TOTAL LONG-TERM ASSETS</b>			<b>1,352,452</b>
		<b>Current Assets</b>	Short-Term Investments	7.1	133,870
23,479	Assets Held for Sale			1,196	
705	Inventories			1,443	
2,681	Short-Term Debtors		8.0	146,188	
123,020	Cash and Cash Equivalents		9.0	18,792	
14,533	<b>TOTAL CURRENT ASSETS</b>			<b>301,489</b>	
	<b>Current Liabilities</b>	Cash and Cash Equivalents	9.0	(15,772)	
(20,932)		Short-Term Borrowing	7.1	(19,156)	
(32,176)		Short-Term Donated Assets Account		0	
(1,515)		Short-Term Provisions	11.0	(1,508)	
(1,636)		Short-Term Creditors	10.0	(127,940)	
(111,146)	<b>TOTAL CURRENT LIABILITIES</b>			<b>(164,376)</b>	
	<b>Long-Term Liabilities</b>	Long-Term Creditors		(7,416)	
(6,770)		Long-Term Provisions	11.0	(3,439)	
(3,580)		Capital Grants Receipts in Advance		(1,798)	
0		Long-Term Borrowing	7.1	(373,531)	
(303,324)		Other Long-Term Liabilities	12.0	(605,795)	
(709,287)		Long-Term Donated Assets Account		(123)	
(123)	<b>TOTAL LONG-TERM LIABILITIES</b>			<b>(992,102)</b>	
<b>(1,023,084)</b>					
<b>225,475</b>	<b>NET ASSETS</b>			<b>497,463</b>	

Continued Overleaf...

8,505	<b>Usable Reserves</b>	Council Fund Balance	13.1	10,292	
		Earmarked Reserves:	13.2		
76,829		Capital, Treasury and Insurance Reserves	13.2	85,937	
73,791		Other Revenue Related Reserves	13.2	112,422	
12,035		Delegated Schools Reserve	13.3	20,561	
3,954		Usable Capital Receipts Reserve	13.4	5,669	
32,363		Capital Grant Unapplied Account	13.5	37,975	
185		MGCC Insurance Reserve		169	
<b>207,662</b>		<b>TOTAL USABLE RESERVES</b>			<b>273,025</b>
207,440	<b>Unusable Reserves</b>	Revaluation Reserve	14.1	249,240	
423		Deferred Capital Receipts Reserve		0	
529,843		Capital Adjustment Account	14.2	592,201	
(5,399)		Financial Instruments Adjustment Account	14.3	(5,308)	
(708,698)		Pensions Reserve	14.4	(604,960)	
(5,796)		Short-Term Accumulating Compensated Absence Account		(6,735)	
<b>17,813</b>		<b>TOTAL UNUSABLE RESERVES</b>			<b>224,438</b>
<b>225,475</b>	<b>TOTAL RESERVES</b>				<b>497,463</b>

## **Cash Flow Statement**

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

## Cash Flow Statement 2021/22

2020/21 £'000		Note:	2021/22	
			£'000	£'000
(34,693)	Net (Surplus) or Deficit on the Provision of Services		(58,133)	
(96,422)	Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements	15.0	(90,523)	
67,703	Adjustments for Items Included in the Net (Surplus) or Deficit on the Provision of Services that are Investing and Financing Activities	16.0	75,596	
<b>(63,412)</b>	<b>Net Cash Flows from Operating Activities</b>			<b>(73,060)</b>
25,667	Investing Activities	18.0	141,460	
39,420	Financing Activities	19.0	(58,981)	82,479
<b>1,675</b>	<b>Net Increase or Decrease in Cash or Cash Equivalents</b>			<b>9,419</b>
4,724	Cash and Cash Equivalents at the Beginning of the Reporting Period	9.0		(6,399)
<b>6,399</b>	<b>Cash and Cash Equivalents at the End of the Reporting Period</b>	9.0		<b>3,020</b>

## **Expenditure and Funding Analysis**

The Expenditure and Funding Analysis brings together the Council's performance reported on the basis of expenditure measured under proper accounting practices with statutorily defined charges to the Council Fund.

Proper accounting practices measure the resources that have been generated and consumed in the year including such things as the use of property (depreciation) and the value of pension benefits earned by the employees. Statutory provisions determine how much of the Council's expenditure needs to be met from council tax each year.

The Expenditure and Funding Analysis;

- shows for each of the Council's services a comparison of the net resources applied and the net charge against council tax, and
- provides an opportunity to explain significant differences between the two.

This analysis promotes accountability and stewardship by providing a direct link with the annual decision making process of the Council and its budget i.e. the Council Fund. It follows the performance framework of the Council.



**Expenditure and Funding Analysis Statement for the year ended 31<sup>st</sup> March 2021**

	2020/21		
	Income and Expenditure Chargeable to the Council Fund	Adjustments Between Funding and Accounting Basis	Net Expenditure for the Equivalent Amounts for CI&ES
	£'000	£'000	£'000
Prosperity, Development & Frontline Services	55,510	29,381	84,891
Chief Executive	30,236	25,181	55,417
Education & Inclusion Services	191,767	8,683	200,450
Community & Children's Services	160,351	20,513	180,864
Authority Wide Budgets	71,087	(86,662)	(15,575)
Joint Committees	0	(450)	(450)
<b>Cost of Services</b>	<b>508,951</b>	<b>(3,354)</b>	<b>505,597</b>
<b>Other Income and Expenditure</b>	<b>(508,747)</b>	<b>(31,543)</b>	<b>(540,290)</b>
<b>(Surplus) or Deficit</b>	<b>204</b>	<b>(34,897)</b>	<b>(34,693)</b>
Opening Council Fund at 31 <sup>st</sup> March 2020	(8,709)		
Less (Surplus) Deficit on Council Fund in Year	204		
<b>Closing Council Fund at 31<sup>st</sup> March 2021</b>	<b>(8,505)</b>		

**Expenditure and Funding Analysis Statement for the year ended 31<sup>st</sup> March 2022**

	2021/22		
	Income and Expenditure Chargeable to the Council Fund	Adjustments Between Funding and Accounting Basis	Net Expenditure for the Equivalent Amounts for CI&ES
	£'000	£'000	£'000
Prosperity, Development & Frontline Services	59,374	26,618	85,992
Chief Executive	31,431	11,059	42,490
Education & Inclusion Services	195,435	7,474	202,909
Community & Children's Services	168,589	12,976	181,565
Authority Wide Budgets	73,297	(73,267)	30
Joint Committees	0	65	65
<b>Cost of Services</b>	<b>528,126</b>	<b>(15,075)</b>	<b>513,051</b>
<b>Other Income and Expenditure</b>	<b>(529,913)</b>	<b>(41,271)</b>	<b>(571,184)</b>
<b>(Surplus) or Deficit</b>	<b>(1,787)</b>	<b>(56,346)</b>	<b>(58,133)</b>
Opening Council Fund at 31 <sup>st</sup> March 2021	(8,505)		
Less (Surplus) Deficit on Council Fund in Year	(1,787)		
<b>Closing Council Fund at 31<sup>st</sup> March 2022</b>	<b>(10,292)</b>		

## **Notes to the Core Financial Statements**

### **1.0 Significant Accounting Policies**

#### **1.1 Accruals of Expenditure and Income**

The accounts of the Council have been prepared on an accrual of income and expenditure basis in accordance with the Code of Practice on Local Authority Accounting. This ensures activity is accounted for in the year that it takes place not when cash payments are made or received.

Revenue from the sale of goods or services is recognised when the Council transfers the significant risks and rewards of goods, or provides the services to the purchaser, and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.

Supplies are recorded as expenditure when they are consumed. Where the Balance Sheet date falls between supplies receipt and consumption, where significant, they are carried as inventories on the Balance Sheet.

Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure in the Comprehensive Income and Expenditure Statement on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows determined by the contract. Statutory adjustments relating to interest are reflected in the Movement in Reserves Statement.

Capital transactions are also recorded on an accrual basis, as prescribed by the Code of Practice on Local Authority Accounting.

#### **1.2 Cash and Cash Equivalents**

Cash and Cash Equivalents are sums of money available for immediate use by the Council. Such items are deemed to be cash balances held in the Council's bank accounts (less unpresented cheques), any overdrawn bank balance and petty cash balances.

Short-term investments are not deemed to be cash and cash equivalents as these are not readily available without incurring penalties.

#### **1.3 Contingent Liabilities**

A contingent liability is a possible item of expenditure that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the organisation's control.

Such contingent liabilities are not reflected in Provisions in the Balance Sheet as it may not be probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably .

Material contingent liabilities are disclosed in Notes to the Core Financial Statements.

## 1.4 Employee Benefits

All costs relating to employee benefits are accounted for on an accruals basis.

### Termination Benefits

These are amounts payable by the Council as a result of a decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept voluntary redundancy. Such costs are charged on an accruals basis to the Comprehensive Income and Expenditure Statement.

When terminations involve the enhancement of pensions, statutory provisions require the Council Fund to be charged with the amount payable by the Council. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional entries for pension enhancements and replace them with amounts paid and payable.

### Pensions

The Council participates in two separate pension schemes that meet the needs of employees in particular services:

Teachers - This is an unfunded scheme administered by Teachers' Pensions on behalf of the Department of Education. Contribution rates are set on the basis of a notional fund. Whilst this is a Defined Benefit Scheme, Teachers' Pensions is unable to identify the Council's share of the underlying assets and liabilities and accordingly, the Council has accounted for its contributions to the scheme as if it were a Defined Contribution Scheme.

Other employees - Rhondda Cynon Taf CBC administer a fund on behalf of employees under the Local Government Pension Scheme Regulations, under which contribution rates are set by the Fund's actuary based on triennial actuarial valuations. Under the regulations, contribution rates are set in order to lead to full funding of the overall liability of the Fund over time. The Local Government Scheme is accounted for as a Defined Benefit Scheme.

- The liabilities of the Rhondda Cynon Taf Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 2.7% in 2021/22 (2.1% in 2020/21).
- The assets of the pension fund attributable to the Council are included in the Balance Sheet at their fair value:

Quoted Securities	–	Current Bid Price
Unitised Securities	–	Current Bid Price
Property	–	Market Value

- The change in the net pensions liability is analysed as follows:
  - 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 services for which the employees worked plus administration expenses.
  - Past Service Cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years debited to the (Surplus) or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.
  - Interest Cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure section of the Comprehensive Income and Expenditure Statement.
  - Expected Return On Assets – the annual investment return on the fund assets attributable to the Council based on an average of the expected long-term return – credited to the Financing and Investment Income and Expenditure section of the Comprehensive Income and Expenditure Statement.
  - Actuarial Gains and Losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their financial, demographic or experience assumptions – debited or credited to the Pensions Reserve.
  - Contributions Paid to the Pension Fund – cash paid as employer’s contributions to the Pension Fund in settlement of liabilities; not accounted for as an expense in the Comprehensive Income and Expenditure Statement.

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

### **Discretionary Benefits**

The Council is able to make discretionary awards of retirement benefits in the event of early retirements. Any such liabilities arising are accrued in the year of decision to make the award.

### **Accumulated Absence**

The Council accrues for staff holidays earned but not taken at each year-end. The Welsh Government has issued regulations to mitigate the impact of this charge upon Councils. This Council has taken advantage of the regulations and charged the additional costs to the Short-Term Accumulating Compensated Absence Account in Unusable Reserves.

## **1.5 Events after the Reporting Period**

Events after the reporting period are those both favourable and unfavourable that occur between the end of the reporting period and the date when the financial statements are authorised for issue.

Two types of events can be identified;

- a) those that provide evidence of conditions existing at the end of the reporting period (adjusting events that shall be recognised in the financial statements);
- b) those that are indicative of conditions that arose after the reporting period (non-adjusting events that are not reflected in accounting statements but, where material, disclosure is made in the Notes to the Core Financial Statements).

## **1.6 Financial Instruments**

Financial Instruments consist of Financial Liabilities and Financial Assets.

### **Financial Liabilities**

Financial Liabilities are carried at amortised cost. Annual charges to the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. Where a loan has a single rate of interest over its term, it results in the amount presented in the Balance Sheet being the outstanding principal repayable, and the interest charged to the Comprehensive Income and Expenditure Statement is the amount payable in the loan agreement. Where loans have a rate that is lower in the initial years, the effective interest rate charge to the Comprehensive Income and Expenditure Statement “smooths” the interest rate differential. The difference between the effective interest rate charge and actual interest paid is adjusted in the Movement in Reserves Statement.

For most borrowings, this means that the amount presented in the Balance Sheet is the outstanding principal repayable and the interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains (discounts) and losses (premiums) on the repurchase or early settlement of borrowing are credited/debited to the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase/early settlement is deemed to be a modification of existing instruments, the discounts/premiums are incorporated into the value of the instrument and written down to the Comprehensive Income and Expenditure Statement over the life of the loan via an adjustment to the effective interest rate.

Where premiums or discounts have been applied to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the Council Fund Balance to be spread over future years equal to the life of the replaced or replacement loan.

## Financial Assets

Financial Assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- Amortised cost;
- Fair value through profit or loss; and
- Fair value through other comprehensive income.

Rhondda Cynon Taf CBC's business model is to hold investments to collect contractual cashflows. Financial assets are therefore classified at amortised cost.

Loans and Receivables are initially recognised at fair value and subsequently carried at amortised cost. Interest Receivable and Similar Income in the Comprehensive Income and Expenditure Statement is based upon the carrying amount of the asset multiplied by the effective interest rate for the instrument. This means that the value in the Balance Sheet is the outstanding principal plus any accrued income, and the income recognised in the Comprehensive Income and Expenditure Statement is based upon the rate quoted in the loan agreement.

Interest that is due but unpaid at year-end is categorised in the Balance Sheet as a current asset or liability. This is the case even if the financial asset or liability it relates to is a long-term instrument.

There needs to be a calculation for an "expected credit loss" on financial assets held at amortised costs, either on a 12 month or lifetime basis. Impairment losses are calculated to reflect the expectation that the future cashflows might not take place because the borrower could default on their obligations. Where risk has significantly increased since an asset was originally 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.

### 1.7 Intangible Assets

Intangible assets are those Long-Term Assets that do not have physical substance but are identifiable by the access to future economic benefits that are controlled by the Council through custody or legal rights.

Software and Licences are capitalised at cost and are amortised over their economic lives, which are reviewed at the end of each reporting period and revised if necessary.

An asset is tested for impairment whenever there is an indication that the asset may be impaired. Any losses are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Any gain or loss arising on the disposal or abandonment of an intangible asset is reflected in the Other Operating Expenditure section in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an effect upon Council Fund Balances and are reversed in the Movement in Reserves Statement.

## **1.8 Leases**

Whether a lease is finance or operating depends upon the substance of the transaction rather than the legal form.

Leases are reviewed at inception and classed as finance or operating by reviewing arrangements such as:

- Transfer of ownership at the end of lease contract.
- Option to purchase asset at a price lower than fair value.
- Lease term is for a major part of the economic life of the asset.
- Present value of minimum lease payments amounts to at least substantially all of the fair value of leased asset.
- Leased assets are of a specialised nature and only the lessee can use them without major modifications.

Leases of land and buildings are considered separately for the purpose of lease classification.

### **Finance Leases**

A finance lease is one which transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee.

Where the Council is lessee, an asset and liability is recognised at lease inception. The asset is subsequently depreciated and revalued as though it were the legal property of the Council. The liability reduces as lease payments are made.

Where the Council is lessor, the lease payment receivable is recognised as a repayment of principal with the interest element of the payment being recognised in the Comprehensive Income and Expenditure Statement. No asset is recognised.

### **Operating Leases**

An operating lease is deemed to be any lease other than a Finance Lease.

Where the Council is lessee, lease payments are recognised as an expense in the Comprehensive Income and Expenditure Statement on a straight-line basis unless another systematic basis is more representative of the benefits received.

Where the Council is lessor, the income should be recognised on a straight-line basis unless another systematic basis is more representative of the benefits received. Other Land & Buildings leased out under an operating lease will be subject to depreciation in the same manner as other assets within the same category.

## 1.9 **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. Depreciation is charged on a straight-line basis on most tangible assets with a finite useful life, excluding non-depreciable land. Asset lives have been identified on an individual basis.

### 1.9.1 Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council, and the cost of the item can be measured reliably. The Council operates a £10k de-minimis policy for recognising such expenditure as capital. Expenditure on assets not owned by the Council, but where continuing benefit is received, is also capitalised on an accruals basis. Although capitalised, this expenditure is amortised in the year it is incurred.

The Council operates a de-minimis policy for recording assets in the asset register. De-minimis levels are in place as follows:

<b>Asset Type</b>	<b>£'000</b>
Land & Buildings	20
Vehicles	10
Plant & Equipment	10
Infrastructure	20
Community Assets	Nil

### 1.9.2 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 initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Council does not capitalise borrowing costs.

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 Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Tangible Long-Term assets are valued on the basis recommended by CIPFA and in accordance with the Statement of Asset Valuation Principles and Guidance Notes issued by the Royal Institute of Chartered Surveyors (RICS). Property, Plant and Equipment



assets are generally valued on the basis of existing use value (EUV) which is deemed to be “current value”. Specialist items (e.g. schools) are valued on a depreciated replacement cost basis (DRC). This method of valuation calculates the cost of constructing modern equivalent buildings and structures, depreciating them to account for the age and future economic life. This cost calculation is known as Modern Equivalent Valuation (MEV). Investment properties are valued on a fair value basis. Infrastructure assets are included at historic cost, and adjusted to reflect depreciation. Adopted roads, built by private developers, are deemed to have zero historical cost to the Council and therefore are not recognised in the Statement of Accounts.

Where assets are not in use but do not meet the criteria for Assets Held for Sale, then they are classed as Surplus Assets within the Property, Plant and Equipment and Other Land and Building categories. Surplus Assets are valued at fair value. Fair value is the price that would be received between willing market participants. The highest and best use of the asset needs to be considered. Inputs to the valuation techniques in respect of these assets are categorised as the following hierarchy levels:

Level 1 – quoted prices in active markets for identical assets or liabilities that the Council can access at the measurement date.

Level 2 – inputs other than quoted prices that are observable for the asset or liability. For example, market conditions; recent sale prices.

Level 3 – unobservable inputs, for example, assumptions about rent growth; discount rates, etc.

Fair value measurement differentiates between measurements that are recurring i.e. at the end of each period, for example surplus assets and those that are non-recurring measured on particular circumstances, for example assets held for sale.

In the accounts there are approximately 169 Surplus Assets with a recurring fair value of £4.1m. Most of the assets are valued at level 2 inputs, with the exception of one asset which has been valued at £100k using level 3 inputs. For this asset an adjustment has been made to the level 2 inputs to take into account the condition of the asset.

Community assets are valued on an historic cost basis. These have no determinable useful life and are assets that the Council intend to hold in perpetuity. Examples of community assets are parks and memorials.

Assets under Construction are valued at historic cost until they become operational. When they are brought into use they are revalued on the relevant basis.

Heritage Assets are recognised as such if they are material non-operational assets that are held purely for cultural or knowledge gaining purposes. These assets are recognised at cost or market value, are reviewed for impairment but not depreciated.

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value. Where non-property assets that 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 current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. 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 as follows:

- 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<sup>st</sup> April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

### 1.9.3 Impairment

Assets are assessed throughout the year 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 as follows:

- 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.

### 1.9.4 Depreciation

Depreciation is charged on a straight-line basis on most property, plant and equipment. All asset lives have been identified on an individual basis.

Exceptions are made for:

- Heritage Assets.
- Assets without a determinable finite useful life such as freehold land.

- Assets that are not yet available for use i.e. assets under construction and assets held for sale.

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.

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

Depreciation is calculated in the year of acquisition and not in the year of disposal.

### 1.9.5 Disposals and 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. These assets are measured at the lower of the value they had when it was agreed they would be sold and fair value less costs to sell.

The valuation in the balance sheet can be split as follows:

	<b>£'000</b>
Fair value	1,160
Carrying value	36
<b>Total value in Balance Sheet</b>	<b>1,196</b>

The non-recurring fair value is measured using level 2 in the input hierarchy (refer to note 1.9.2 for explanation of levels). 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 long-term assets and valued at the lower of their carrying amount before they were classified as held for sale (adjusted for depreciation, amortisation or revaluations), 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. The criteria for recognising assets as being held for sale are:

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

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 section 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 £10k are categorised as capital receipts. Receipts are required to be credited to the Usable Capital Receipts Reserve, and can then be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the Capital Financing Requirement). Receipts are appropriated to the Usable Capital Receipts 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 long-term assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the Council Fund Balance in the Movement in Reserves Statement.

### **1.10 Reserves**

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the Council Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year. To ensure this is not a charge against the Council Fund Balance, the expenditure is funded via an adjustment in the Movement in Reserves Statement.

Certain reserves are kept to manage the accounting processes for long-term assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Council.

### **1.11 Revenue Expenditure Funded from Capital Under Statute**

This is expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of a Long-Term Asset. It is charged as expenditure to the relevant service line(s) in the Comprehensive Income and Expenditure Statement in the year. Where the Council funds such expenditure from capital resources, a transfer in the Movement in Reserves Statement to the Council Fund Balance from the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax.

### **1.12 Government Grants and Other Contributions**

Government grants and other contributions relating to capital and revenue expenditure shall be accounted for on an accruals basis and recognised in the Comprehensive Income and Expenditure Statement when there is reasonable assurance that;

- the conditions for their receipt have been/will be complied with; and
- the grant or contribution will be received.

Monies advanced where there is no reasonable assurance of the above two criteria are held as creditors in the Balance Sheet.

Revenue grants are credited to the relevant service and capital grants are credited to the Taxation and Non-Specific Grant Income section of the Comprehensive Income and Expenditure Statement.

Where a revenue grant has been recognised in the Comprehensive Income and Expenditure Statement but not yet used to fund expenditure, it is set aside as an Earmarked Reserve.

Where a capital grant has been recognised as income but not yet used to finance capital expenditure, it is credited to Capital Grants Unapplied via the Movement in Reserves Statement. Subsequently, when the funds are used, the grant is transferred from Capital Grant Unapplied Account to Capital Adjustment Account.

Where a claim has yet to be signed off by Audit Wales, Balance Sheet values in relation to grants are included on an unaudited draft claim basis.

Due to the impact of the Covid-19 pandemic, there have been a large number of new grants and financial support packages made available by Welsh Government.

In terms of accounting arrangements, risk based criteria was used to determine whether these grants are to be accounted as income and expenditure through the Comprehensive Income and Expenditure Statement (Principal) or through the Balance Sheet (Agent). All administration fees are treated as Principal. Please refer to the Narrative Report for more details on Covid-19.

### **1.13 Charges to Revenue for Long-Term Assets**

Services are debited with the following items to record the cost of holding Long-Term 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 Assets attributable to the service.

The Council is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisation. Therefore, these charges to the Comprehensive Income and Expenditure Statement are reversed in the Movement in Reserves Statement.

### **1.14 Minimum Revenue Provision/Provision for the Repayment of Debt**

The Local Government Act 2003 requires each local authority to set aside a Minimum Revenue Provision (MRP) for debt redemption. In accordance with the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008 the Council's accounting treatment is as follows:

**Supported Borrowing:** The MRP on supported borrowing is written off on a straight line basis over 40 years, linked (broadly) to the lives of the Council's assets.

**Unsupported Borrowing:** MRP is charged to the Council Fund Balance as follows:

- Charge in equal instalments (or to match the benefits derived) over the life of the asset created (asset life must be applied for any expenditure capitalised under a Capitalisation Direction);
- Annuity method;
- Charge in accordance with the depreciation of the asset; or
- An alternative appropriate method permitted by the guidance.

**Finance Leases:** In accordance with MRP guidance issued by the Welsh Government, MRP for finance leases, represents the principal element of repayments made by the Council (refer to Lease policies).

### **1.15 Provisions**

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

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

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. 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.

### **1.16 Interests in Companies and Other Entities**

The Council has interests in companies and other entities which are required to be included in the financial statements.

Amgen Cymru Ltd. and Amgen Rhondda Ltd. meet the criteria of subsidiaries and are represented within Long-Term Assets in the Balance Sheet of the financial statements.

Capita Glamorgan Consultancy Ltd. meets the criteria of an associated company.

Due to materiality Group financial statements have been produced to include Amgen Cymru Ltd. and Amgen Rhondda Ltd. The consolidation has been done using the acquisition method. The audited accounts for Amgen Cymru Ltd., Amgen Rhondda Ltd. and Capita Glamorgan Consultancy Ltd. are available separately.

The Council participates in various Joint Committee arrangements. In line with materiality considerations, only two of these Joint Committees, Central South Consortium Joint Education Service (CSCJES) and Cardiff Capital Region City Deal (CCRCD), have been included within the Council's financial statements. The consolidation has been done on a line-by-line basis, calculated using a reasonable apportionment methodology.

Based on materiality individually or collectively, the following Joint Committees have not been consolidated into the Council's financial statements:

- Glamorgan Archives
- Vale, Valleys and Cardiff Regional Adoption Collaborative (VVC)
- Coychurch Crematorium
- Llwydcoed Crematorium
- South East Wales Corporate Joint Committee (SEWCJC)

### **1.17 Inventories**

Stock items are held on the balance sheet at latest price within Inventories if received but not used by the end of the financial year.

### **2.0 Accounting Standards Issued, Not 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 that has been issued but not yet adopted.

- IFRS 16 *Leases* (but **only** for those local authorities that have decided to adopt IFRS 16 in the 2022/23 year).
- Annual Improvements to IFRS Standards 2018–2020. The annual IFRS improvement programme notes four changed standards:
  - IFRS 1 (First-time adoption) – amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS
  - IAS 37 (Onerous contracts) – clarifies the intention of the standard
  - IFRS 16 (Leases) – amendment removes a misleading example that is not referenced in the Code material
  - IAS 41 (Agriculture) – one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances.

These amendments should not materially affect this Council.

The Code requires implementation after 1<sup>st</sup> April 2022, there is therefore no impact on the 2021/22 statement of accounts.

### **3.0 Critical Judgements in Applying Accounting Policies**

In applying the Accounting Policies set out in note 1.0, the Council has had to make certain judgements about complex transactions and those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

### **3.1 Grants and Contribution Conditions**

Judgements are made in terms of conditions attached to both capital and revenue grants. Grants are recognised as income when received/receivable. Unless there are assumptions that conditions of the grant are breached, a return obligation is not recognised. As a result, capital grants received, with no expected return obligation are reflected in the Capital Grants Unapplied Account until they are used to fund the Capital Programme. Similarly, revenue grants received with no expected return obligation that are to be used to fund future years' expenditure are reflected in Earmarked Reserves in the Balance Sheet.

### **3.2 Voluntary Aided and Voluntary Controlled Schools**

The Code confirms that the accounting treatment of local authority maintained schools in England and Wales depends on the balance of control. For voluntary aided schools any long-term assets that are not owned by the Council but by another legal body, such as the Diocese, are not to be shown on the Balance Sheet.

The Balance Sheet includes land at St Margaret's Catholic School and playing fields at both St John Baptist Church in Wales High School and Cardinal Newman Comprehensive School, as ownership lies with the Council. When reviewing the existing criteria, the Council does not consider it has any voluntary controlled schools.

### **4.0 Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty**

This Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because assets and liabilities cannot always be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Council's Balance Sheet at 31<sup>st</sup> March 2022 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

#### **4.1 Pensions Asset and Liability (including GMP equalisation and indexation, McCloud/Sargeant Judgement and Cost Management process)**

##### **Pensions Asset/Liability**

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

##### **COVID impact**

The information upon which the actuary bases assumptions on mortality impacted by COVID has moved from a neutral to a negative outlook. This has resulted in an estimated reduction in liabilities of 1%.



## **GMP equalisation and indexation**

The disclosures allow for full CPI inflation pension increases to be paid on Guaranteed Minimum Pension (GMP) for those reaching State Pension Age on or after 6<sup>th</sup> April 2016. This is an approximate method of recognising the cost of the Government's commitment to compensate public service scheme members from the removal of the Additional Pension element of the State Pension from this date, and for the outcome of the Lloyds judgement which found GMPs to be illegally sex discriminatory. Government has consulted on its approach to compensating affected members and announced on 23<sup>rd</sup> March 2021 that it would adopt a long-term policy of uprating GMPs in line with CPI for members whose State Pension Age is on or after 6<sup>th</sup> April 2016. The consultation response recognised that this solution will not address all sex inequalities for a minority of member and further guidance is expected from Department for Levelling Up, Housing and Communities (DLUHC) on how they propose to deal with this. These inequalities are expected to be small.

In October 2020 a second ruling in the Lloyds bank case clarified that compensation would be required for members who transferred benefits out since May 1990. Government has not yet acknowledged a liability in public service schemes nor indicated an approach in rectifying this. Therefore, no allowance for potential liabilities relating to the second Lloyds ruling is included in the accounts.

## **Goodwin Ruling**

In June 2020 an Employment Tribunal ruled in relation to the Teacher's Pension Scheme, that provisions for survivor's benefits of a female member in an opposite sex marriage are less favourable than for a female in a same sex marriage or civil partnership, and that treatment amounts to direct discrimination on grounds of sexual orientation. The chief secretary to the Treasury announced in a ministerial statement on 20<sup>th</sup> July 2020 that he believed that changes would be required to other public service pension schemes with similar arrangements. As these changes are yet to be reflected in the LGPS regulations and also on the basis of materiality, allowance has not been made in the calculations.

## **McCloud / Sargeant Judgement**

The Court of Appeal found that the transitional protection arrangements put in place when firefighters' and judges' pension schemes were reformed were age discriminatory. This has implications for other public sector schemes that were reformed around the same time (including the LGPS) and could potentially lead to members deemed to be discriminated against being compensated. The Supreme Court denied the Government's application for permission to appeal this judgement on 27<sup>th</sup> June 2019. The matter was referred to Employment Tribunals for remedy hearings and the Ministry for Housing, Communities and Local Government (MHCLG) (now DLUHC) undertook a consultation on the remedy and confirmed they would be proceeding with the key principles as laid out in the consultation. The figures produced by AON for 2020/21 disclosures included a McCloud underpin liability within current service cost, together with an allowance reflecting service since the scheme reforms (2014 in Wales). The same approach has been adopted for 2021/22. The method used by AON to value the McCloud remedy and therefore disclosed within the Statement of Accounts is closely aligned to that which the DLUHC has confirmed they will proceed.

## **Cost Management Process in the LGPS**

Legislation requires HM Treasury and the Scheme Advisory Board (SAB) to undertake periodic valuations to monitor the cost of the LGPS to ensure it remains sustainable and affordable. This is referred to as the “Cost Management Process”. HM Treasury and the Scheme Advisory Board had paused their reviews following the McCloud judgement in the Court of Appeal. These have now been unpaused and HMT Directions were made over 2021, allowing SAB and HMT reviews to proceed. The outcome of the SAB review has been published and recommended no changes to the provisions of the scheme. It is expected that the outcome of the HMT review will also recommend no changes. The legality of the Government’s decision to include McCloud costs as a member cost within the 2016 HMT process is being challenged by a Judicial Review brought by trade unions. If the Judicial Review is successful, this may cause the 2016 HMT process to be re-run and could result in changes to benefits or member contributions backdated to 1<sup>st</sup> April 2019.

No allowance has been made for the potential cost of improving members benefits under these reviews.

### **4.2 Insurance Provision**

The Council makes provision for all claims received (but not yet paid) according to the “reserve” value attached to that claim. The reserve value represents the most likely value to settle the claim, not taking into account probability of settlement. Reserve values are provided by the Council’s in-house insurance team, claims handlers and loss adjusters depending on the claim type and estimated value of the claim. Motor and property claims are provided for at 100% of the reserve value. Liability claims are provided for at a percentage based on the length of time a claim remains unresolved. This reflects that not all claims received are paid. Some are successfully repudiated. Refer to note 11.0 for further details.

The risks attached to misstatement are that existing claims will change in value (increase or decrease) or be successfully repudiated. An Earmarked Reserve is established to meet the additional costs relating to the impact of these potential changes in estimates. The Earmarked Reserve also funds claims or incidents that have occurred but claims are yet to be received. Refer to note 13.2 for further details.

### **4.3 Property, Plant and Equipment**

External valuers undertake formal valuations within a maximum of a 5-year rolling programme to ensure that assets in the Balance Sheet are represented at “current value”. Due to the significant increases in construction costs reflected in the General Building Cost Index in 2021/22, the current value of DRC assets has been updated for indexation. The transactions have been shown as a revaluation and either reversed previous impairments through a credit in revenue with a corresponding entry in the MIRS, or shown as a credit in the revaluation reserve.

Valuations are undertaken in accordance with guidance issued by the Royal Institute of Chartered Surveyors (RICS). Within the computation of the current value valuation, assumptions are made upon the useful lives of assets which could be subject to change in future years.

## 5.0 Events After the Reporting Period

The audited Statement of Accounts was authorised for issue by the Director of Finance & Digital Services, as Chief Finance Officer, on 18<sup>th</sup> January 2023. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31<sup>st</sup> March 2022, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

## 6.0 Property, Plant and Equipment

### 6.1 Movements on Balances

#### Movements in 2020/21

	Other Land & Buildings	Vehicles, Plant & Equipment	Community Assets	Assets Under Construction	Total Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation</b>					
At 1 <sup>st</sup> April 2020	775,932	38,863	6,246	40,526	<b>861,567</b>
Joint Committees Opening Balance	5,569	0	0	0	<b>5,569</b>
Additions	33,967	9,608	224	1,983	<b>45,782</b>
Revaluation Increases/ (Decreases) Recognised in the Revaluation Reserve	(4,954)	0	0	0	<b>(4,954)</b>
Revaluation Increases/ (Decreases) Recognised in the Surplus/Deficit on the Provision of Services	(36,949)	0	0	0	<b>(36,949)</b>
Derecognition – Disposals	(2,476)	(4,242)	0	0	<b>(6,718)</b>
Derecognition – Other	0	(1,722)	0	0	<b>(1,722)</b>
Assets Reclassified (to)/from Held for Sale	10	0	0	0	<b>10</b>
Other Reclassifications	18,717	0	0	(40,526)	<b>(21,809)</b>
Other Movements in Cost or Valuation	0	0	0	0	<b>0</b>
<b>At 31<sup>st</sup> March 2021</b>	<b>789,816</b>	<b>42,507</b>	<b>6,470</b>	<b>1,983</b>	<b>840,776</b>

*Continued Overleaf...*

<b>Accumulated Depreciation and Impairment</b>					
At 1 <sup>st</sup> April 2020	(83,538)	(30,601)	(1,396)	0	<b>(115,535)</b>
Joint Committees Opening Balance	0	0	0	0	<b>0</b>
Depreciation Charge	(16,239)	(4,095)	0	0	<b>(20,334)</b>
Depreciation Written Out of the Revaluation Reserve	12,169	0	0	0	<b>12,169</b>
Depreciation Written Out to the Surplus/Deficit on the Provision of Service	6,814	0	0	0	<b>6,814</b>
Impairment (Losses)/Reversals Recognised in the Revaluation Reserve	(2,789)	0	0	0	<b>(2,789)</b>
Impairment (Losses)/Reversals Recognised in the Surplus/Deficit on the Provision of Services	1,867	(1,722)	0	0	<b>145</b>
Derecognition – Disposals	1,105	4,176	0	0	<b>5,281</b>
Derecognition – Other	0	1,722	0	0	<b>1,722</b>
Assets Reclassified (to)/from Held for Sale	0	0	0	0	<b>0</b>
Other Reclassifications	0	0	0	0	<b>0</b>
Other Movements in Cost or Valuation	0	0	0	0	<b>0</b>
<b>At 31<sup>st</sup> March 2021</b>	<b>(80,611)</b>	<b>(30,520)</b>	<b>(1,396)</b>	<b>0</b>	<b>(112,527)</b>

**Net Book Value:**

<b>At 31<sup>st</sup> March 2021</b>	<b>709,205</b>	<b>11,987</b>	<b>5,074</b>	<b>1,983</b>	<b>728,249</b>
<b>At 31<sup>st</sup> March 2020</b>	<b>697,963</b>	<b>8,262</b>	<b>4,850</b>	<b>40,526</b>	<b>751,601</b>

**Movements in 2021/22**

	Other Land & Buildings	Vehicles, Plant & Equipment	Community Assets	Assets Under Construction	Total Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation</b>					
At 1 <sup>st</sup> April 2021	789,816	42,507	6,470	1,593	<b>840,386</b>
Joint Committees	0	0	0	390	<b>390</b>
Opening Balance					
Additions	25,790	6,678	0	14,238	<b>46,706</b>
Donated Assets	0	1,020	0	0	<b>1,020</b>
Revaluation Increases/ (Decreases) Recognised in the Revaluation Reserve	21,123	0	0	0	<b>21,123</b>
Revaluation Increases/ (Decreases) Recognised in the Surplus/Deficit on the Provision of Services	(33,160)	0	0	0	<b>(33,160)</b>
Derecognition – Disposals	(780)	(6,588)	0	0	<b>(7,368)</b>
Derecognition – Other	(1,328)	(1,284)	0	0	<b>(2,612)</b>
Assets Reclassified (to)/from Held for Sale	(496)	0	0	0	<b>(496)</b>
Other Reclassifications	158	389	(158)	(389)	<b>0</b>
Other Movements in Cost or Valuation	0	0	0	0	<b>0</b>
<b>At 31<sup>st</sup> March 2022</b>	<b>801,123</b>	<b>42,722</b>	<b>6,312</b>	<b>15,832</b>	<b>865,989</b>

*Continued Overleaf...*

<b>Accumulated Depreciation and Impairment</b>					
At 1 <sup>st</sup> April 2021	(80,611)	(30,520)	(1,396)	0	<b>(112,527)</b>
Joint Committees Opening Balance	0	0	0	0	<b>0</b>
Depreciation Charge	(17,915)	(3,647)	0	0	<b>(21,562)</b>
Depreciation Written Out of the Revaluation Reserve	24,496	0	0	0	<b>24,496</b>
Depreciation Written Out to the Surplus/Deficit on the Provision of Service	8,150	0	0	0	<b>8,150</b>
Impairment (Losses)/Reversals Recognised in the Revaluation Reserve	3,409	0	0	0	<b>3,409</b>
Impairment (Losses)/Reversals Recognised in the Surplus/Deficit on the Provision of Services	25,985	(1,284)	0	0	<b>24,701</b>
Derecognition – Disposals	36	6,574	0	0	<b>6,610</b>
Derecognition – Other	1,328	1,284	0	0	<b>2,612</b>
Assets Reclassified (to)/from Held for Sale	6	0	0	0	<b>6</b>
Other Reclassifications	(95)	0	95	0	<b>0</b>
Other Movements in Cost or Valuation	0	0	0	0	<b>0</b>
<b>At 31<sup>st</sup> March 2022</b>	<b>(35,211)</b>	<b>(27,593)</b>	<b>(1,301)</b>	<b>0</b>	<b>(64,105)</b>

**Net Book Value:**

<b>At 31<sup>st</sup> March 2022</b>	<b>765,912</b>	<b>15,129</b>	<b>5,011</b>	<b>15,832</b>	<b>801,884</b>
<b>At 31<sup>st</sup> March 2021</b>	<b>709,205</b>	<b>11,987</b>	<b>5,074</b>	<b>1,983</b>	<b>728,249</b>

**Temporary Relief for Infrastructure Assets Disclosure Requirements**

The temporary relief for infrastructure assets disclosure requirements applies to accounts for financial years commencing 1<sup>st</sup> April 2021 and ending 31<sup>st</sup> March 2025.

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

The Council has chosen not to disclose this information as previously reported practices due to historic information deficits mean that gross cost and accumulated depreciation relating to infrastructure assets are not measured accurately.

	2020/21	2021/22
	£'000	£'000
<b>Net Book Value at 1<sup>st</sup> April</b>	<b>451,332</b>	<b>497,215</b>
Additions	44,858	44,357
Derecognition	0	0
Depreciation	(13,688)	(14,704)
Impairment	(1,527)	(364)
Reclassifications	16,240	0
<b>Net Book Value at 31<sup>st</sup> March</b>	<b>497,215</b>	<b>526,504</b>

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

## 6.2 Investment Properties

	2020/21	2021/22
	£'000	£'000
<b>Balance at 1<sup>st</sup> April</b>	<b>3,805</b>	<b>8,164</b>
Net Gains/Losses from fair value adjustments	(1,210)	(618)
Other Reclassifications - City Deal Joint Committee reclassification from Other Land & Buildings	5,569	0
<b>Balance at 31<sup>st</sup> March</b>	<b>8,164</b>	<b>7,546</b>

The fair values for investment properties have been calculated using level 2 in the fair value hierarchy. The investment property within RCT is valued on a market based approach, and the investment property within the joint committee is valued on an income based approach.

## 6.3 Capital Commitments

At 31<sup>st</sup> March 2022 the Council has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2021/22 and future years, budgeted to cost £13.2m. Similar commitments at 31<sup>st</sup> March 2021 were £10.4m.

Within this amount the significant contract values as at 31<sup>st</sup> March 2022 are:

Scheme	£'000
Ysgol Gyfun Rhydywaun	4,346
Ffynnon Taf Primary	1,735
Porth Interchange	2,945
<b>Total</b>	<b>9,026</b>

## 6.4 Revaluations

The Council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at current value is revalued at least every 5 years. Valuations are carried out by the Council's appointed valuer. Valuations of land and buildings are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant and equipment are based on current prices where there is an active second-hand market or latest list prices adjusted for the condition of the asset.

The significant assumptions applied in estimating the current values are:

- Valuations include the cost of construction on a modern equivalent basis.
- The cost has been depreciated to account for the age and future economic life of the buildings.
- Valuations are subject to the prospect and viability of the continuance of the occupation and use of the property.



## 7.0 Financial Instruments

### 7.1 Categories of Financial Instruments

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

Assets	Long-Term		Current	
	31/03/21	31/03/22	31/03/21	31/03/22
	£'000	£'000	£'000	£'000
Investments: Loans and Receivables	6,615	2,515	23,479	133,870
Debtors: Financial Assets Carried at Contract Amounts	4,919	7,122	123,020	146,188
<b>Total</b>	<b>11,534</b>	<b>9,637</b>	<b>146,499</b>	<b>280,058</b>

Liabilities	Long-Term		Current	
	31/03/21	31/03/22	31/03/21	31/03/22
	£'000	£'000	£'000	£'000
Borrowings: Financial Liabilities at Amortised Cost	303,324	373,531	32,176	19,156
Finance Lease Liabilities	382	382	1	1
Creditors: Financial Liabilities at Amortised Cost	0	0	34,346	31,253
<b>Total</b>	<b>303,706</b>	<b>373,913</b>	<b>66,523</b>	<b>50,410</b>

There are no expected credit loss calculations for the financial assets. The value of creditors in the table relates to invoices authorised for payment by the Council but remaining unpaid at year-end. This balance is included within the Balance Sheet heading *Short-Term Creditors*.

### 7.2 Income, Expense, Gains and Losses

	2020/21			2021/22		
	Financial Liabilities Measured at Amortised Cost	Financial Assets: Loans and Receivables	Total	Financial Liabilities Measured at Amortised Cost	Financial Assets: Loans and Receivables	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Interest Expense	11,397	0	11,397	11,171	0	11,171
Impairment Losses	0	0	0	0	0	0
<b>Total Expense in (Surplus) or Deficit on the Provision of Services</b>	<b>11,397</b>	<b>0</b>	<b>11,397</b>	<b>11,171</b>	<b>0</b>	<b>11,171</b>
Interest Income	0	(597)	(597)	0	(640)	(640)
Interest Income Accrued on Impaired Financial Assets	0	0	0	0	0	0
<b>Total Income in (Surplus) or Deficit on the Provision of Services</b>	<b>0</b>	<b>(597)</b>	<b>(597)</b>	<b>0</b>	<b>(640)</b>	<b>(640)</b>
<b>Net (Gain)/Loss for the Year</b>	<b>11,397</b>	<b>(597)</b>	<b>10,800</b>	<b>11,171</b>	<b>(640)</b>	<b>10,531</b>

### 7.3 Fair Value of Assets and Liabilities

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

- Loans borrowed by the Council have been valued by discounting the contractual cashflows over the whole life of the instrument at the appropriate market rate for Local Authority loans.
- No early repayment or impairment is recognised.
- Where a financial instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.
- Short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

The fair values calculated are as follows:

	31/03/21		31/03/22	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
PWLB Debt	231,925	300,462	221,471	302,762
Market Debt	85,515	139,154	85,540	121,912
Local Authority Debt	17,988	17,988	5,000	5,000
Welsh Government Repayable Funding	0	0	80,605	80,605
Other Debt	72	72	71	71
Finance Lease	383	383	383	383
Trade Creditors	34,346	34,346	31,253	31,253
<b>Total</b>	<b>370,229</b>	<b>492,405</b>	<b>424,323</b>	<b>541,986</b>

	31/03/21		31/03/22	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Loans and Receivables	29,780	29,780	136,070	136,070

The fair values for PWLB debt and market debt have been calculated using level 2 in the fair value hierarchy. Please see note 1.9.2 in the accounting policies for the explanation of these levels.

#### Soft Loans Receivable

In March 2022, the Council received a £82.4m interest free loan (Repayable Funding) from Welsh Government relating to investment in rail infrastructure. The purpose of the funding is to deliver rail infrastructure improvements around the Treforest and Taffs Well area. The repayable funding is subject to a schedule of repayment being agreed by 30<sup>th</sup> April 2023. Officers are progressing the legal documents with Transport for Wales and Welsh

Government. Subject to agreement, the Council will subsequently release funds to Transport for Wales in line with the expenditure profile for the development works. The loan would be repaid to Welsh Government, following completion of the works, by the Council over a 30 year period, with the repayments being fully funded by income received from Transport for Wales aligned to their future financial income streams. If the development agreement is not entered into, then the Council will repay the loan to Welsh Government. As the loan has an interest rate below market rate, it has been treated as a soft loan in the financial statements. It has been included in the Balance Sheet at Fair Value, with the difference being recognised as a Capital Grant Received in Advance.

<b>Soft Loans</b>	<b>2021/22</b>
	<b>£'000</b>
<b>Balance as at 1<sup>st</sup> April 2021</b>	<b>0</b>
Nominal Value of New Loans	82,400
Fair Value Adjustment on Initial Recognition	<b>(1,798)</b>
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>80,602</b>

The interest rate at which the fair value of this soft loan has been calculated is the 1-1.5 years PWLB Maturity certainty rate at the date of receipt.

#### **7.4 Nature and Extent of Risks Arising from Financial Instruments**

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

##### **Key Risks**

- Credit Risk – the possibility that other parties might fail to pay amounts due to the Council.
- Liquidity Risk – the possibility that the Council might not have funds available to meet its commitments to make payments.
- Refinancing and Maturity Risk – the possibility that the Council may be required to renew a financial instrument on maturity at less favourable interest rates or terms.
- Market Risk – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

#### **7.5 Overall Procedures for Managing Risk**

The Council's overall risk management procedures focus on the unpredictability of the financial markets and implementing restrictions to minimise these risks. The procedures for risk management are defined in the Local Government Act 2003 and the associated regulations. These require the Council to comply with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services Code of Practice and Investment Guidance issued through the Act. This Council complies with these requirements by:

- Formally adopting the requirements of the Code of Practice.
- By adopting a Treasury Management Policy Statement and Treasury Management Clauses being incorporated into Financial Procedure Rules.
- Approving annually in advance Prudential and Treasury Indicators for the following three years.

- Approving an Investment Strategy for the forthcoming year setting out criteria for both investing and selecting investment counterparties in compliance with guidance from the Welsh Government.
- Approving a Capital Strategy report which provides a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of Council services along with an overview of the associated risk, its management and the implications for future financial sustainability.

These are required to be reported and approved before the start of the year to which they relate. The Treasury Management Strategy outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is reported in a mid-year review to Members, in addition to a full year review and also included within quarterly performance reports.

Policies are implemented by a corporate Treasury Management team. The Council maintains 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 through Treasury Management Practices (TMPs). The TMPs are a requirement of the Code of Practice and are reviewed periodically.

The Treasury Management Strategy and Capital Strategy are available on the Council's website.

## **7.6 Credit Risk**

Credit Risk arises from deposits with banks and financial institutions as well as credit exposures to the Council's customers.

This risk is minimised through the Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria. Such criteria include credit ratings assigned by credit ratings agencies. The Investment Strategy also imposes a maximum amount and duration to be invested with a financial institution. The Council undertakes appropriate due diligence and puts in place appropriate security arrangements when lending to organisations. There are also other criteria and controls in place regarding counterparty selection, further details of which can be found in the approved Treasury Management Strategy.

The following analysis summarises the Council's potential maximum exposure to credit risk. The default rates give details of the Council's experience of its customer collection levels.

	31/03/22	Historical Experience of Default	Adjustment for Market Conditions at 31/03/22	Estimated Maximum Exposure to Default at 31/03/22	Estimated Maximum Exposure to Default at 31/03/21
	(a)	(b)	(c)	(a*c)	
	£'000	%	%	£'000	£'000
Deposits with Government Departments & Local Authorities	136,070	0	0	0	0
Trade Debtors	17,978	0.48	0.48	86	73

The 0.48% Historical Experience of Default represents debt written off in 2021/22 expressed as a percentage of invoices raised during that year. This percentage is not the basis of the Bad Debt Provision, which is calculated using various percentages designed to reflect the risk of debts of various ages not being collectable, as opposed to the far lower rate of actual write-offs for the year.

Investments with the Debt Management Office and other Government backed public bodies have the rating applicable to Government borrowing.

The Council does not generally allow credit for its trade debtors. However, £4.6m of the £18.0m balance is debt greater than 30 days old. This debt can be analysed as follows:

	31/03/21	31/03/22
	£'000	£'000
Less than 3 months	1,110	1,059
3 – 6 months	627	563
6 months to 1 year	842	603
More than 1 year	1,937	2,336
<b>Total</b>	<b>4,516</b>	<b>4,561</b>

## 7.7 Liquidity Risk

The Council manages its liquidity position through effective cash flow management procedures.

The Council has ready access to borrowings from the money markets to cover any day-to-day cash flow need, and whilst the PWLB provides access to longer-term funds, it also acts as a lender of last resort to Councils. However the PWLB updated its guidance in August 2021 whereby loans are no longer available to Council's planning to buy investment assets primarily for yield or solely for exploiting commercialisation opportunities. The Council is also required to produce a balanced budget in accordance with the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

## 7.8 Refinancing and Maturity Risk

The Council maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the Council relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer-term financial liabilities and longer-term financial assets.

The approved prudential indicator limits for the maturity structure of debt and the limits set 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 Council's Treasury Management team manage operational risks within approved parameters.

This includes;

- monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of existing debt; and
- monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day-to-day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

The maturity analysis of the principal value of the Rhondda Cynon Taf CBC element of financial liabilities is as follows:

	<b>31/03/21</b>	<b>31/03/22</b>
	<b>£'000</b>	<b>£'000</b>
Less than 1 year	28,491	16,038
Between 1 and 2 years	10,967	92,820
Between 2 and 5 years	31,259	31,259
Between 5 and 10 years	37,115	31,965
More than 10 years	225,848	220,578
<b>Total</b>	<b>333,680</b>	<b>392,660</b>

The maturity analysis of financial assets is as follows:

	<b>31/03/21</b>	<b>31/03/22</b>
	<b>£'000</b>	<b>£'000</b>
Maturity greater than one year	6,300	2,200
Maturity less than one year	23,480	133,870
<b>Total</b>	<b>29,780</b>	<b>136,070</b>

Trade Debtors are not included in the table above.

## 7.9 Market Risk

### Interest Rate Risk

The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact upon the Council, depending how variable and fixed rates move across differing financial instrument periods.

The Council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy and the Annual Capital Strategy draws together the Council's prudential indicators and its expected treasury operations, including an expectation of interest rate movements. The Council's Treasury Management team, together with the appointed Treasury Management Advisors, monitor the market and forecast interest rates within the year to adjust the Council's exposures appropriately.

If all interest rates had been 1% higher (with all other variables being constant) the financial effect would be:

	<b>£'000</b>
Increase in interest payable on variable rate borrowings	1
Increase in interest receivable on variable rate investments	N/A
<b>Impact on Comprehensive Income and Expenditure Statement</b>	<b>1</b>
Decrease in fair value of fixed rate borrowing liabilities (no impact on CI&ES)	50,861

The approximate impact of a 1% fall in interest rates would also be as above.

## 8.0 Short-Term Debtors

An analysis of Short-Term Debtors in the Balance Sheet is as follows:

<b>31/03/21</b>		<b>31/03/22</b>
<b>£'000</b>		<b>£'000</b>
67,860	Central Government Bodies	95,507
18,563	Other Local Authorities	9,593
11,404	NHS Bodies	13,244
1,028	Public Corporations and Trading Funds	816
24,165	Other Entities and Individuals	27,028
<b>123,020</b>	<b>Total</b>	<b>146,188</b>

### Debtors for Local Taxation

The past due date but not impaired amount for Council Tax can be analysed by age as follows:

<b>2020/21</b>		<b>2021/22</b>
<b>£'000</b>		<b>£'000</b>
4,012	Less than 1 year	3,982
1,773	1 year to 2 years	1,786
1,001	2 years to 3 years	1,229
631	3 years to 4 years	780
442	4 years to 5 years	522
1,039	More than 5 years	1,269
<b>8,898</b>	<b>Total</b>	<b>9,568</b>

## 9.0 Cash and Cash Equivalents

The Cash and Cash Equivalents are made up of the following elements:

<b>31/03/21</b>		<b>31/03/22</b>
<b>£'000</b>		<b>£'000</b>
14,533	Cash Held by the Council	18,792
(20,932)	Bank Current Accounts	(15,772)
<b>(6,399)</b>	<b>Total Cash and Cash Equivalents</b>	<b>3,020</b>

Short-term cash surpluses are invested in line with the investment strategy and are represented in the Balance Sheet as "Short-Term Investments". Bank Current Accounts represent the position of the bank account as at 31<sup>st</sup> March 2022 adjusted for unrepresented cheques.

## 10.0 Short-Term Creditors

An analysis of Short-Term Creditors in the Balance Sheet is as follows:

<b>31/03/21</b>		<b>31/03/22</b>
<b>£'000</b>		<b>£'000</b>
(18,391)	Central Government Bodies	(17,981)
(19,003)	Other Local Authorities	(17,822)
(9,329)	NHS Bodies	(7,479)
(522)	Public Corporations and Trading Funds	(468)
(63,901)	Other Entities and Individuals	(84,190)
<b>(111,146)</b>	<b>Total</b>	<b>(127,940)</b>

## 11.0 Provisions

Provisions are amounts set aside for specific future costs, which are likely to be incurred, but the amount or timing of which cannot be determined accurately. Provisions for bad debts are shown as a deduction from debtors.

Movements in provisions during the year were:



Short-Term Provision	Land Purchases and Part 1 Claims	Insurance Claims	Total
	£'000	£'000	£'000
<b>Balance at 1<sup>st</sup> April 2021</b>	<b>(520)</b>	<b>(1,116)</b>	<b>(1,636)</b>
Additional provisions made in 2021/22	0	(1,046)	<b>(1,046)</b>
Amounts used in 2021/22	8	924	<b>932</b>
Unused amounts reversed in 2021/22	0	242	<b>242</b>
<b>Balance at 31<sup>st</sup> March 2022</b>	<b>(512)</b>	<b>(996)</b>	<b>(1,508)</b>

Long-Term Provision	Insurance Claims	Joint Committees	Total
	£'000	£'000	£'000
<b>Balance at 1<sup>st</sup> April 2021</b>	<b>(3,253)</b>	<b>(327)</b>	<b>(3,580)</b>
Additional provisions made in 2021/22	(1,712)	(63)	<b>(1,775)</b>
Amounts used in 2021/22	1,045	0	<b>1,045</b>
Unused amounts reversed in 2021/22	871	0	<b>871</b>
<b>Balance at 31<sup>st</sup> March 2022</b>	<b>(3,049)</b>	<b>(390)</b>	<b>(3,439)</b>

## 12.0 Other Long-Term Liabilities

An analysis of Other Long-Term Liabilities is given in the following table:

31/03/21		31/03/22
£'000		£'000
(708,698)	Pension Liability (IAS19)	(605,190)
(589)	Other	(2,403)
<b>(709,287)</b>	<b>Total</b>	<b>(607,593)</b>

**13.0 Usable Reserves**

31/03/21			31/03/22
£'000			£'000
8,505	Council Fund Balance	13.1	10,292
76,829	Capital, Treasury and Insurance Reserves	13.2	85,937
73,791	Other Revenue Related Reserves	13.2	112,422
12,035	Delegated Schools Reserve	13.3	20,561
3,954	Usable Capital Receipts Reserve	13.4	5,669
32,363	Capital Grant Unapplied Account	13.5	37,975
185	MGCC Insurance Reserve		169
<b>207,662</b>	<b>Total Usable Reserves</b>		<b>273,025</b>

**13.1 Council Fund Balance**

Council Fund Balances are accumulated working balances and relate to general fund services. These exclude "ring-fenced" Council services such as Delegated Schools.

Movements in the Council Fund Balance during 2021/22 were:

	£'000
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>8,505</b>
General Fund In-Year Contribution	2,000
Revenue Budget Outturn	(213)
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>10,292</b>

**13.2 Earmarked Reserves**

This note sets out the amounts set aside from the Council Fund Balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet Council Fund expenditure in 2021/22. All earmarked reserves are deemed to be revenue reserves.

**Capital, Treasury and Insurance Reserves**

Reserve	Purpose	Balance at	Transfers	Transfers	Balance at
		31/03/21	Out	In	31/03/22
		£'000	£'000	£'000	£'000
<b>Capital Developments</b>	Resources set-aside from revenue budget, earmarked to fund the Council's approved 3-year capital programme.	<b>66,365</b>	(12,629)	21,798	<b>75,534</b>
<b>Treasury Management Reserve</b>	Funding for known and potential future pressures upon the Capital Financing budget.	<b>2,465</b>	0	0	<b>2,465</b>
<b>Insurance Reserve</b>	To provide for estimated costs of incidents that have occurred during the policy year but have not yet resulted in a claim being received.	<b>7,999</b>	(61)	0	<b>7,938</b>
<b>Total</b>		<b>76,829</b>	<b>(12,690)</b>	<b>21,798</b>	<b>85,937</b>

**Other Revenue Related Reserves**

Reserve	Purpose	Balance at	Transfers	Transfers	Balance at
		31/03/21	Out	In	31/03/22
		£'000	£'000	£'000	£'000
<b>Revenue Budget Strategy 2021/22</b>	Medium Term Financial Planning & Service Transformation (transitional funding) to be released to fund the 2021/22 budget.	711	(711)	0	0
<b>Revenue Budget Strategy 2022/23</b>	Medium Term Financial Planning & Service Transformation (transitional funding) to be released to fund the 2022/23 budget.	0	0	963	963
<b>Joint Committee Reserve</b>	Reflects the Council's share of General and Earmarked Reserves of the Joint Committees in which it has an interest.	669	(669)	2,247	2,247
<b>Revenue Grant Reserves (IFRS)</b>	Carry forward of Revenue Grants not yet applied to spend - required accounting treatment to comply with International Financial Reporting Standards.	4,824	(4,824)	5,743	5,743
<b>Financial Management and Human Resources Risk Management</b>	Resources set aside as cover for future liabilities relating to various risks identified and being managed.	31,641	(7,905)	12,321	36,057
<b>Investment / Infrastructure</b>	To fund current and future costs of maintaining and enhancing infrastructure across the County Borough.	9,497	(6,697)	17,000	19,800
<b>Prior Year Commitments</b>	Carry forward of existing funding to finance projects for which commitments have already been made in the prior year.	18,636	(5,999)	22,139	34,776
<b>Medium Term Financial Planning and Service Transformation</b>	Resources set aside as transitional (one-off) funding to support the Council's medium-term financial and service planning requirements.	3,619	(963)	989	3,645
<b>Other Specific Reserves</b>	Represents a number of reserves held for specific and identified purposes.	3,158	(795)	1,859	4,222
<b>Invest to Save</b>	Funding identified (pump priming) to support Invest to Save opportunities as and when they arise.	1,036	(480)	4,413	4,969
<b>Total</b>		<b>73,791</b>	<b>(29,043)</b>	<b>67,674</b>	<b>112,422</b>
<b>Total Earmarked Reserves</b>		<b>150,620</b>	<b>(41,733)</b>	<b>89,472</b>	<b>198,359</b>

**13.3 Delegated Schools Reserve**

Delegated schools are those that are managed independently. As such, these balances are committed to be spent on delegated services and are not available to the Council for general use.

The movements on the reserve are as follows:

	<b>Balance at 31/03/21 £'000</b>	<b>Balance at 31/03/22 £'000</b>
Delegated Primary Schools	7,654	10,461
Delegated Secondary Schools	2,546	6,529
Delegated Special Schools	760	1,262
Delegated All Through Schools	1,075	2,309
<b>Total</b>	<b>12,035</b>	<b>20,561</b>

### **13.4 Usable Capital Receipts Reserve**

The Usable Capital Receipts Reserve is the proportion of capital receipts that may be used to finance capital expenditure.

The movements on the reserve are as follows:

<b>2020/21 £'000</b>		<b>2021/22 £'000</b>
<b>1,750</b>	<b>Balance as at 1<sup>st</sup> April</b>	<b>3,954</b>
	Receipts during the year:	
2,716	Sale of assets	1,715
3	Mortgage repayments	0
	Application during the year:	
(515)	Financing of capital expenditure	0
<b>3,954</b>	<b>Balance as at 31<sup>st</sup> March</b>	<b>5,669</b>

### **13.5 Capital Grant Unapplied Account**

The Capital Grant Unapplied Account consists of Capital Grants and Contributions received and credited to Comprehensive Income and Expenditure Statement but not yet applied to fund capital expenditure. It represents resources available to fund future capital expenditure. It is assumed that the conditions of grants held within this account will be met.

<b>2020/21 £'000</b>		<b>2021/22 £'000</b>
<b>24,934</b>	<b>Balance at 1<sup>st</sup> April</b>	<b>32,363</b>
70,103	Grants received	81,868
(62,674)	Grants utilised to fund capital expenditure	(76,256)
<b>32,363</b>	<b>Balance at 31<sup>st</sup> March</b>	<b>37,975</b>

### **14.0 Unusable Reserves**

These are reserves established as a result of various regulations to ensure costs chargeable to Council Tax are appropriate. They do not represent resources available for the general use of the Council.

31/03/21			31/03/22
£'000			£'000
207,440	Revaluation Reserve	14.1	249,240
423	Deferred Capital Receipts Reserve		0
529,843	Capital Adjustment Account	14.2	592,201
(5,399)	Financial Instruments Adjustment Account	14.3	(5,308)
(708,698)	Pensions Reserve	14.4	(604,960)
(5,796)	Short-Term Accumulating Compensated Absence Account		(6,735)
<b>17,813</b>	<b>Total Unusable Reserves</b>		<b>224,438</b>

#### 14.1 Revaluation Reserve

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

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

The Reserve contains only revaluation gains accumulated since 1<sup>st</sup> April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2020/21		2021/22	
£'000		£'000	£'000
<b>209,318</b>	<b>Balance at 1<sup>st</sup> April</b>	<b>207,440</b>	
10,717	Upward revaluation of assets	56,720	
(6,186)	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(7,646)	
<b>213,849</b>	<b>Surplus or Deficit on revaluation of Long-Term Assets not posted to the Surplus or Deficit on the Provision of Services</b>		<b>256,514</b>
(447)	Adjustment between the Capital Adjustment Account and the Revaluation Reserve	0	
(5,725)	Difference between Current Value Depreciation and Historical Cost Depreciation	(6,896)	
(237)	Accumulated Gains on Assets sold or scrapped	(378)	
<b>(6,409)</b>	<b>Amount written off to the Capital Adjustment Account</b>		<b>(7,274)</b>
<b>207,440</b>	<b>Balance at 31<sup>st</sup> March</b>		<b>249,240</b>

#### 14.2 Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of Long-Term Assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisation are charged to the Comprehensive

Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

This account also contains revaluation gains accumulated on Property, Plant and Equipment before 1<sup>st</sup> April 2007, the date that the Revaluation Reserve was created to hold such gains.

2020/21		2021/22	
£'000		£'000	£'000
511,372	<b>Balance at 1<sup>st</sup> April</b>	529,843	
	Reversal of items relating to Capital Expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
(28,566)	Charges for depreciation and impairment of Long-Term Assets*	(3,782)	
(36,900)	Revaluation losses on Property, Plant and Equipment	(34,299)	
(215)	Movement in the market value of Investment Properties	(724)	
(1,675)	Amortisation of Intangible Assets	(1,582)	
(10,735)	Revenue Expenditure Funded from Capital Under Statute	(13,425)	
(1,512)	Amounts of Long-Term Assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(758)	
6,409	Adjusted items written out of the Revaluation Reserve	7,274	
0	Donated Assets	1,020	
<b>438,178</b>	<b>Net written out amount of the cost of Long-Term Assets consumed in the year</b>		<b>483,567</b>
	Capital Financing Applied in the Year:		
515	Use of the Capital Receipts Reserve to finance new Capital Expenditure	0	
61,517	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	72,360	
1,863	Application of grants to capital financing from the Capital Grants Unapplied Account	4,499	
13,561	Statutory provision for the financing of capital investment charged against the Council Fund	14,511	
14,209	Capital Expenditure charged against the Council Fund	17,264	
<b>91,665</b>			<b>108,634</b>
<b>529,843</b>	<b>Balance at 31<sup>st</sup> March</b>		<b>592,201</b>

\* Charges for depreciation and impairment of long-term assets include credits representing reversal of accumulated depreciation and impairment, and debits representing in year changes.

### 14.3 Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account represents the accumulated difference between the financing costs included in the Comprehensive Income and Expenditure Statement and the accumulated financing costs required in accordance with regulations to be charged to the Council Fund Balance. As at 31<sup>st</sup> March 2022 there was a debit balance of £5.3m (debit balance of £5.4m as at 31<sup>st</sup> March 2021).

### 14.4 Pensions Reserve

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

2020/21		2021/22
£'000		£'000
(657,634)	<b>Balance at 1<sup>st</sup> April</b>	(708,698)
(13,481)	Actuarial gains or (losses) on Pensions Assets and Liabilities	164,779
(72,755)	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	(98,273)
35,172	Employer's pensions contributions and direct payments to pensioners payable in the year	37,232
<b>(708,698)</b>	<b>Balance at 31<sup>st</sup> March</b>	<b>(604,960)</b>

**15.0 Cash Flow Statement – Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements**

2020/21		2021/22
£'000		£'000
(65,682)	Depreciation and Impairment	(38,805)
(1,675)	Amortisation	(1,582)
(16,485)	(Increase)/Decrease in Creditors	(12,501)
39,521	Increase/(Decrease) in Debtors	25,371
1,964	Increase/(Decrease) in Stock	(1,238)
(37,583)	Movement in Pension Liability	(61,041)
(818)	Contribution to Provisions	269
(130)	Short-Term Accumulated Absence Accrual	(939)
(1,512)	Carrying amount of Long-Term Assets and Assets Held For Sale, sold or derecognised	(758)
(14,022)	Other non-cash items charged to the Net (Surplus) or Deficit on the Provision of Services	701
<b>(96,422)</b>	<b>Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements</b>	<b>(90,523)</b>

**16.0 Cash Flow Statement - Adjustments for Items Included in the Net (Surplus) or Deficit on the Provision of Services that are Investing and Financing Activities**

2020/21		2021/22
£'000		£'000
2,716	Proceeds from the sale of Property, Plant & Equipment, Investment Property and Intangible Assets	1,715
64,987	Any other items for which the cash effects are investing or financing cash flows	73,881
<b>67,703</b>		<b>75,596</b>

**17.0 Cash Flow Statement – Interest within Operating Activities**

The following table details interest received, and interest paid included within 'Net Cash Flows from Operating Activities' on the Cash Flow Statement.

2020/21		2021/22
£'000		£'000
(921)	Interest received	(964)
11,397	Interest paid	11,171
<b>10,476</b>	<b>Interest within Operating Activities</b>	<b>10,207</b>



**18.0 Cash Flow Statement - Investing Activities**

2020/21		2021/22
£'000		£'000
102,931	Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	110,765
(9,561)	Purchase and Redemption of Short-Term and Long-Term Investments	106,291
(2,716)	Proceeds from the sale of Property, Plant and Equipment, Investment Property and Intangible Assets	(1,715)
(64,987)	Other receipts from Investing Activities	(73,881)
<b>25,667</b>	<b>Net Cash Flows from Investing Activities</b>	<b>141,460</b>

**19.0 Cash Flow Statement - Financing Activities**

2020/21		2021/22
£'000		£'000
(18,000)	Cash receipts of Short and Long-Term Borrowing	(87,400)
1	Cash payments for the reduction of the outstanding liabilities relating to Finance Leases	0
57,419	Repayments of Short and Long-Term Borrowing	28,419
<b>39,420</b>	<b>Net Cash Flows from Financing Activities</b>	<b>(58,981)</b>

**20.0 Notes to the Expenditure and Funding Analysis****20.1 Adjustments between Funding and Accounting Basis 2020/21**

Adjustments from General Fund to Arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other Differences	Total Adjustments
	£'000s	£'000s	£'000s	£'000s
Prosperity, Development & Frontline Services	24,694	3,740	947	29,381
Chief Executive	19,882	3,357	1,942	25,181
Education & Inclusion Services	17,534	6,072	(14,923)	8,683
Community & Children's Services	6,225	9,596	4,692	20,513
Authority Wide Budgets	(23,734)	5	(62,933)	(86,662)
Joint Committees	0	0	(450)	(450)
<b>Net Cost of Services</b>	<b>44,601</b>	<b>22,770</b>	<b>(70,725)</b>	<b>(3,354)</b>
Other income and expenditure from the Expenditure and Funding Analysis	(64,424)	14,570	18,311	(31,543)
<b>Difference between General Fund (surplus) or deficit and Comprehensive Income and Expenditure Statement (Surplus) or Deficit on the Provision of Services</b>	<b>(19,823)</b>	<b>37,340</b>	<b>(52,414)</b>	<b>(34,897)</b>

**Adjustments between Funding and Accounting Basis 2021/22**

Adjustments from General Fund to Arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other Differences	Total Adjustments
	£'000s	£'000s	£'000s	£'000s
Prosperity, Development & Frontline Services	20,991	6,327	(700)	26,618
Chief Executive	2,694	7,370	995	11,059
Education & Inclusion Services	8,331	12,437	(13,294)	7,474
Community & Children's Services	3,372	20,005	(10,401)	12,976
Authority Wide Budgets	(25,088)	11	(48,190)	(73,267)
Joint Committees	0	0	65	65
<b>Net Cost of Services</b>	<b>10,300</b>	<b>46,150</b>	<b>(71,525)</b>	<b>(15,075)</b>
Other income and expenditure from the Expenditure and Funding Analysis	(72,773)	14,490	17,013	(41,270)
<b>Difference between General Fund (surplus) or deficit and Comprehensive Income and Expenditure Statement (Surplus) or Deficit on the Provision of Services</b>	<b>(62,473)</b>	<b>60,640</b>	<b>(54,512)</b>	<b>(56,345)</b>

Details of the total adjustments above are within the Movement in Reserves Statement.

**20.2 Expenditure and Income Analysed by Nature**

The Council's expenditure and income is analysed as follows:

	2020/21	2021/22
	£'000	£'000
<b>Expenditure</b>		
Employee Benefits Expenses	366,612	411,328
Other Services Expenses	365,952	384,986
Depreciation, Amortisation and Impairment	77,877	51,900
Interest Payments	11,397	11,171
Precepts and Levies	35,636	37,217
<b>Total Expenditure</b>	<b>857,474</b>	<b>896,602</b>
<b>Income</b>		
Fees, Charges and Other Service Income	(289,082)	(319,969)
Interest and Investment Income	(921)	(962)
Income from Council Tax and NNDR	(215,507)	(225,638)
Gain on the Disposal of Assets	(358)	(319)
Government Grants and Contributions	(386,299)	(407,847)
<b>Total Income</b>	<b>(892,167)</b>	<b>(954,735)</b>
<b>(Surplus) or Deficit on the Provision of Services</b>	<b>(34,693)</b>	<b>(58,133)</b>

## 21.0 Members' Allowances

The Local Authorities (Allowances for Members of County and County Borough Councils and National Parks Authorities) (Wales) Regulations 2002, require authorities to make public their schemes for Members' allowances and to disclose annually amounts paid to each Member under such schemes.

During the year the Council paid the following amounts in respect of basic allowances, special responsibility allowances and dependent care allowances to 75 Members (excluding employer's national insurance contributions, employer's pension contribution and other associated costs).

	2020/21	2021/22
	£'000	£'000
Allowances	1,338	1,361
Expenses	21	20
<b>Total</b>	<b>1,359</b>	<b>1,381</b>

Details of all remuneration and allowances paid annually by the Council to each Councillor and Co-opted Member is published on the Council's website following the end of each financial year.

## 22.0 Officers' Remuneration

Statutory guidance issued by Welsh Ministers recommends the use of pay multipliers as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010).

Rhondda Cynon Taf CBC's remuneration ratio is 1:7 (1:8 in 2020/21) with the median earnings being £22,129 (£19,698 in 2020/21). This is the ratio between the Chief Executive's pay and the median earnings of the workforce within the Council, using current pay levels.

Under the Accounts and Audit (Wales) Regulations 2014 (as amended), local authorities must disclose in their accounts the number of employees whose remuneration in the year fell in each bracket of a scale in multiples of £5,000 commencing at £60,000 (excluding employer pension contributions). The disclosure includes redundancy payments.

Remuneration Band	2020/21	2021/22		
	No. of Employees	No. of Employees		
	Total	At 31/03/22	Left in Year	Total
£60,000 - £64,999	47	51	4	55
£65,000 - £69,999	67	61	1	62
£70,000 - £74,999	30	27	1	28
£75,000 - £79,999	7	15	1	16
£80,000 - £84,999	6	3	0	3
£85,000 - £89,999	5	4	0	4
£90,000 - £94,999	3	4	1	5
£95,000 - £99,999	8	7	0	7
£100,000 - £104,999	1	2	0	2
£105,000 - £109,999	3	2	0	2
£110,000 - £114,999	0	0	0	0
£115,000 - £119,999	0	1	0	1
£120,000 - £124,999	0	0	0	0
<b>Total</b>	<b>177</b>	<b>177</b>	<b>8</b>	<b>185</b>

Officers employed by Voluntary Aided Schools have been excluded.

Salary costs for Joint Committees are not included in the above table, but can be found in the relevant Joint Committee Statement of Accounts. However, a percentage of Joint Committee salaries has been consolidated into the Net Cost of Services within the Comprehensive Income and Expenditure Statement.

The above table excludes specific Senior Officers, disclosed in the following table:

The following table sets out the remuneration for specific Senior Officers;

- Senior Officers whose salary is £60,000 or more per annum but less than £150,000. These are identified by job title.
- Senior Officers whose salary is £150,000 or more on an annualised basis. These are identified by name.
- Employer pension contributions are included.

Post Holder Information  (Post Title)	2020/21			2021/22						
	Total Remuneration	Employer's Pension Contributions	Total Remuneration Including Employer's Pension Contributions	Salary	Taxable Benefits in Kind	Compensation for		Total Remuneration	Employer's Pension Contributions	Total Remuneration Including Employer's Pension Contributions
						Redundancy	Early Access Costs			
£'000			£'000							
Chief Executive - Chris Bradshaw	155	33	188	157	0	0	0	157	33	190
Group Director, Community & Children's Services & Deputy Chief Executive to 31/12/2020	93	20	113	0	0	0	0	0	0	0
Director of Public Health, Protection & Community Services to 31/12/2020	73	16	89	0	0	0	0	0	0	0
Group Director, Community & Children's Services wef 01/01/2021 to 30/09/2021	31	7	38	63	0	0	0	63	13	76
Group Director, Community & Children's Services & Deputy Chief Executive wef 01/10/2021	0	0	0	63	0	0	0	63	13	76
Group Director, Prosperity, Development & Frontline Services to 31/12/2020	93	20	113	0	0	0	0	0	0	0
Group Director, Prosperity, Development & Frontline Services & Deputy Chief Exec wef 01/01/2021 to 30/09/2021	31	7	38	62	0	41	0	103	13	116

*Continued Overleaf...*

Director of Education & Inclusion Services	93	20	<b>113</b>	99	0	0	0	<b>99</b>	22	<b>121</b>
Director of Human Resources	100	22	<b>122</b>	102	0	0	0	<b>102</b>	22	<b>124</b>
Director of Finance & Digital Services (& Section 151 Officer)	100	22	<b>122</b>	102	0	0	0	<b>102</b>	22	<b>124</b>
Director of Legal Services	93	20	<b>113</b>	94	0	0	0	<b>94</b>	20	<b>114</b>
Director of Legal Services - Returning Officer	0	0	<b>0</b>	4	0	0	0	<b>4</b>	0	<b>4</b>
Director of Corporate Estates	93	20	<b>113</b>	99	0	0	0	<b>99</b>	22	<b>121</b>
Director of Prosperity & Development	94	20	<b>114</b>	99	0	0	0	<b>99</b>	21	<b>120</b>
Director of Public Health, Protection & Community Services wef 01/01/2021	23	5	<b>28</b>	94	0	0	0	<b>94</b>	20	<b>114</b>
Service Director - Democratic Services & Communications	71	15	<b>86</b>	72	0	0	0	<b>72</b>	16	<b>88</b>
Director of Frontline Services wef 01/10/2021	0	0	<b>0</b>	52	0	0	0	<b>52</b>	11	<b>63</b>

The table above represents the Senior Leadership Team for Rhondda Cynon Taf CBC. Disclosure of Senior Officer remuneration of Joint Committees are included in the relevant Joint Committee Statement of Accounts.

## 23.0 Severance Costs

This note provides details of the cost of severance to the Council in respect of employees who have left the employment of the Council during the financial year (costs do not reflect the value of the severance received by the individual as it includes pension strain). All costs incurred are in line with the Council's relevant and applicable schemes of termination and as required under relevant Pension Fund Regulations where applicable, with each decision being based upon and supported by a business case.

The number and costs (in bandings) of compulsory and other terminations are set out in the table below

Severance Cost Band	Number of Compulsory Terminations		Number of Other Terminations		Total Number of Terminations		Total Cost of Severance	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	£'000	
£							2020/21	2021/22
£0 - £20,000	2	7	75	118	77	125	336	640
£20,001 - £40,000	2	1	13	30	15	31	416	894
£40,001 - £60,000	0	0	6	8	6	8	276	382
£60,001 - £80,000	0	0	5	4	5	4	333	294
£80,001 - £100,000	0	1	4	6	4	7	326	605
£100,001 - £150,000	0	3	2	3	2	6	258	724
£150,001 - £200,000	0	0	1	0	1	0	153	0
£200,001 - £250,000	0	0	0	0	0	0	0	0
£250,001 - £300,000	0	0	0	1	0	1	0	282
<b>Total</b>	<b>4</b>	<b>12</b>	<b>106</b>	<b>170</b>	<b>110</b>	<b>182</b>	<b>2,098</b>	<b>3,821</b>

During 2021/22, the Council saved annual payroll costs of £1,756k (£1,264k 2020/21) through Voluntary Redundancy and Voluntary Early Retirement. Severance Costs for Joint Committees are not included in the above note but can be found in the relevant Joint Committee Statement of Accounts. However, a percentage of Joint Committee severance costs has been consolidated into the Net Cost of Services within the Comprehensive Income and Expenditure Statement.

## 24.0 External Audit Costs

The estimated costs to the Council for financial year 2021/22 in relation to the audit of the Statement of Accounts for certification of grant claims, statutory inspections and other services provided by the Council's external auditors are set out in the table below:

	2020/21	2021/22
	Actual	Estimated
	£'000	£'000
<b>Fees Payable to the Auditor General for Wales</b>		
External audit services carried out by the Statutory Auditor for the year	230	238
Local Government Measure Work	94	97
Certification of Grant Claims and Returns for the year	53	50
<b>Total</b>	<b>377</b>	<b>385</b>

## 25.0 Non-Domestic Rates

The level of Non-Domestic Rates (NDR) is based on a “multiplier” set nationally by the Welsh Government, multiplied by the rateable value of a particular property. This calculation will give the property a rate liability for the year. The multiplier for 2021/22 was 53.5p (53.5p for 2020/21). The total rateable value as at 31<sup>st</sup> March 2022 was £130.0m (£129.0m as at 31<sup>st</sup> March 2021).

The Council is responsible for collecting the business rates in its area and pays the proceeds into the NDR pool administered by the Welsh Government. The Welsh Government redistributes total collections back to local authorities on the basis of a fixed amount per head of population. Total NDR collected from ratepayers in respect of 2021/22 rates is £38.0m (£36.1m in 2020/21). The contribution back to the Council from the pool in the year amounted to £79.3m (£74.6m in 2020/21) and the amount payable to the pool amounts to £53.9m (£54.2m in 2020/21). As the Council acts as an agent collecting income on behalf of the Welsh Government, the income collected is not recognised as income in the Comprehensive Income and Expenditure Statement.

## 26.0 Council Tax

Council Tax income derives from charges raised according to the value of residential properties. Charges are calculated by taking the amount of income required for Rhondda Cynon Taf CBC, the Police and Crime Commissioner for South Wales and the Community Councils for the year, and dividing this amount by the Council Tax base.

The Council Tax base for 2021/22 was calculated to be £77,197.81 (compared with £77,334.38 for 2020/21). This represents the anticipated yield for every £1 of Council Tax levied.

The base is calculated by placing properties in ten bands (A\*-I). After allowing for discounts and exemptions, these are then converted to the equivalent number of Band D properties, using the appropriate multiplier as below:

Band	A*	A	B	C	D	E	F	G	H	I
No. of Properties	216	39,176	21,943	14,731	8,469	6,296	3,165	1,090	181	30
Multiplier	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	21/9

The resultant number of Band D properties is reduced by a percentage to reflect anticipated non-collection. The target collection rate for 2021/22 was 97.25%.

An analysis of the net proceeds from Council Tax is shown as follows:



Council Tax Analysis	2020/21	2021/22
	£'000	£'000
Council Tax Collectable	140,915	146,388
<b>Net Proceeds from Council Tax</b>	<b>140,915</b>	<b>146,388</b>
Less Payable:		
Police and Crime Commissioner for South Wales	(21,090)	(22,211)
Community Councils	(2,140)	(2,105)
<b>Total</b>	<b>117,685</b>	<b>122,072</b>

## 27.0 Grant Income

The following grants, contributions and donations were credited to the Comprehensive Income and Expenditure Statement in 2021/22:

### 27.1 Credited to Services

A number of grants and contributions have been recognised as income within Net Cost of Services. This income amounts to £286m in 2021/22 (in 2020/21 these grants and contributions amounted to £268m).

### 27.2 Capital Grants Receipts in Advance

All Capital Grants received have been recognised as income within the Comprehensive Income and Expenditure Statement, except the fair value adjustment for the Welsh Government Repayable Funding relating to investment in rail infrastructure. This adjustment is disclosed as Capital Grant Receipts in Advance within Long-Term Liabilities.

## 28.0 Agency Transactions

There have been a number of grants or areas of financial support that the Council has been asked to administer on behalf of Welsh Government. These have been accounted for as an agency arrangement. The following table lists the schemes and the amount received:

Scheme	2021/22
	£'m
Economic Resilience Fund	0.501
WG - Emergency Non Domestic Rates Scheme	3.120
WG - NDR Discretionary Grant (Retail, Hospitality, Leisure)	0.238
Cost of Living (Main Scheme)	13.933
Statutory Sick Pay (SSP) Enhancement	0.157
Self Isolation payments	4.594
Freelancer Grant	0.105
<b>Total</b>	<b>22.648</b>

## 29.0 Related Parties

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

### 29.1 Welsh Government

The Welsh Government is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. Council Tax bills). Transactions between the Council and Welsh Government are as follows:

	2020/21	2021/22
	£'000	£'000
Non-Ringfenced Government Grants	(321,312)	(333,966)
Capital Grants and Contributions	(67,128)	(73,469)
Credited to Services	(206,453)	(203,522)
<b>Total</b>	<b>(594,893)</b>	<b>(610,957)</b>

### 29.2 Chief Officers and Members

#### Members of the Council

Under the Code of Conduct incorporated in the Council's Constitution, Members are required to record in the Register of Members Interests any financial and other personal interests, together with any gift, hospitality, material benefit or advantage. The Register is open to inspection by the public and is available on an individual Member basis on the Council website.

Members of the Council are nominated to serve on numerous outside bodies some of which either receive funding from the Council or issue levies and precepts to be paid by the Council. When sitting on these bodies Members are expected to act independently and not to represent the views of the County Borough Council. Membership details are available from the Service Director Democratic Services and Communications, The Pavilions, Clydach Vale.

During 2021/22 there were no Members identified as having a controlling interest in any company commissioned to supply works or services to the Council of any material value. However, Members have identified interests with organisations with which the Council has had financial transactions during 2021/22. The value of these transactions amounted to payments of £3,233k (£2,326k in 2020/21), of which £484k was outstanding at year end (£124k in 2020/21), and receipts of £231k (£181k in 2020/21), of which £35k was outstanding at year end (£19k in 2020/21).

The Council has transactions with a Construction Company that carries out work on Council owned properties. A Member of the Council declared that a relative is an

Electrical and Project Manager within this company. Payments to the company amount to £3,188k (£3,106k in 20/21) with £106k (nil in 20/21) outstanding at year end. No receipts were received during 2021/22 (nil in 20/21). The Member did not take part in any discussion, decision or administration relating to the services.

The Council has transactions with a Transport Company that leases a Council owned property. A Member of the Council declared that a relative is a director within this company. Payments to the company amount to £454k (£710k in 20/21) with £103k (£335k in 20/21) outstanding at year end and receipts of £10k (£1,421k in 20/21), of which £4k was outstanding (nil in 20/21). The Member did not take part in any discussion, decision or administration relating to the services.

### **Chief Officers (Senior Leadership Team)**

Under the Employees' Code of Conduct, Officers are required to declare potential conflicts of interest arising from employment arrangements together with gifts or hospitality and offers thereof and, under Section 117 of the 1972 Local Government Act, contractual arrangements where there is a conflict of interest. Most professional bodies also have codes of professional conduct to which members of those bodies are expected to adhere.

The Council has transactions with a Construction Company that carries out work on Council owned properties. A Member of the Senior Leadership Team of the Council declared that a relative is a director of the company. The value of these transactions amounted to payments of £3,096k (£2,197k in 2020/21), of which £176k was outstanding at year end (£33k in 2020/21), and receipts of nil (£1k in 2020/21), of which nothing was outstanding at year end (£1k in 2020/21). The Officer did not take part in any discussion, decision or administration relating to the services.

The Council has transactions with a neighbouring University Health Board and a Member of the Senior Leadership Team of the Council declared that a relative holds an Executive Director position within this organisation. The value of these transactions amounted to payments of £494k (£450k in 2020/21), of which £108k was outstanding at year end (nil in 2020/21), and receipts of £106k (no receipts in 2020/21), of which £106k was outstanding at year end (nil in 2020/21). The Officer did not take part in any discussion, decision or administration relating to the services.

The Council has transactions with Coleg Y Cymoedd and a member of the Senior Leadership Team declared that they are a member of the governing body. The value of these transactions amounted to payments of £124k, of which £22k was outstanding at year end, and receipts of £70k with nothing outstanding at year end.

There were no other related party transactions for members of the Senior Leadership Team.

## **29.3 Precepts and Levies**

Details of precepts collected on behalf of other organisations are provided in the Comprehensive Income and Expenditure Statement.

An analysis of precepts is given in the following table:

	2020/21	2021/22
	£'000	£'000
Police and Crime Commissioner for South Wales	21,090	22,211
Community Councils	2,140	2,105
<b>Total</b>	<b>23,230</b>	<b>24,316</b>

An analysis of levies is given in the following table:

	2020/21	2021/22
	£'000	£'000
South Wales Fire and Rescue Service	11,730	12,117
Coroner	464	542
Brecon Beacons National Park	48	53
Glamorgan Archives Joint Committee	164	189
<b>Total</b>	<b>12,406</b>	<b>12,901</b>

#### **29.4 Rhondda Cynon Taf Pension Fund**

The Director of Finance & Digital Services is also the responsible Finance Officer to the Rhondda Cynon Taf Pension Fund. The Council charged the Pension Fund an amount of £1.6m (£1.4m in 2020/21) in respect of administration and support during financial year 2021/22. The amount owed from the Council to the Pension Fund as at 31<sup>st</sup> March 2022 is nil (nil as at 31<sup>st</sup> March 2021).

#### **29.5 Associated and Subsidiary Companies**

The Council has an interest in three companies: namely; Amgen Cymru Ltd., Amgen Rhondda Ltd. and Capita Glamorgan Consultancy Ltd. Officers of the Council are directors of Amgen Cymru Ltd and Amgen Rhondda Ltd. During 2021/22 the following related party transactions took place with these companies.

##### **Amgen Cymru Ltd.**

The Council paid Amgen Cymru £9,468k (£10,233k in 2020/21) in respect of waste management and waste disposal charges, with £1,392k (£1,554k in 2020/21) due to the company at the year-end. Amgen Cymru paid the Council £573k (£1,067k in 2020/21) in respect of goods and services, with £115k (£110k in 2020/21) due to the Council at the year-end.

In December 2019, Amgen Cymru's new Materials Recycling Facility (MRF) was opened which was jointly funded by Rhondda Cynon Taf CBC and Cynon Valley Waste Disposal Company Limited (CVWDCL) (trading as Amgen Cymru). The total cost of the asset was £10,517k with RCTCBC funding £6,128k and the remaining £4,390k funded from CVWDCL. As ultimate parent undertaking of CVWDCL, Rhondda Cynon Taf CBC provided a loan for the £4,390k over a 10 year period at market rates. As at 31<sup>st</sup> March 2022 £3,402k was outstanding (as at 31<sup>st</sup> March 2021 £4,663k was outstanding).

**Amgen Rhondda Ltd.**

The Council paid Amgen Rhondda £176k (£175k in 2020/21) in respect of site management fees, with nil (nil in 2020/21) outstanding at 31<sup>st</sup> March 2022. Amgen Rhondda paid the council nil (nil in 2021), with £13k outstanding at 31<sup>st</sup> March 2022.

**Capita Glamorgan Consultancy Ltd.**

Capita Glamorgan Consultancy Ltd is a Joint Venture between Capita Symonds and Bridgend, Merthyr Tydfil and Rhondda Cynon Taf County Borough Councils. The Council owns 27.93% of the shares of the company and holds voting rights to this value on the Board.

During 2021/22, the Council was charged £4,161k (£6,490k in 2020/21) in respect of goods, services and capital works. The balance owed to Capita Glamorgan Consultancy Ltd at 31<sup>st</sup> March 2022 was £686k (£1,136k in 2020/21).

Capita Glamorgan Consultancy Ltd paid the Council nil (nil in 2020/21) in respect of goods and services, with £1k (nil in 2020/21) due to the Council at the year-end.

**29.6 Joint Committees**

The Council participates in the following Joint Committees.

**Glamorgan Archives Joint Committee**

The Glamorgan Record Office is managed and administered by the Glamorgan Archives Joint Committee under powers conferred by the Local Government (Wales) Act 1994. The Joint Committee has 16 members in total. There are 4 Rhondda Cynon Taf CBC Members on the Joint Committee.

During 2021/22, the Council contributed to the Joint Committee an amount of £164k (£164k in 2020/21). This was calculated proportionately based upon population.

**Llwydcoed Crematorium**

Llwydcoed Crematorium is subject to the control of a Joint Committee of Members from Rhondda Cynon Taf CBC and Merthyr Tydfil CBC.

During 2021/22, the Council charged Llwydcoed Crematorium £41k (£41k in 2020/21) in respect of central establishment charges. As at 31<sup>st</sup> March 2022 the Council held cash balances relating to the Crematorium of £1,395k (£1,519k in 2020/21).

**Education School Improvement Service (ESIS)**

ESIS became non-operational from 1<sup>st</sup> September 2012 and was administered by a Joint Committee comprising Bridgend, Caerphilly, Merthyr Tydfil and Rhondda Cynon Taf County Borough Councils.

Exit agreement negotiations are ongoing.

### **Central South Consortium Joint Education Service (CSCJES)**

The Central South Consortium Joint Education Service provides a range of school improvement services within the local authority areas of Bridgend, Cardiff, Merthyr Tydfil, Rhondda Cynon Taf and the Vale of Glamorgan.

The Council consolidates 27.29% of the assets, liabilities and transactions of CSCJES into its financial statements.

During 2021/22, the Council received income of £109k from CSCJES (received income of £391k in 2020/21) in respect of advisory and training services, along with grants of £24,464k (£19,856k in 2020/21), and charged CSCJES £126k (£112k in 2020/21) in respect of central establishment charges. The Council also paid CSCJES expenditure of £997k (£1,009k in 2020/21). As at 31<sup>st</sup> March 2022 the Council owed cash balances of £1,338k relating to CSCJES (the Council owed cash balances to CSCJES of £1,984k as at 31<sup>st</sup> March 2021). As part of the Joint Committee consolidation process, offsetting transactions and balances are removed from the accounts to ensure individual values are not overstated. CSCJES distributes grants to participating authorities on behalf of Welsh Government.

### **Coychurch Crematorium**

Coychurch Crematorium is owned and operated by a Joint Committee on behalf of Bridgend CBC, the Vale of Glamorgan Council and Rhondda Cynon Taf CBC.

At 31<sup>st</sup> March 2022 there were no balances outstanding between the Council and Coychurch Crematorium (no balances outstanding as at 31<sup>st</sup> March 2021).

### **Vale, Valleys and Cardiff Regional Adoption Collaborative (VVC)**

The Vale, Valleys and Cardiff Regional Adoption Collaborative (VVC) became operational on 1<sup>st</sup> June 2015 and is administered by the Vale of Glamorgan Council. It is comprised of the adoption services of the Vale of Glamorgan Council, Rhondda Cynon Taf CBC, Merthyr Tydfil CBC and Cardiff City and County Council. It is one of five regional Collaboratives which form part of the National Adoption Service in Wales (NAS).

During 2021/22, the Council contributed £562k to the Vale, Valleys and Cardiff Regional Adoption Collaborative (£579k in 2020/21).

### **Cardiff Capital Region City Deal (CCRCD)**

On 15<sup>th</sup> March 2016, the ten Council Leaders in South East Wales, the First Minister, the Welsh Government Minister for Finance and Government Business, the Secretary of State for Wales and the Chief Secretary to the Treasury signed the Cardiff Capital Region City Deal, an agreement between the UK Government, the Welsh Government and the ten leaders to develop and manage £1.2 billion investment in the Cardiff Capital Region's infrastructure through a 20-year Investment Fund.

The Council consolidates 15.77% of the assets, liabilities and transactions of CCRCD into its financial statements.

During 2021/22, there was a revenue contribution to CCRCD of £183k (£346k in 2020/21), there was no capital contribution (£315k in 2020/21).

## **29.7 Partnership Agreement**

### **Biogen Tomorrow's Valley Food Waste Plant**

The Biogen Food Waste Plant became fully operational on the 19<sup>th</sup> July 2015. The 3 local authorities who form the Hub (Rhondda Cynon Taf CBC, Merthyr CBC and Newport City Council) send a combined annual contracted guaranteed minimum tonnage of 13,500 tonnes to be treated at the facility. In 2021/22 a total amount of £1,127k (£1,117k in 2020/21) associated costs have been incurred by the parties, of which RCT's associated costs in 2021/22 were £613k (£613k in 2020/21), with Welsh Government contributing £124k (£124k in 2020/21) of grant funding.

## **29.8 Other Related Parties**

### **Trivallis**

Trivallis is one of Wales' largest registered social landlords providing homes for thousands of families in Rhondda Cynon Taf. There is 1 Rhondda Cynon Taf CBC Member and 1 officer on the board of Trivallis.

During 2021/22, the Council paid Trivallis £944k (£1,614k in 2020/21) and received income of £1,746k (£1,282k in 2020/21). At year-end, Trivallis owed £187k to the Council (£253k in 2020/21).

In line with the Council's agreed Investment Strategy, following appropriate due diligence and subject to appropriate and acceptable security arrangements being put in place, the Council entered into a commercially agreed loan arrangement with Trivallis, for an amount of £5,250k. The opening balance as at 1<sup>st</sup> April 2021 was £4,250k, and the loan was fully repaid during 2021/22.

## **30.0 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), 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 Council, the expenditure results in an increase in the Capital Financing Requirement (CFR) - a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

	2020/21	2021/22
	£'000	£'000
Opening Capital Financing Requirement	493,487	504,848
<b>Capital Investment:</b>		
Property, Plant & Equipment	90,255	90,668
Intangible Assets	1,330	1,853
Revenue Expenditure Funded from Capital Under Statute	10,735	13,425
	<b>102,320</b>	<b>105,946</b>
<b>Sources of Finance:</b>		
Capital Receipts	(515)	0
Government Grants and Other Contributions	(62,674)	(76,256)
	<b>(63,189)</b>	<b>(76,256)</b>
<b>Sums Set Aside from Revenue:</b>		
Direct Revenue Contributions	(14,209)	(17,264)
Minimum Revenue Payment	(13,561)	(14,511)
	<b>(27,770)</b>	<b>(31,775)</b>
<b>Closing Capital Financing Requirement</b>	<b>504,848</b>	<b>502,763</b>
<b>Explanation of Movements in Year</b>		
Increase/(Decrease) in underlying need to borrowing supported by government financial assistance)	(663)	(790)
Increase in underlying need to borrowing (unsupported by government financial assistance)	12,025	(1,295)
Finance Leases	(1)	0
<b>Increase/(Decrease) in Capital Financing Requirement</b>	<b>11,361</b>	<b>(2,085)</b>

### 31.0 Leases

The following disclosures relate to the Council as a lessee.

#### 31.1 Finance Leases

The Council has a number of properties arranged under finance leases. The assets acquired under these leases are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts:

	31/03/21	31/03/22
	£'000	£'000
Other Land and Buildings	153	155

These assets are part of the Council's impairment review.

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



	31/03/21	31/03/22
	£'000	£'000
Finance Lease Liabilities:		
Current	1	1
Long-Term	383	382
Finance costs payable in future years	1,188	1,166
<b>Minimum Lease Payments</b>	<b>1,572</b>	<b>1,549</b>

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

	Minimum Lease Payments		Finance Lease Liabilities	
	31/03/21	31/03/22	31/03/21	31/03/22
	£'000	£'000	£'000	£'000
Less than 1 year	23	23	1	1
1 to 5 years	90	113	3	5
Greater than 5 years	1,459	1,413	379	377
<b>Total</b>	<b>1,572</b>	<b>1,549</b>	<b>383</b>	<b>383</b>

### 31.2 Operating Leases

The future minimum lease payments due under non-cancellable operating leases in future years are demonstrated in the table below. Examples of such assets utilised under operating lease arrangements are photocopiers and printers.

	31/03/21			31/03/22		
	Other Land & Buildings	Vehicles, Plant & Equip.	Totals	Other Land & Buildings	Vehicles, Plant & Equip.	Totals
	£'000	£'000	£'000	£'000	£'000	£'000
Not later than 1 year	526	746	1,272	427	801	1,228
Later than 1 year and not later than 5 years	1,991	1,528	3,519	1,435	1,655	3,090
Later than 5 years	6,983	304	7,287	8,604	207	8,811
<b>Total</b>	<b>9,500</b>	<b>2,578</b>	<b>12,078</b>	<b>10,466</b>	<b>2,663</b>	<b>13,129</b>

The expenditure charged to the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

	31/03/21	31/03/22
	£'000	£'000
Minimum Lease Payments	1,478	1,546

### 31.3 Sub-Leases

The Council has sub-let buildings. Non-cancellable sub-lease payments are expected to be received until expiry of the lease agreement, as shown in the table below:

	2020/21	2021/22
	£'000	£'000
Less than 1 year	113	331
1 to 5 years	193	842
Greater than 5 years	75	814
<b>Total</b>	<b>381</b>	<b>1,987</b>

### 31.4 Operating Leases with Council as Lessor

The Authority has entered into a number of operating leases with lessees in respect of land and buildings. The total future annual lease payments due to the Authority are as follows:

	2020/21	2021/22
	£'000	£'000
Less than 1 year	990	988
1 to 5 years	4,002	3,941
Greater than 5 years	8,540	7,637
<b>Total</b>	<b>13,532</b>	<b>12,566</b>

### 32.0 Impairment Losses

During 2021/22, the Council has recognised an impairment loss of £19.1m (a loss of £20.7m in 2020/21) in relation to its Long-Term Assets. This impairment charge is included within the Long-Term Asset note 6.1, which also includes reversal of impairment from previous years.

### 33.0 Retirement Benefits - Defined Benefit Schemes

#### 33.1 Participation in Pension Schemes

As part of their terms and conditions Members and Officers are offered retirement benefits by the Council. Although these benefits will not actually be payable until retirement, the Council has a commitment to make these payments. The liability for these payments needs to be accounted for at the time the future entitlement is earned.

The Council participates in two pension schemes:

- Teachers - Please refer to note 34.0.
- Other Employees and Members - The Local Government Pension Scheme administered by Rhondda Cynon Taf CBC. This is a funded defined benefit career average scheme. The Council and participants pay contributions into the fund calculated at a level intended to balance the pensions liabilities with investment assets. The pension costs that are charged to the Council's accounts are defined by IAS 19 "Employee Benefits".

The CSCJES Joint Committee charges pension costs to their accounts in line with IAS 19. The Rhondda Cynon Taf CBC share of these entries is consolidated into the main accounts, and disclosed in the following notes.

### **33.2 Transactions Relating to Post-Employment Benefits**

The cost of retirement benefits is recognised in the 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 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:

	2020/21	2021/22		
		RCT	Joint Comm's	Total
	£'000	£'000	£'000	£'000
<b>Comprehensive Income and Expenditure Statement:</b>				
Cost of Services:				
Current Service Cost	57,146	82,120	462	82,582
Past Service Cost	1,030	1,200	0	1,200
<i>Financing and Investment Income and Expenditure:</i>				
Net Interest Expense	14,579	14,490	1	14,491
<b>Total Post Employment Benefit charged to the Surplus or Deficit on the Provision of Services</b>	<b>72,755</b>	<b>97,810</b>	<b>463</b>	<b>98,273</b>
<i>Remeasurement of the Net Defined Benefit Liability Comprising:</i>				
Return on Plan Assets (Excluding the Amount Included in the Net Interest Expense)	(346,938)	(4,180)	(158)	(4,338)
Actuarial (Gains) and Losses Arising on Liabilities - Demographic Assumptions	0	(21,250)	(91)	(21,341)
Actuarial (Gains) and Losses Arising on Liabilities - Financial Assumptions	380,035	(144,930)	(609)	(145,539)
Actuarial (Gains) and Losses Arising on Liabilities - Experience	(19,617)	6,410	29	6,439
<b>Total Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement</b>	<b>86,235</b>	<b>(66,140)</b>	<b>(366)</b>	<b>(66,506)</b>
<b>Movement in Reserves Statement:</b>				
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the code	(72,755)	(97,810)	(463)	(98,273)
<i>Actual amount charged against the Council Fund Balance for pensions in the year:</i>				
Employers' contributions payable to scheme	35,172	37,170	62	37,232

The total remeasurement of the Net Defined Benefit Liability recognised in Other Comprehensive Income and Expenditure to the 31<sup>st</sup> March 2022 is a gain of £164.8m (£13.5m loss in 2020/21).

The cumulative amount of actuarial gains and losses recognised in the Comprehensive Income and Expenditure Statement to the year ending 31<sup>st</sup> March 2022 is a gain of £36.5m.

**33.3 Reconciliation of Present Value of the Scheme Liabilities**

	2020/21	2021/22		
		RCT	Joint Comm's	Total
	£'000	£'000	£'000	£'000
<b>Balance at 1<sup>st</sup> April</b>	<b>1,760,955</b>	<b>2,171,220</b>	<b>9,037</b>	<b>2,180,257</b>
Current Service Cost	57,146	82,120	462	82,582
Interest Cost on Defined Obligation	40,074	45,170	190	45,360
Contributions by scheme participants	9,742	10,160	84	10,244
<b>Remeasurement (Gains) and Losses</b>				
Actuarial (Gains) and Losses Arising on Liabilities - Demographic Assumptions	0	(21,250)	(91)	(21,341)
Actuarial (Gains) and Losses Arising on Liabilities - Financial Assumptions	380,035	(144,930)	(609)	(145,539)
Actuarial (Gains) and Losses Arising on Liabilities - Experience	(19,617)	6,410	29	6,439
Benefits paid	(49,108)	(51,970)	(91)	(52,061)
Past service costs	1,030	1,200	0	1,200
<b>Balance at 31<sup>st</sup> March</b>	<b>2,180,257</b>	<b>2,098,130</b>	<b>9,011</b>	<b>2,107,141</b>

**33.4 Reconciliation of Fair Value of the Scheme Assets**

	2020/21	2021/22		
		RCT	Joint Comm's	Total
	£'000	£'000	£'000	£'000
<b>Balance at 1<sup>st</sup> April</b>	<b>1,103,321</b>	<b>1,462,720</b>	<b>8,839</b>	<b>1,471,559</b>
Interest Income	25,495	30,680	189	30,869
<b>Remeasurement (Gains) and Losses:</b>				
The Return on Plan Assets, Excluding the Amount Included in the Net Interest Expense	346,938	4,180	158	4,338
Employer contributions	35,172	37,170	62	37,232
Contributions by scheme participants	9,741	10,160	84	10,244
Benefits paid	(49,108)	(51,970)	(91)	(52,061)
<b>Balance at 31<sup>st</sup> March</b>	<b>1,471,559</b>	<b>1,492,940</b>	<b>9,241</b>	<b>1,502,181</b>

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date.

Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets. The actual return on scheme assets in the year was a gain of £35.07m (£365.37m gain in 2020/21).

**33.5 Scheme History**

	<b>2017/18 Inc Joint Comm's £'000</b>	<b>2018/19 Inc Joint Comm's £'000</b>	<b>2019/20 Inc Joint Comm's £'000</b>	<b>2020/21 Inc Joint Comm's £'000</b>	<b>2021/22 Inc Joint Comm's £'000</b>
Present Value of the Defined Obligation	(1,644,122)	(1,741,294)	(1,760,955)	(2,180,257)	(2,107,141)
Fair Value of Plan Assets	1,032,264	1,132,656	1,103,321	1,471,559	1,502,181
<b>Surplus/(Deficit)</b>	<b>(611,858)</b>	<b>(608,638)</b>	<b>(657,634)</b>	<b>(708,698)</b>	<b>(604,960)</b>

The liabilities show the underlying commitments that the Council has in the long run to pay post-employment (retirement) benefits. The total liability of £605m has a substantial impact on the Net Worth of the Council as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Council is not impacted upon. The deficit on the local government scheme will be made good in line with actuarial assumptions.

**33.6 Local Government Pension Scheme Assets**

As at 31<sup>st</sup> December 2021, the Rhondda Cynon Taf Pension Fund Assets used in IAS19 calculations comprised of:

<b>Fair Value of Scheme Assets</b>		
	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>
UK Equities	491,294	443,448
Overseas Equities	2,769,614	2,870,331
UK Fixed Interest Gilts	372,929	563,640
UK Corporate Bonds	550,961	607,650
Property	282,289	317,833
Cash and Net Current Assets	26,320	16,991
<b>Total</b>	<b>4,493,407</b>	<b>4,819,893</b>

**33.7 Basis for Estimating Assets and Liabilities****Roll-forward of Assets**

The valuation results from the last full valuation of the Fund (or results at the previous accounting date as appropriate) are adjusted to the accounting year-end allowing for:

- Investment returns, and
- Cash-flows including investment returns on those cashflows.

The asset value at the start of the accounting period is accumulated with the Fund investment return over the accounting period. Net cashflows are assumed to be paid halfway through the period and accrue half of the Fund investment return over the period.

## Roll-forward of Liabilities

The valuation results from the last full valuation of the Fund (or results at the previous accounting date as appropriate) are adjusted to allow for the later calculation date (by adding interest to the liabilities) and make allowance for changes in liabilities due to:

- The accrual of new benefits and the discharge of liabilities from the payment of benefits.
- The financial and demographic assumptions adopted at the year-end.
- The impact of any known experience affecting the liabilities, such as the impact of actual pension increases on pensions in payment and deferred benefits.
- If applicable, the impact of events which result in a change in the liability such as past service costs, settlements and curtailments.

The full valuation was based on funded benefits and the principal assumptions used by the actuary have been:

	31/03/21	31/03/22
Long-Term Expected Rate of Return on Assets in the Scheme (in line with the discount rate)	4.3%	4.25%
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	21.8	21.6
Women	24.1	23.9
Longevity at 65 for future pensioners:		
Men	22.8	22.6
Women	25.6	25.4
Rate of inflation (CPI)	2.7%	3.0%
Rate of increase in salaries	3.95%	4.25%
Rate of increase in pensions	2.7%	3.0%
Rate for discounting scheme liabilities	2.1%	2.7%
Take-up of option to convert annual pension into retirement lump sum:		
Post-2010 Service	80%	80%
Pre-2010 Service	80%	80%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant.

	RCT		Joint Committes		Total	
	Increase in Assumption	Decrease in Assumption	Increase in Assumption	Decrease in Assumption	Increase in Assumption	Decrease in Assumption
	£'000	£'000	£'000	£'000	£'000	£'000
Longevity (Increase or Decrease in 1 Year)	73,120	(71,030)	315	(306)	73,435	(71,336)
Rate of Increase in Salaries (Increase or Decrease by 0.1%)	6,270	(6,270)	18	(18)	6,288	(6,288)
Rate of Increase in Pensions (Increase or Decrease by 0.1%)	37,600	(37,600)	171	(171)	37,771	(37,771)
Rate for Discounting Scheme Liabilities (Increase or Decrease by 0.1%)	(43,870)	43,870	(189)	189	(44,059)	44,059

### **33.8 Contributions for the Accounting Period ending 31<sup>st</sup> March 2023**

The Employer's regular contributions to the Fund for the accounting period 31<sup>st</sup> March 2023 are estimated to be £37.6m. In addition, "strain on fund" contributions may be required.

Further information can be found in the Pension Fund Annual Report, which is on the [RCT Pension Fund website](#) and also available on request from the Director of Finance & Digital Services, Oldway House, Porth, Rhondda, CF39 9ST.

### **34.0 Retirement Benefits - Defined Contribution Schemes**

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

The Scheme is technically a defined benefit scheme. However, the Scheme is unfunded and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The Council is not able to identify its share of underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2021/22, the Council paid £20.0m to Teachers' Pensions in respect of teachers' retirement benefits, representing 23.68% of pensionable pay. The figures for 2020/21 were £19.7m, representing 23.68% of pensionable pay. In addition, the Council is responsible for all pension payments relating to added years that it has awarded, together with related increases. In 2021/22 these amounted to £689k (£753k in 2020/21).

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



## **35.0 Contingent Liabilities**

### **35.1 Insurance**

The Council is liable for insurance claims made against it in respect of certain events. A provision is made in respect of claims received as at 31<sup>st</sup> March 2022. There is a further contingent liability in respect of events which will have occurred but which have not resulted in a claim being made as at the date of the accounts. The “statute of limitation” sets out the timescale by which a claim will have to be made in respect of such past events. An earmarked reserve has been set up to provide towards the costs of these incidents.

Due to the volume and differing circumstances of each potential claim it is impractical to provide an estimate of the possible financial effect. Similarly, it is impractical to provide an indication of uncertainties relating to the amount and timing of such liabilities.

Insurance claims are also referenced in note 4.2.

### **35.2 Municipal Mutual Insurance Ltd.**

The former authorities of Rhondda Borough Council, Cynon Valley Borough Council, Taff Ely Borough Council and Mid Glamorgan County Council are creditors of Municipal Mutual Insurance Ltd. (MMI). MMI ceased to write new insurance business from 30<sup>th</sup> September 1992 and a Scheme of Arrangement was put in place in January 1994. The scheme was set up to ensure an orderly run off of claims in the event of MMI not being solvent. As creditors of MMI, the Council is legally bound by the Scheme and in November 2012, the scheme was triggered.

Future claim settlements by MMI will be made at a level of 75% with the funding of the remaining 25% being met from the former authorities’ funds. Correspondence from the scheme administrator states that it is not possible to guarantee that the initial and second levy, paid in February 2014 and May 2016, will be sufficient but they are the best estimates given the current position. The scheme requires the administrator to review the Levy at least once a year. Given the uncertainty regarding how sufficient the initial clawback will be, a contingent liability exists as the Council could be subject to further clawback dependent upon the resources of MMI, the insurer.

## **36.0 Trust Funds**

The Council acts as sole trustees for various charities. Separate accounts are maintained for these. Net assets as at 31<sup>st</sup> March 2022 are shown as follows and are not included in the Council’s Balance Sheet. The 2021/22 figures are draft, subject to audit (Audit Wales for Welsh Church Act, the Regional Internal Audit Service for the other funds).

	Description	31/03/21	31/03/22
		£'000	£'000
Education & Miscellaneous	Various funds established for educational and community benefits	278	287
Rhondda Cynon Taf Charity for the Visually Impaired	Fund established for the benefit of visually impaired citizens	59	14
Welsh Church Act Fund	Fund established under the Welsh Church Act for various charitable aims within the counties of Rhondda Cynon Taf, Merthyr Tydfil and Bridgend	13,512	13,891

## Group Accounts

### 1. Introduction

To reflect the nature of service provision in the public sector, all local authorities are required to prepare a full set of group financial statements, in addition to their single entity accounts, where they hold material interests in subsidiaries, associates or joint ventures.

The Group Accounts Statements comprise:

- Statement of Group Accounting Policies.
- Group Movement in Reserves Statement.
- Group Comprehensive Income and Expenditure Statement.
- Group Balance Sheet.
- Group Cash Flow Statement.

### 2. Bodies Consolidated

Following a review of the Council's activities, the following have been identified as group companies and have been consolidated into the group financial statements:

- **Amgen Cymru Ltd.** - This company was set up by the former Cynon Valley Borough Council as an arms length company under the 1990 Environment Act. It is registered as "Cynon Valley Waste Disposal" but trades as "Amgen Cymru Ltd.". The principal activities of the company are the provision of recycling services and waste disposal facilities. The Council has a 100% interest in the company of £2.8m. The company is a subsidiary of the Council.
- **Amgen Rhondda Ltd.** - This company was set up during September 1999 as a wholly owned subsidiary of Amgen Cymru Ltd. The principal activity of the company continues to be that of the stewardship of a closed landfill site and associated opportunities for income recognition. In April 2005 the company entered into a formal stewardship agreement with Rhondda Cynon Taf CBC, which provides for the remediation and long-term stewardship of the facility in conjunction with the shareholder.

Rhondda Cynon Taf CBC holds 100% of the voting rights of Amgen Cymru Ltd., who in turn hold 100% of the voting rights of Amgen Rhondda Ltd., and is therefore classed as a subsidiary.

The Council also holds 100% of the allotted preference shares in Amgen Rhondda Ltd.

The individual financial statements of Cynon Valley Waste Disposal Company and Amgen Rhondda Ltd. have been prepared in compliance with UK Accounting Standards, including Financial Reporting Standard 102 (FRS102).

## **Statement of Group Accounting Policies**

The group financial statements have been prepared in accordance with the accounting policies adopted for the single entity accounts, with the exception of the following items:

### **1. Long-Term Assets (Subsidiary Companies)**

Certain Long-Term Assets of Amgen Cymru Ltd. and Amgen Rhondda Ltd. are valued in the company Balance Sheets at depreciated historical cost. This accounting policy is not consistent with that used by the Council. However, as the land and buildings are specialist assets used in the running of a waste disposal facility, and in the case of landfill cells a distinct class of asset not currently held by the Council, they have been consolidated into the Group Balance Sheet on this basis.

### **2. Basis of Charges for use of Long-Term Assets**

Depreciation is charged to services on a straight-line basis and included within the Cost of Services in the Group Comprehensive Income and Expenditure Statement.

### **3. Basis of Consolidation**

It is a requirement that Group Accounts are prepared using consistent accounting policies, which can differ between company and local authority accounts. The main differences between these accounts are:

- Long-term asset valuations. These should be based on the measurement principles given in the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 based on International Financial Reporting Standards, which generally means assets are carried at a current valuation.
- Criteria for assessing cash equivalents: Short term lending of surplus balances investments are treated as cash at bank in the company accounts but as Short Term Investments in the local authority accounts

The accounts of Amgen Cymru and Amgen Rhondda have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties at fair value.

Subsidiary companies are consolidated into the group statements using the acquisition method. Based on materiality, the associate company, Capita Glamorgan Consultancy Ltd., is not consolidated.

**Group Movement in Reserves Statement (MiRS)**

This statement shows the movement in the year on the different reserves held by the Group, analysed into “usable reserves” (i.e. 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 economic cost of providing the Group’s services on an International Financial Reporting Standards basis, more details of which are shown in the Group Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the Council Fund Balance for Council Tax setting. The Net (Increase) or Decrease before Transfers to Earmarked Reserves line shows the statutory Council Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Group.

Group Movement in Reserves Statement for the year ending 31<sup>st</sup> March 2021

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	Council Fund Balance	Earmarked Reserves: Capital, Treasury & Insurance	Earmarked Reserves: Other Revenue Related	Delegated Schools Reserve	Usable Capital Receipts Reserve	Capital Grants Unapplied	MGCC Insurance Reserve	Total Usable Reserves	Unusable Reserves	Total Reserves of the Council	Council's share of Reserves of Subsidiaries, Associates & Joint Ventures	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1<sup>st</sup> April 2020</b>	8,709	69,616	39,028	2,384	1,750	24,934	136	146,557	56,752	203,309	(334)	202,975
<b>Movement in reserves during 2020/21</b>												
Total comprehensive income and expenditure	25,452	0	(118)	0	0	0	0	25,334	(9,067)	16,267	9,248	25,515
<b>Adjustments between Group Accounts and Authority Accounts:</b>	9,341	0	0	0	0	0	0	9,341	0	9,341	(9,341)	0
<b>Net Increase or decrease before transfers</b>	34,793	0	(118)	0	0	0	0	34,675	(9,067)	25,608	(93)	25,515
<b>Adjustments between accounting basis and funding under regulations:</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Adjustments primarily involving the Capital Adjustment Account:</b>	0											
<b>Reversal of items debited / credited to CI&amp;ES:</b>												
Charges for depreciation and impairment of long-term assets	28,585	0	0	0	0	0	0	28,585	(28,585)	0	0	0

Continued Overleaf...

Revaluation losses on property, plant & equipment	36,900	0	0	0	0	0	0	0	36,900	(36,900)	0	0	0
Movement in the fair value of Investment Properties	215	0	0	0	0	0	0	0	215	(215)	0	0	0
Capital Grants and Contributions applied	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortisation of intangible assets	1,675	0	0	0	0	0	0	0	1,675	(1,675)	0	0	0
Revenue expenditure funded from capital under statute	10,735	0	0	0	0	0	0	0	10,735	(10,735)	0	0	0
Amounts of long-term assets written off on disposal or sale as part of the gain/loss on disposal to the CI&ES	(358)	0	0	0	358	0	0	0	0	0	0	0	0
<b>Insertion of items not debited / credited to CI&amp;ES:</b>													
Statutory provision for the financing of capital investment	(13,561)	0	0	0	0	0	0	0	(13,561)	13,561	0	0	0
Capital expenditure charged against the Council Fund Balances	(14,209)	0	0	0	0	0	0	0	(14,209)	14,209	0	0	0
<b>Adjustments primarily involving the Capital Grants Unapplied Account:</b>													
Capital grants and contributions unapplied credited to CI&ES	(70,102)	0	(706)	0	0	70,102	0	0	(706)	706	0	0	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0	0	0	(62,674)	0	0	(62,674)	62,674	0	0	0
<b>Adjustments involving the Capital Receipts Reserve:</b>													
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CI&ES	0	0	0	0	1,512	0	0	0	1,512	(1,512)	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	0	0	(515)	0	0	0	(515)	515	0	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	0	0	849	0	0	0	849	(849)	0	0	0

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<b>Adjustments involving the Financial Instruments Adjustment Account:</b>													
Amount by which finance costs charged to the CI&ES are different from finance costs chargeable in the year in accordance with statutory requirements	(88)	0	0	0	0	0	0	(88)	88	0	0	0	0
<b>Adjustments involving the Pensions Reserve:</b>													
Reversal of items relating to retirement benefits debited or credited to the CI&ES	72,460	0	294	0	0	0	0	72,754	(72,754)	0	0	0	0
Employer's pensions contributions and direct payments to pensioners payable in the year	(35,120)	0	(52)	0	0	0	0	(35,172)	35,172	0	0	0	0
<b>Adjustment involving the Unequal Pay Back Pay Adjustment Account:</b>													
Amount by which amounts charged for equal pay claims to the CI&ES are different from the cost of settlements chargeable in the year in accordance with statutory requirements	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Adjustment involving the Accumulated Absences Account:</b>													
Amount by which officer remuneration charged to the CI&ES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	123	0	6	0	0	0	0	129	(129)	(0)	0	(0)	(0)
<i>Continued Overleaf...</i>													



<b>Other adjustments include:</b>												
Adjustment between the Capital Adjustment Account and the Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation of long-term asset revaluation gains	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net increase or (decrease) before transfers to Earmarked Reserves</b>	52,047	0	(576)	0	2,205	7,428	0	<b>61,104</b>	(35,496)	<b>25,608</b>	(93)	<b>25,515</b>
<b>Transfers to or from Earmarked Reserves</b>	(52,251)	7,213	35,339	9,651	(1)	1	49	<b>1</b>	(1)	<b>0</b>	0	<b>0</b>
<b>Increase or (decrease) in the year</b>	(204)	7,213	34,763	9,651	2,204	7,429	49	<b>61,105</b>	(35,497)	<b>25,608</b>	(93)	<b>25,515</b>
<b>Balance at 31<sup>st</sup> March 2021</b>	<b>8,505</b>	<b>76,829</b>	<b>73,791</b>	<b>12,035</b>	<b>3,954</b>	<b>32,363</b>	<b>185</b>	<b>207,662</b>	<b>21,255</b>	<b>228,917</b>	<b>(427)</b>	<b>228,490</b>

Group Movement in Reserves Statement for the year ending 31<sup>st</sup> March 2022

	Council Fund Balance	Earmarked Reserves: Capital, Treasury & Insurance	Earmarked Reserves: Other Revenue Related	Delegated Schools Reserve	Usable Capital Receipts Reserve	Capital Grants Unapplied	MGCC Insurance Reserve	Total Usable Reserves	Unusable Reserves	Total Reserves of the Council	Council's share of Reserves of Subsidiaries, Associates & Joint Ventures	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1<sup>st</sup> April 2021</b>	8,505	76,829	73,791	12,035	3,954	32,363	185	<b>207,662</b>	21,255	<b>228,917</b>	(427)	<b>228,490</b>
<b>Movement in reserves during 2021/22</b>												
Total comprehensive income and expenditure	48,381	0	684	0	0	0	0	<b>49,065</b>	213,736	<b>262,801</b>	9,685	<b>272,486</b>
<b>Adjustments between Group Accounts and Authority Accounts:</b>	9,071	0	0	0	0	0	0	<b>9,071</b>	0	<b>9,071</b>	(9,071)	<b>0</b>
<b>Net Increase or decrease before transfers</b>	57,452	0	684	0	0	0	0	<b>58,136</b>	213,736	<b>271,872</b>	614	<b>272,486</b>
<b>Adjustments between accounting basis and funding under regulations:</b>	0	0	0	0	0	0	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>
<b>Adjustments primarily involving the Capital Adjustment Account:</b>	0											
<b>Reversal of items debited / credited to CI&amp;ES:</b>												
Charges for depreciation and impairment of long-term assets	3,685	0	94	0	0	0	0	<b>3,779</b>	(3,779)	<b>0</b>	0	<b>0</b>

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Revaluation losses on property, plant & equipment	33,205	0	1,094	0	0	0	0	0	34,299	(34,299)	0	0	0
Movement in the fair value of Investment Properties	610	0	114	0	0	0	0	0	724	(724)	0	0	0
Capital Grants and Contributions applied	0	0	(603)	0	0	0	0	0	(603)	603	0	0	0
Amortisation of intangible assets	1,582	0	0	0	0	0	0	0	1,582	(1,582)	0	0	0
Movement in the Donated Assets Account	(1,020)	0	0	0	0	0	0	0	(1,020)	1,020	0	0	0
Revenue expenditure funded from capital under statute	13,425	0	0	0	0	0	0	0	13,425	(13,425)	0	0	0
Amounts of long-term assets written off on disposal or sale as part of the gain/loss on disposal to the CI&ES	758	0	0	0	0	0	0	0	758	(758)	0	0	0
<b>Insertion of items not debited / credited to CI&amp;ES:</b>													
Statutory provision for the financing of capital investment	(14,511)	0	0	0	0	0	0	0	(14,511)	14,511	0	0	0
Capital expenditure charged against the Council Fund Balances	(17,264)	0	0	0	0	0	0	0	(17,264)	17,264	0	0	0
<b>Adjustments primarily involving the Capital Grants Unapplied Account:</b>													
Capital grants and contributions unapplied credited to CI&ES	(81,868)	0	0	0	0	81,868	0	0	0	0	0	0	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0	0	0	(76,256)	0	0	(76,256)	76,256	0	0	0
<b>Adjustments involving the Capital Receipts Reserve:</b>													
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CI&ES	(1,079)	0	0	0	1,079	0	0	0	0	0	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	0	0	423	0	0	0	423	(423)	0	0	0

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<b>Adjustments involving the Financial Instruments Adjustment Account:</b>													
Amount by which finance costs charged to the CI&ES are different from finance costs chargeable in the year in accordance with statutory requirements	(90)	0	0	0	0	0	0	0	(90)	91	1	0	1
<b>Adjustments involving the Pensions Reserve:</b>													
Reversal of items relating to retirement benefits debited or credited to the CI&ES	97,810	0	463	0	0	0	0	0	98,273	(98,273)	0	0	0
Employer's pensions contributions and direct payments to pensioners payable in the year	(37,170)	0	(62)	0	0	0	0	0	(37,232)	37,232	0	0	0
<b>Adjustment involving the Unequal Pay Back Pay Adjustment Account:</b>													
Amount by which amounts charged for equal pay claims to the CI&ES are different from the cost of settlements chargeable in the year in accordance with statutory requirements	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Adjustment involving the Accumulated Absences Account:</b>													
Amount by which officer remuneration charged to the CI&ES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	933	0	7	0	0	0	0	0	940	(939)	1	0	1

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<b>Other adjustments include:</b>													
Adjustment between the Capital Adjustment Account and the Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation of long-term asset revaluation gains	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net increase or (decrease) before transfers to Earmarked Reserves</b>	56,458	0	1,791	0	1,502	5,612	0	<b>65,363</b>	206,511	<b>271,874</b>	614	<b>272,488</b>	
<b>Transfers to or from Earmarked Reserves</b>	(54,671)	9,108	36,840	8,526	213	0	(16)	<b>0</b>	0	<b>0</b>	0	<b>0</b>	
<b>Increase or (decrease) in the year</b>	1,787	9,108	38,631	8,526	1,715	5,612	(16)	<b>65,363</b>	206,511	<b>271,874</b>	614	<b>272,488</b>	
<b>Balance at 31<sup>st</sup> March 2022</b>	<b>10,292</b>	<b>85,937</b>	<b>112,422</b>	<b>20,561</b>	<b>5,669</b>	<b>37,975</b>	<b>169</b>	<b>273,025</b>	<b>227,766</b>	<b>500,791</b>	<b>187</b>	<b>500,978</b>	

**Group Comprehensive Income and Expenditure Statement for the year ended  
31<sup>st</sup> March 2022**

This Statement shows the accounting cost in the year of providing services by the Group in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations, this may be different from the accounting cost. The taxation position is shown in the Group Movement in Reserves Statement.

2020/21			Group Comprehensive Income and Expenditure Statement for the year ending 31 <sup>st</sup> March 2022	Note:	2021/22		
Gross Exp	Gross Income	Net Exp			Gross Exp	Gross Income	Net Exp
£'000	£'000	£'000			£'000	£'000	£'000
111,945	(27,237)	84,708	Prosperity, Development & Frontline Services	G 1.0	123,490	(37,592)	85,898
65,526	(10,109)	55,417	Chief Executive		54,336	(11,847)	42,489
257,439	(56,989)	200,450	Education & Inclusion Services		274,712	(71,802)	202,910
262,473	(81,609)	180,864	Community & Children's Services		292,105	(110,540)	181,565
98,130	(113,705)	(15,575)	Authority Wide Budgets		90,523	(90,493)	30
1,308	(1,758)	(450)	Joint Committees		2,478	(2,413)	65
<b>796,821</b>	<b>(291,407)</b>	<b>505,414</b>	<b>Cost of Services</b>		<b>837,644</b>	<b>(324,687)</b>	<b>512,957</b>
			<b>Other Operating Expenditure</b>				
23,230	0	23,230	Precepts		24,316	0	24,316
12,406	0	12,406	Levies		12,901	0	12,901
0	(358)	(358)	(Gains) or Losses on Disposal of Non-Current Assets		0	(319)	(319)
			<b>Financing and Investment Income and Expenditure</b>				
11,680	0	11,680	Interest Payable and Similar Charges		11,347	0	11,347
14,579	0	14,579	Net Interest on Net Defined Liability (Asset)		14,491	0	14,491
0	(598)	(598)	Interest Receivable and Similar Income		0	(643)	(643)
1,310	(324)	986	Income, Expenditure and Changes in the Fair Value of Investment Properties		628	(324)	304
			<b>Taxation and Non-Specific Grant Income</b>				
0	(140,915)	(140,915)	Council Tax Income		0	(146,388)	(146,388)
0	(74,592)	(74,592)	NDR Distribution		0	(79,250)	(79,250)
0	(321,312)	(321,312)	Non-Ringfenced Government Grants		0	(333,966)	(333,966)
0	(64,987)	(64,987)	Capital Grants and Contributions		0	(73,881)	(73,881)
0	(127)	(127)	Corporation Tax - Joint Committees		77	0	77
<b>860,026</b>	<b>(894,620)</b>	<b>(34,594)</b>	<b>(Surplus) or Deficit on the Provision of Services</b>		<b>901,404</b>	<b>(959,458)</b>	<b>(58,054)</b>
			<b>Tax Expenses</b>				
0	(13)	(13)	Taxation of Group Entities		104	(34)	70
0	0	0	Share of Taxation of Associates and Joint Ventures		0	0	0
<b>860,026</b>	<b>(894,633)</b>	<b>(34,607)</b>	<b>(Surplus) or Deficit</b>		<b>901,508</b>	<b>(959,492)</b>	<b>(57,984)</b>
14,468	(20,244)	(5,776)	(Surplus) or Deficit on Revaluation of Property, Plant & Equipment Assets		7,646	(57,349)	(49,703)
14,868	0	14,868	Remeasurement of the Net Defined Benefit Liability		0	(164,799)	(164,799)
<b>29,336</b>	<b>(20,244)</b>	<b>9,092</b>	<b>Other Comprehensive Income and Expenditure</b>		<b>7,646</b>	<b>(222,148)</b>	<b>(214,502)</b>
<b>889,362</b>	<b>(914,877)</b>	<b>(25,515)</b>	<b>Total Comprehensive Income and Expenditure</b>		<b>909,154</b>	<b>(1,181,640)</b>	<b>(272,486)</b>

### **Group Balance Sheet as at 31<sup>st</sup> March 2022**

The Group Balance Sheet summarises the financial position of the Council and its subsidiaries and associates as a whole. It shows the value of the Group assets and liabilities at the end of the financial year.



Group Balance Sheet as at 31<sup>st</sup> March 2022

31/03/21			Note:	31/03/22	
				£'000	£'000
710,921	<b>Long-Term Assets</b>	Property, Plant & Equipment:	G 2.0		
497,215		Other Land & Buildings		767,424	
21,870		Infrastructure		526,504	
2		Vehicles, Plant & Equipment		23,791	
5,074		Landfill Cells		735	
2,572		Community Assets		5,011	
145		Assets Under Construction		15,832	
8,164		Heritage Assets		145	
0		Investment Properties		7,546	
3,204		Defined Benefit Pension Scheme Asset		230	
6,615		Long-Term Intangible Assets		3,475	
0		Long-Term Investments		2,515	
1,517		Investment in Associates & Joint Ventures		0	
<b>1,257,299</b>		<b>TOTAL LONG-TERM ASSETS</b>			<b>1,357,367</b>
23,479	<b>Current Assets</b>	Short-Term Investments		133,870	
705		Assets Held for Sale		1,196	
2,681		Inventories		1,443	
124,873		Short-Term Debtors	G 12.0	147,720	
18,766		Cash and Cash Equivalents		23,617	
<b>170,504</b>	<b>TOTAL CURRENT ASSETS</b>			<b>307,846</b>	
(19,652)	<b>Current Liabilities</b>	Cash and Cash Equivalents		(14,465)	
(32,176)		Short-Term Borrowing		(19,156)	
(1,515)		Short-Term Donated Assets Account		0	
(1,636)		Short-Term Provisions	G 14.0	(1,508)	
(114,877)		Short-Term Creditors	G 13.0	(131,497)	
<b>(169,856)</b>	<b>TOTAL CURRENT LIABILITIES</b>			<b>(166,626)</b>	
(10,231)	<b>Long-Term Liabilities</b>	Long-Term Creditors		(10,135)	
(4,863)		Long-Term Provisions	G 14.0	(4,854)	
0		Capital Grants Receipts in Advance		(1,798)	
(303,324)		Long-Term Borrowing		(373,531)	
(710,916)		Other Long-Term Liabilities		(607,168)	
(123)		Long-Term Donated Assets Account		(123)	
<b>(1,029,457)</b>	<b>TOTAL LONG-TERM LIABILITIES</b>			<b>(997,609)</b>	
<b>228,490</b>	<b>NET ASSETS</b>			<b>500,978</b>	

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8,505	<b>Usable Reserves</b>	Council Fund Balance		10,292	
		Earmarked Reserves:			
76,829		Capital, Treasury and Insurance Reserves		85,937	
73,791		Other Revenue Related Reserves		112,422	
12,035		Delegated Schools Reserve		20,561	
3,954		Usable Capital Receipts Reserve		5,669	
32,363		Capital Grant Unapplied Account		37,975	
185		MGCC Insurance Reserve		169	
<b>207,662</b>		<b>TOTAL USABLE RESERVES</b>			<b>273,025</b>
208,134	<b>Unusable Reserves</b>	Revaluation Reserve		249,817	
423		Deferred Capital Receipts Reserve		0	
532,591		Capital Adjustment Account	G 5.0	594,952	
(5,399)		Financial Instruments Adjustment Account		(5,308)	
(708,698)		Pensions Reserve		(604,960)	
(5,796)		Short-Term Accumulating Compensated Absence Account		(6,735)	
(427)		Group Companies Reserve	G 3.0	187	
<b>20,828</b>		<b>TOTAL UNUSABLE RESERVES</b>			<b>227,953</b>
<b>228,490</b>		<b>TOTAL RESERVES</b>			<b>500,978</b>

**Group Cash Flow Statement 2021/22**

The Group Cash Flow Statement summarises the cash flows of the Council and its subsidiaries and associates during the year.

2020/21 £'000		Note:	2021/22	
			£'000	£'000
(34,594)	Net (Surplus) or Deficit on the Provision of Services		(57,984)	
(89,032)	Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements	G 6.0	(90,810)	
67,703	Adjustments for Items Included in the Net (Surplus) or Deficit on the Provision of Services that are Investing and Financing Activities	G 7.0	75,596	
<b>(55,923)</b>	<b>Net Cash Flows from Operating Activities</b>			<b>(73,198)</b>
25,948	Investing Activities	G 9.0	140,445	
39,420	Financing Activities	G 10.0	(58,981)	81,464
<b>9,445</b>	<b>Net Increase or Decrease in Cash or Cash Equivalents</b>			<b>8,266</b>
(10,331)	Cash and Cash Equivalents at the Beginning of the Reporting Period			886
<b>(886)</b>	<b>Cash and Cash Equivalents at the End of the Reporting Period</b>			<b>9,152</b>

## Notes to the Group Accounts

These notes should be read in conjunction with the notes to the Council's Core Financial Statements. Unless specifically identified below, the information provided for the single entity accounts also applies to the Group Statements.

### G.1.0 Segmental Analysis (Subsidiary Companies)

The operating income and expenditure of Amgen Cymru Ltd. and Amgen Rhondda Ltd. has been included within Prosperity, Development & Frontline Services.

A Group Expenditure and Funding Analysis Statement, and its associated notes, has not been included in the Group Statements due to materiality.

### G 2.0 Long-Term Assets

#### G 2.1 Property, Plant and Equipment

##### Movements in 2020/21

	Other Land & Buildings	Vehicles, Plant & Equipment	Landfill Cells	Community Assets	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation</b>						
At 1st April 2020	779,075	53,238	193	6,246	41,228	<b>879,980</b>
Joint Committees Opening Balance	5,569	0	0	0	0	<b>5,569</b>
Additions	33,967	9,730	0	224	2,142	<b>46,063</b>
Donations	0	0	0	0	0	<b>0</b>
Revaluation Increases/ (Decreases) Recognised in the Revaluation Reserve	(4,954)	0	0	0	0	<b>(4,954)</b>
Revaluation Increases/ (Decreases) Recognised in the Surplus/Deficit on the Provision of Services	(36,949)	0	0	0	0	<b>(36,949)</b>
Derecognition – Disposals	(2,476)	(4,709)	0	0	0	<b>(7,185)</b>
Derecognition - Other	0	(1,722)	0	0	0	<b>(1,722)</b>
Assets Reclassified (to)/from Held for Sale	10	0	0	0	0	<b>10</b>
Other Reclassifications	18,717	273	0	0	(40,798)	<b>(21,808)</b>
Other Movements in Cost or Valuation	0	0	0	0	0	<b>0</b>
<b>At 31st March 2021</b>	<b>792,959</b>	<b>56,810</b>	<b>193</b>	<b>6,470</b>	<b>2,572</b>	<b>859,004</b>

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<b>Accumulated Depreciation and Impairment</b>						
At 1st April 2020	(84,761)	(34,090)	(188)	(1,396)	0	(120,435)
Joint Committees Opening Balance	0	0	0	0	0	0
Depreciation Charge	(16,443)	(5,450)	(3)	0	0	(21,896)
Depreciation Written Out of the Revaluation Reserve	12,169	0	0	0	0	12,169
Depreciation Written out to the Surplus/Deficit on the Provision of Services	6,814	0	0	0	0	6,814
Impairment (Losses)/Reversals Recognised in the Revaluation Reserve	(2,789)	0	0	0	0	(2,789)
Impairment (Losses)/Reversals Recognised in the Surplus/Deficit on the Provision of Services	1,867	(1,722)	0	0	0	145
Derecognition – Disposals	1,105	4,600	0	0	0	5,705
Derecognition - Other	0	1,722	0	0	0	1,722
Assets Reclassified (to)/from Held for Sale	0	0	0	0	0	0
Other Reclassifications	0	0	0	0	0	0
Other Movements in Cost or Valuation	0	0	0	0	0	0
<b>At 31st March 2021</b>	<b>(82,038)</b>	<b>(34,940)</b>	<b>(191)</b>	<b>(1,396)</b>	<b>0</b>	<b>(118,565)</b>
<b>Net Book Value:</b>						
<b>At 31st March 2021</b>	<b>710,921</b>	<b>21,870</b>	<b>2</b>	<b>5,074</b>	<b>2,572</b>	<b>740,439</b>
<b>At 31st March 2020</b>	<b>699,883</b>	<b>19,148</b>	<b>5</b>	<b>4,850</b>	<b>41,228</b>	<b>765,114</b>

**Movements in 2021/22**

	Other Land & Buildings	Vehicles, Plant & Equipment	Landfill Cells	Community Assets	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation</b>						
At 1st April 2021	792,959	56,810	193	6,470	2,182	<b>858,614</b>
Joint Committees Opening Balance	0	0	0	0	390	<b>390</b>
Additions	25,790	6,714	0	0	14,444	<b>46,948</b>
Donations	0	1,020	0	0	0	<b>1,020</b>
Revaluation Increases/ (Decreases) Recognised in the Revaluation Reserve	21,122	0	0	0	0	<b>21,122</b>
Revaluation Increases/ (Decreases) Recognised in the Surplus/Deficit on the Provision of Services	(33,160)	0	0	0	0	<b>(33,160)</b>
Derecognition – Disposals	(780)	(6,717)	0	0	0	<b>(7,497)</b>
Derecognition - Other	(1,328)	(1,284)	0	0	0	<b>(2,612)</b>
Assets Reclassified (to)/from Held for Sale	(496)	0	0	0	0	<b>(496)</b>
Other Reclassifications	158	396	789	(158)	(1,184)	<b>1</b>
Other Movements in Cost or Valuation	0	0	0	0	0	<b>0</b>
<b>At 31st March 2022</b>	<b>804,265</b>	<b>56,939</b>	<b>982</b>	<b>6,312</b>	<b>15,832</b>	<b>884,330</b>

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<b>Accumulated Depreciation and Impairment</b>						
At 1st April 2021	(82,038)	(34,940)	(191)	(1,396)	0	<b>(118,565)</b>
Joint Committees	0	0	0	0	0	<b>0</b>
Opening Balance						
Depreciation Charge	(18,119)	(4,813)	(151)	0	0	<b>(23,083)</b>
Depreciation Written Out of the Revaluation Reserve	24,496	0	0	0	0	<b>24,496</b>
Depreciation Written out to the Surplus/Deficit on the Provision of Services	8,150	0	0	0	0	<b>8,150</b>
Impairment (Losses)/Reversals Recognised in the Revaluation Reserve	3,409	0	0	0	0	<b>3,409</b>
Impairment (Losses)/Reversals Recognised in the Surplus/Deficit on the Provision of Services	25,985	(1,284)	0	0	0	<b>24,701</b>
Derecognition – Disposals	36	6,703	0	0	0	<b>6,739</b>
Derecognition - Other	1,328	1,284	0	0	0	<b>2,612</b>
Assets Reclassified (to)/from Held for Sale	6	0	0	0	0	<b>6</b>
Other Reclassifications	(94)	(98)	95	95	0	<b>(2)</b>
Other Movements in Cost or Valuation	0	0	0	0	0	<b>0</b>
<b>At 31st March 2022</b>	<b>(36,841)</b>	<b>(33,148)</b>	<b>(247)</b>	<b>(1,301)</b>	<b>0</b>	<b>(71,537)</b>
<b>Net Book Value:</b>						
<b>At 31st March 2022</b>	<b>767,424</b>	<b>23,791</b>	<b>735</b>	<b>5,011</b>	<b>15,832</b>	<b>812,793</b>
<b>At 31st March 2021</b>	<b>710,921</b>	<b>21,870</b>	<b>2</b>	<b>5,074</b>	<b>2,572</b>	<b>740,439</b>

## G 2.2 Valuation of Long-Term Assets

Assets are valued according to asset type. The following table shows the type of operational assets held, the basis of valuation and the date of last valuation.

Asset Type	Date of Last Valuation	Basis of Valuation
Other Land & Buildings	Rolling Programme	EUV/DRC
Specialist Building	Rolling Programme	DRC
Vehicles, Plant & Equip	N/A	DHC
Infrastructure	N/A	DHC
Community Assets	N/A	DHC
Landfill Cells	N/A	DHC

EUV - Existing Use Value

DHC - Depreciated Historic Cost

DRC - Depreciated Replacement Costs

**G 3.0 Group Companies Reserve**

Movements in the Group Companies Reserve are summarised as follows:

	<b>Amgen Cymru</b>	<b>Amgen Rhondda</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Balance as at 31st March 2021</b>	<b>2,321</b>	<b>(2,748)</b>	<b>(427)</b>
Increase/(Decrease) 2021/22	617	(3)	614
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>2,938</b>	<b>(2,751)</b>	<b>187</b>

**G 4.0 Subsidiary Companies Statutory Accounts**

A summary of the statutory accounts for the Amgen Group is given in the following table. These accounts have been prepared in accordance with the Financial Reporting Standards for Smaller Entities.

	<b>Amgen Cymru</b>		<b>Amgen Rhondda</b>	
	<b>March 2021</b>	<b>March 2022</b>	<b>March 2021</b>	<b>March 2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Shareholding	2,806	2,806	229	226
Net Current Assets	3,434	3,903	200	205
Total Assets less Current Liabilities	15,596	14,791	229	226
Net Assets	5,821	6,321	229	226
(Loss)/Profit Before Tax	(99)	(79)	18	(3)
(Loss)/Profit After Tax	(113)	(182)	18	(3)
Registration No.	02660628		03687641	
Registered Office/Location of Accounts	Bryn Pica Landfill Site Llwydcoed Aberdare CF44 0BX		Bryn Pica Landfill Site Llwydcoed Aberdare CF44 0BX	
Auditors	Azets Audit Services		Azets Audit Services	
Audit Opinion	True and Fair View		True and Fair View	

The accounts were approved at the companies' Annual General Meeting in November 2022.



**G 5.0 Consolidation Adjustments****G 5.1 Capital Adjustment Account**

	£'000
<b>Balance as at 1<sup>st</sup> April 2021</b>	<b>532,591</b>
Gains/(Losses) during the year	62,361
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>594,952</b>

In the Council's accounts the value of the shareholding in Amgen Rhondda Ltd. is written down to the value of the net assets of the company. To allow consolidation of the accounts the value of shareholding must be reinstated, which results in a credit to the Capital Adjustment Account of £2,751k.

**G 6.0 Cash Flow Statement – Adjusting to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements**

2020/21		2021/22
£'000		£'000
(67,244)	Depreciation and Impairment	(38,805)
(1,675)	Amortisation	(1,582)
(17,676)	(Increase)/Decrease in Creditors	(16,524)
39,930	Increase/(Decrease) in Debtors	25,489
1,964	Increase/(Decrease) in Stock	(1,238)
(37,973)	Movement in Pension Liability	(60,785)
(816)	Contribution to Provisions	401
(130)	Short-Term Accumulated Absence Accrual	(939)
(1,512)	Carrying amount of Long-Term Assets and Assets Held For Sale, sold or derecognised	(758)
(3,900)	Other non-cash items charged to the Net (Surplus) or Deficit on the Provision of Services	3,931
<b>(89,032)</b>	<b>Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements</b>	<b>(90,810)</b>

**G 7.0 Cash Flow Statement – Adjust for Items Included in the Net (Surplus) or Deficit on the Provision on Services that are Investing and Financing Activities**

2020/21		2021/22
£'000		£'000
2,716	Proceeds from the sale of Property, Plant and Equipment, Investment Property and Intangible Assets	1,715
64,987	Any Other Items for which the Cash Effects are Investing or Financing Cash Flows	73,881
<b>67,703</b>		<b>75,596</b>

**G 8.0 Cash Flow Statement – Interest within Operating Activities**

The cash flows for operating activities include the following items:

2020/21		2021/22
£'000		£'000
(922)	Interest received	(967)
11,680	Interest paid	11,347
<b>10,758</b>	<b>Interest within Operating Activities</b>	<b>10,380</b>

**G 9.0 Cash Flow Statement – Investing Activities**

2020/21		2021/22
£'000		£'000
103,212	Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	111,007
(9,561)	Purchase and Redemption of Short-Term and Long-Term Investments	105,034
(2,716)	Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets	(1,715)
(64,987)	Other receipts from Investing Activities	(73,881)
<b>25,948</b>	<b>Net Cash Flows from Investing Activities</b>	<b>140,445</b>

**G 10.0 Cash Flow Statement – Financing Activities**

2020/21		2021/22
£'000		£'000
(18,000)	Cash Receipts of Short-Term and Long-Term Borrowing	(87,400)
1	Cash Payments for the reduction of the outstanding liabilities relating to Finance Leases	0
57,419	Repayments of Short-Term and Long-Term Borrowing	28,419
<b>39,420</b>	<b>Net Cash Flows from Financing Activities</b>	<b>(58,981)</b>

**G 11.0 Adjustments between Group Accounts and Council Accounts in the Group Movements in Reserve Statement**

The adjustments between Group Accounts and the Council's Accounts in the Group Movements in Reserves Statement relate to sales and purchases between the Council and subsidiaries.

2020/21		2021/22
£'000		£'000
(175)	Amgen Rhondda supplies to the Council	(176)
(10,233)	Amgen Cymru supplies to the Council	(9,468)
1,067	Council supplies to Amgen Cymru	573
<b>(9,341)</b>	<b>Net Expenditure</b>	<b>(9,071)</b>

**G 12.0 Debtors**

An analysis of Short-Term Debtors in the Group Balance Sheet is as follows:

2020/21		2021/22
£'000		£'000
67,860	Central Government Bodies	95,507
17,171	Other Local Authorities	8,201
11,404	NHS Bodies	13,244
1,028	Public Corporations and Trading Funds	816
27,410	Other Entities and Individuals	29,952
<b>124,873</b>	<b>Total</b>	<b>147,720</b>

**G 13.0 Creditors**

An analysis of Short-Term Creditors in the Group Balance Sheet is as follows:

2020/21		2021/22
£'000		£'000
(19,182)	Central Government Bodies	(17,981)
(18,891)	Other Local Authorities	(17,737)
(9,329)	NHS Bodies	(7,479)
(522)	Public Corporations and Trading Funds	(468)
(66,953)	Other Entities and Individuals	(87,832)
<b>(114,877)</b>	<b>Total</b>	<b>(131,497)</b>

**G 14.0 Provisions**

Provisions are amounts set-aside for specific future costs, which are likely to be incurred, but the amount or timing of which cannot be determined accurately. Provisions for bad debts are shown as a deduction from debtors.

Movements in provisions during the year were:

Short-Term Provision	Land Purchases and Part 1 Claims	Insurance Claims	Total
	£'000	£'000	£'000
<b>Balance at 1<sup>st</sup> April 2021</b>	<b>(520)</b>	<b>(1,116)</b>	<b>(1,636)</b>
Additional provisions made in 2021/22	0	(1,046)	(1,046)
Amounts used in 2021/22	8	924	932
Unused amounts reversed in 2021/22	0	242	242
<b>Balance at 31<sup>st</sup> March 2022</b>	<b>(512)</b>	<b>(996)</b>	<b>(1,508)</b>

Long-Term Provision	Insurance Claims	Joint Committees	Amgen Cymru – Landfill Aftercare	Total
	£'000	£'000	£'000	£'000
<b>Balance at 1<sup>st</sup> April 2021</b>	<b>(3,253)</b>	<b>(327)</b>	<b>(1,283)</b>	<b>(4,863)</b>
Additional provisions made in 2021/22	(1,712)	(63)	(132)	(1,907)
Amounts used in 2021/22	1,045	0	0	1,045
Unused amounts reversed in 2021/22	871	0	0	871
<b>Balance at 31<sup>st</sup> March 2022</b>	<b>(3,049)</b>	<b>(390)</b>	<b>(1,415)</b>	<b>(4,854)</b>

### **G 15.0 Amgen Cymru – Landfill Aftercare**

The Company is required by the shareholders agreement to provide for future aftercare cost such as landfill capping and restoration. The aftercare provision at the balance sheet date falls within a range which is considered to be the best estimate at this time of the company's exposure to future aftercare costs.

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**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL****ANNUAL GOVERNANCE STATEMENT 2021/22****1. INTRODUCTION**

- 1.1 The Council's Corporate Plan 2020 - 2024 'Making a Difference' sets the overall direction for the Authority over a period of 4 years describing the vision, purpose and priorities to be delivered.
- 1.2 The Council's agreed vision, purpose and priorities are:
- Vision – ***To be the best place in Wales to live, work and play, where people and businesses are independent, healthy and prosperous.***
  - Purpose - ***To provide strong community leadership and create the environment for people and businesses to be independent, healthy and prosperous.***
  - Priorities:
    - Ensuring ***People***: are independent, healthy and successful:
    - Creating ***Places***: where people are proud to live, work and play: and
    - Enabling ***Prosperity***: creating the opportunity for people and businesses to: be innovative; be entrepreneurial; and fulfil their potential and prosper.
- 1.3 Underpinning the above priorities are the cross-cutting themes of '***Live within our means***' and '***Efficient and effective Council***' – both of which focus on robust financial planning and management arrangements to ensure the Council maintains its financial stability, is financially resilient and makes the best use of scarce resources.
- 1.4 This Annual Governance Statement sets out for the community, service users, taxpayers and other stakeholders the Council's governance arrangements together with a review of their effectiveness in managing risks of failure in delivering Corporate Plan priorities.

**2. SCOPE OF RESPONSIBILITY**

- 2.1 Rhondda Cynon Taf County Borough Council (RCT) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
- 2.2 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 the arrangements for the management of risk.
- 2.3 The Council, in compiling the Annual Governance Statement, has adopted the *Delivering Good Governance in Local Government: Framework (2016)* developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of

Local Authority Chief Executives and Senior Managers (Solace). In doing so, the Annual Governance Statement meets the Council's legal duty as set out in the Accounts and Audit (Wales) Regulations 2014, as amended by the Accounts and Audit (Wales) (Amendment) Regulations 2018.

- 2.4** Regard has also been given to the CIPFA Bulletin 06 – 'Application of the Good Governance Framework 2020/21' in respect of conducting the review of the Council's governance arrangements for the 2021/22 financial year. This provides guidance on the impact of the continuing Covid-19 pandemic on governance in local government bodies (see paragraphs 5.3 – 5.7) and also the CIPFA Financial Management Code 2019 (see paragraphs 5.14.2 to 5.14.6), both of which should form part of local authorities' review of governance arrangements for the period April 2021 to March 2022.
- 2.5** The Council's Annual Governance Statement aims to provide an accurate representation of the governance arrangements in place for financial year ending 31<sup>st</sup> March 2022.

### **3. THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

- 3.1** The governance framework comprises the systems, processes and cultural values by which the Council is directed and controlled, and the activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 3.2** For RCT governance is about ensuring that the Council does the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
- 3.3** The system of internal control is a significant part of that framework and is designed to manage the risk to a reasonable level. It cannot eliminate all risk of failure to achieve aims and objectives, and can therefore only provide reasonable and not absolute assurance of effectiveness.
- 3.4** 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 priorities, to evaluate the likelihood and impact of those risks materialising, and to manage them efficiently, effectively and economically.
- 3.5** The governance framework outlined below has been in place at RCT for the year ended 31<sup>st</sup> March 2022 (and up to the date of approval of the 2021/22 Statement of Accounts).

#### **4. THE GOVERNANCE FRAMEWORK AND REVIEW ARRANGEMENTS**

- 4.1** The Council has put in place a Local Code of Corporate Governance, in line with the seven principles set out in *The Delivering Good Governance in Local Government Framework (2016)*, to support its arrangements for ensuring sound governance.
- 4.2** The Council has responsibility for conducting, at least annually, an assessment of its governance framework including the system of internal control. Section 5 sets out a Review of Effectiveness for the 2021/22 financial year against the Local Code of Corporate Governance.

#### **5. REVIEW OF EFFECTIVENESS**

- 5.1** The Review of Effectiveness has entailed reviewing the activities in place around the Council's main governance arrangements, as set out in the Local Code of Corporate Governance and associated key processes, engagement with senior officers across services in respect of these arrangements and taking account of the findings from a range of existing reports including external regulator reports.
- 5.2** The Review of Effectiveness has also considered the impact of the Covid-19 pandemic on the Council's governance arrangements and more recently, the work being delivered by the Council to help communities manage the cost of living crisis.

#### **Covid-19**

- 5.3** The Covid-19 pandemic continued to be a central feature in service planning and delivery throughout 2021/22, as was the case in 2020/21, with services adapting and working flexibly to ensure the continued provision of essential services and responding to the needs of communities across the County Borough.
- 5.4** The committee and democratic processes of the Council were fully operational, this enabling transparent decision making, effective scrutiny and Committees fulfilling their responsibilities as set out in terms of reference.
- 5.5** Financial and performance management arrangements were in place to closely manage Council resources and service delivery, this being demonstrated via published quarterly / year-end performance reports and the external audit of the Council's Statement of Accounts. During this period, the Council delivered a number of financial support packages, funded by Welsh Government, to support residents and businesses, for example, Self-isolation Payments (£4.6Million) and Emergency Non-Domestic Rates Scheme (£3.1Million) and ensured appropriate controls were in place for each package of support.
- 5.6** The pandemic also resulted in over £30Million of additional costs and income losses being incurred by the Council, for example, additional expenditure on staff cover costs for staff that were required to self-isolate, free school meal payments, additional cleaning costs and increased demand for services such as social care and

homelessness; and loss of income due to the need to temporarily suspend or reduce services such as leisure centres, theatres and visitor attractions. The majority of additional costs and income loss incurred during 2021/22 was recovered via the Welsh Government Hardship Fund; however due to the Hardship Fund not continuing for 2022/23, the Council is monitoring the on-going impacts and financial implications of Covid-19 and will use any flexibility afforded within available reserves to transition any permanent additional costs into the base budget over the medium term.

- 5.7** The Council has transformed many services during the pandemic to meet the changing needs of communities through, for example, digital solutions, optimising the use of buildings and working with others. This will be an on-going programme of work and the Council will continue to analysis the impact of Covid-19 on residents and businesses, reflect required changes within its Corporate Plan priorities and ensure arrangements are underpinned by a robust governance framework.

### **Cost of Living Crisis**

- 5.8** In March 2022 Welsh Government announced a package of measures to help people with support towards the cost of living, totalling £175Million across Wales, with Rhondda Cynon Taf allocated over £16Million. The Council has put in place appropriate internal controls to check eligibility and administer payments, when processed from April 2022 onwards, with the internal control arrangements being independently reviewed and signed off by Internal Audit.

### **Review of Effectiveness Against the Local Code of Corporate Governance**

- 5.9** Each section of the Council's Local Code of Corporate Governance has been set out below, alongside other key governance arrangements, and a review of their effectiveness undertaken and proposals for improvement made, where deemed appropriate.



## 5.10 Core Principle A - Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

5.10.1 Good governance flows from a shared ethos and culture, as well as from systems and structures. As a public body, Rhondda Cynon Taf County Borough Council expects all representatives (i.e. Members and Officers) to conduct their duties with the highest levels of honesty and integrity.

Local Code of Corporate Governance Requirements	Sub-Principle <sup>1</sup>	Review of Effectiveness During 2021/22
<u>Elected Councillor and Officer Codes of Conduct</u> - setting out the standards of behaviour to be followed based on the principles of integrity, honesty, impartiality and objectivity.	Behaving with integrity	<ul style="list-style-type: none"> <li>• The Council's Constitution sets out the standards of behaviour expected of elected Councillors and Officers through Codes of Conduct and Rules of Procedure.</li> <li>• Committee meetings were held in line with the Council's Code of Conduct, for example, declarations of interest were sought at each meeting and declarations made by elected Councillors.</li> <li>• All officers who started employment with the Council were provided with a local induction setting out, amongst other things, expected standards of behaviour.</li> </ul>
Officer Guide.	Behaving with integrity	<ul style="list-style-type: none"> <li>• Each new recruit is provided with a the 'Basic Rules – A Guide for Employees' booklet that gives each employee information in relation to (amongst other things) expected behaviour, use of social media, appearance and attendance. The expectations of each employee are therefore set out from the outset.</li> </ul>
<u>Rules of Procedure</u> – covering Council, Open Government, Access to Information, Budget and Policy Framework, Executive, Overview and Scrutiny, Officer Employment and	Demonstrating strong commitment to ethical values	<ul style="list-style-type: none"> <li>• The Council's Constitution sets out the Rules of Procedure to be followed by elected Councillors and Officers when conducting the Council's business. The arrangements, as set out in the Rules of Procedure, were compiled with during the year and publicly demonstrate an accountable and open approach in the delivery of Council services.</li> </ul>

<sup>1</sup> Sub-principle – as set out in 'The Delivering Good Governance in Local Government Framework (2016)'.

Contract and Financial Procedure Rules.		
<b>Local Code of Corporate Governance Requirements</b>	<b>Sub-Principle</b>	<b>Review of Effectiveness During 2021/22</b>
Standards Committee - the role of which includes, amongst other things, promoting and maintaining high standards of conduct by elected Councillors.	Demonstrating strong commitment to ethical values	<ul style="list-style-type: none"> <li>• A Standards Committee was in place during the year, its Terms of Reference supported by an agreed and published <u>Work Programme for 2021/22</u> and the Committee met on 3 occasions.</li> <li>• The work programme gave focus to areas that promote high standards of conduct, for example, Public Services Ombudsman for Wales (PSOW) updates; consideration of Dispensation Applications; and reviewing and endorsing a Memorandum of Understanding developed by the Democratic Services Committee to promote diversity in democracy, promote high standards of behaviour and mutual respect between elected Councillors (the Memorandum of Understanding was subsequently endorsed by full Council in February 2022).</li> <li>• Information on the outcome of investigations undertaken by the PSOW relating to RCT Elected Members and Community/Town Councillors within RCT (for whom the Monitoring Officer has responsibility) were reported to the Standards Committee during the year (<u>24th September 2021</u>, <u>19th November 2021</u> and <u>16th March 2022</u> along with other relevant information i.e. Code of Conduct Casebook updates, Summary of Complaints and the PSOW Annual Report and Letter 2020/21).</li> </ul>

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2021/22
<p><u>Comments, Compliments and Complaints</u> – setting out how the Council handles and responds to feedback (complaints, compliments and comments).</p>	<p>Demonstrating strong commitment to ethical values</p>	<ul style="list-style-type: none"> <li>• Arrangements were in place for Comments, Compliments and Complaints to be publicly reported and scrutinised by elected Members in the form of annual reports for the 2020/21 financial year: <ul style="list-style-type: none"> <li>○ Non-social services related - to the <u>21st September 2021</u> Overview and Scrutiny Committee meeting and the report concluded ‘<i>All customer feedback provides valuable information from which services can improve and develop. This data also enables services and the Council as a whole to better understand the needs of its residents and to assist in both the planning and delivery of essential services</i>’.</li> <li>○ The PSOW Annual Letter to the Council and Annual Report were reported to the Council’s Cabinet on <u>15<sup>th</sup> November 2021</u>. This report enabled Cabinet to further review and assess how the Council is managing, and learning from, the feedback it receives. The report highlighted that, ‘<i>in total, 5% of the Council’s cases during the period required PSOW intervention, compared against 12% as reported in the previous period, so a significant drop. The average intervention rate for local authorities was 13%</i>’. The Council has consistently been in the lower quartile, out of the 22 Welsh local authorities, in respect of the complaints it receives (as a proportion of complaints per 1,000 residents).</li> <li>○ Social Services related - to the <u>4th October 2021</u> Cabinet meeting – the report concluded that Social Services continue to provide a robust and effective complaints procedure in line with the statutory requirements.</li> </ul> </li> <li>• In line with the Local Government and Elections (Wales) Act 2021, the <u>26th May 2021</u> full Council meeting agreed to amend the terms of reference of the GAC to include responsibility for Complaints handling and an overview of the arrangements was reported to this Committee on <u>7th February 2022</u>.</li> </ul>

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2021/22
Gifts and hospitality Policy.	Demonstrating strong commitment to ethical values	<ul style="list-style-type: none"> <li>• The Council has a Gifts and Hospitality Policy and arrangements were in place, via registers, to record gifts and hospitality in line with the Policy.</li> </ul>
<p><u>Whistle-blowing Policy</u> – promoting the highest possible standards of service and setting out how workers can bring information about a wrongdoing to the attention of the Council.</p>	Respecting the rule of law	<ul style="list-style-type: none"> <li>• The Council's Whistle-blowing Policy and Procedure was updated and approved during the year and staff awareness was undertaken via a Council wide email to employees on 9<sup>th</sup> March 2022 and whistle-blowing was part of staff induction arrangements.</li> <li>• The <u>23rd March 2022 GAC</u> meeting considered the Whistleblowing Annual Report 2021/22 and concluded that the Whistleblowing Policy and Procedure continues to be fit for purpose and that the Council's whistleblowing arrangements are appropriate.</li> <li>• The arrangements in place demonstrate the Council's commitment to promoting the highest standards of service and ensuring that workers know how they can bring matters of alleged wrongdoing to the attention of the Council.</li> </ul>
Anti-fraud, Bribery & Corruption Strategy.	Respecting the rule of law	<ul style="list-style-type: none"> <li>• Anti-fraud, Bribery and Corruption Strategy updates were reported to the GAC during the year (a mid-year update on <u>6th December 2021</u> and a year-end update including a proposed work programme for 2022/23 on <u>23rd March 2022</u>).</li> <li>• The overall conclusion set out in the March 2022 report, based on the work undertaken during the year, was that the Council has taken necessary preventative steps to raise awareness around vigilance and appropriate sharing of intelligence across the anti-fraud network. This report was endorsed by the GAC.</li> </ul>

### 5.11 Core Principle B. Ensuring openness and comprehensive stakeholder engagement

5.11.1 The Council is committed to being open and engaging effectively with stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably.

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2021/22
<p>A <u>Publication Scheme</u> that aims to advise citizens how to request public information the Authority holds.</p>	<p>Openness</p>	<ul style="list-style-type: none"> <li>• The Council's website provided information on its <u>Publication Scheme setting out the information published by the Council and how to access it, and also on the Freedom of Information Act 2000</u> that advised residents how to request public information that the Council may hold.</li> </ul> <p><u>Freedom of Information</u></p> <ul style="list-style-type: none"> <li>• The Council received 919 Freedom of Information (FOI) / Environmental Information Regulations (EIR) requests during the year. Updates were reported to the Council's Information Management Board on a quarterly basis to enable the Board to maintain an overview of the Council's compliance with the relevant legislation.</li> <li>• The Council received 6 complaints which had been referred to it by the ICO: 5 related to the timeliness of requests being responded to by the Council (all of which were subsequently responded to) and 1 where the ICO agreed that the Council did not hold the information.</li> </ul> <p><u>Public Services Ombudsman for Wales (PSOW)</u></p> <ul style="list-style-type: none"> <li>• The Ombudsman received 48 complaints relating to the Council: 37 cases where there was no investigation deemed required following review by the PSOW; 2 cases where apology letters were sent to the complainant; 7 cases referred back to be dealt with as part of the Council's complaint procedures; and 1 case on-going.</li> </ul>

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2021/22
Clear and open <u>Corporate &amp; Service Specific Privacy Notices</u> .	Openness	<ul style="list-style-type: none"> <li>• The UK General Data Protection Regulation (GDPR) came into effect on the 1<sup>st</sup> January 2021 replacing the European Union GDPR. During 2021/22 the Council demonstrated compliance with the requirements of the UK GDPR:               <ul style="list-style-type: none"> <li>○ Organisational governance was in place which included designated roles of Data Protection Officer and Senior Information Risk Owner.</li> <li>○ Robust measures were in place that supported compliance with legislation, this included a Data Protection Register, Data Protection Impact Assessments, Privacy Notices, recording of personal data breaches, processing of information rights requests and appropriate interfaces with ICO.</li> </ul> </li> </ul>
Forward plans for Committee meetings together with the matters to be considered, where appropriate.	Openness	<ul style="list-style-type: none"> <li>• The Council had in place published forward plans of Committee meetings together with the matters to be considered to, amongst other things, assist members of the public to engage in the democratic processes of the Council. This included for example: Full Council – work programme updates reported: <u>30th June 2021</u> and verbal updates to the 20<sup>th</sup> October 2021, 24<sup>th</sup> November, 15<sup>th</sup> December, 19<sup>th</sup> January 2022, 9<sup>th</sup> February and 9<sup>th</sup> March meetings; Cabinet – work programme updates reported: <u>17th June 2021</u>, <u>21st September 2021</u> and <u>13th December 2021</u>; and <u>Overview and Scrutiny Committee - 5th July 2021</u> and a review of the work programme undertaken at the <u>9th December 2021</u> meeting (noting that the Overview &amp; Scrutiny Committee also had a coordinating role to ensure there was no duplication of work across thematic scrutiny committees).</li> </ul>

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5.11.2 The Council also had in place a range of stakeholder engagement arrangements:

- Sub-principle: *Engaging Comprehensively With Institutional Stakeholders*: the Council is a substantive member of the Cwm Taf Public Services Board and actively engages to shape shared priorities, outcomes and allocation of resources, for example, the recently undertaken Well-being Assessment for Cwm Taf Morgannwg, for which the Council and its Joint Overview and Scrutiny Committee were involved in the working groups informing the work. Similar engagement takes place with Cwm Taf Morgannwg Regional Partnership Board, particularly around the allocation of the Regional Investment Funds. The Council also engages with

partner organisations on specific areas where there are shared goals, such as, with the Health Service on developing an integrated health and social care locality model and redesigning Community Mental Health Services; using RCT Neighbourhood Network Groups developed to support the Community Hub model that works with local community groups to meet identified needs, including a social prescribing model; and an integrated Substance Misuse Service and Community Safety Partnership.

- Sub-principle – *Engaging Stakeholders Effectively, Including Individual Citizens And Service Users*: the Council has a dedicated Lets Talk RCT engagement website that supports an on-going programme of engagement with residents, communities and Community Councils to find out what matters to them and use feedback to help shape services. During 2021/22 this included:
  - Lets Talk Budget – that helped inform the 2022/23 Revenue Budget Strategy.
  - Lets Talk Climate Change – this is helping to inform the Council’s programme of work to tackle climate change.
  - Lets Talk Active Travel – to inform plans for walking and cycling routes.
  - Lets Talk Welsh Language Strategy – to help inform where visitors to Rhondda Cynon Taf would like to see more Welsh language services.

**5.12 Supporting Principles**

**C: Defining outcomes in terms of sustainable economic, social and environmental benefits; and**

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

5.12.1 The Council believes in open and robust decision-making arrangements to define, determine and deliver outcomes and provide opportunity for continual review to ensure outcomes are optimised.

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Local Code of Corporate Governance Requirements	Sub-Principles	Review of Effectiveness During 2021/22
Performance Management Framework	Defining Outcomes / Determining Interventions / Planning Interventions	<ul style="list-style-type: none"> <li>• The Council has in place a Performance Management Framework (PMF) that covers: the planning arrangements to enable the delivery of Corporate Plan priorities and how it will contribute to the delivery of the Cwm Taf Well-Being Plan; how the Council will meet its statutory reporting duties under the Well-being of Future Generations Act 2015; and roles and responsibilities. The Council’s performance management arrangements for 2021/22 operated in line with the PMF.</li> <li>• The Council’s three Corporate Plan priorities of People, Places and Prosperity are set out within the PMF along with the outcomes to be delivered within each priority and aligned with the performance reporting arrangements in place during the year.</li> <li>• The Council’s Corporate Plan 2020 – 24 ‘Making a Difference’ sets out:               <ul style="list-style-type: none"> <li>○ The Vision for the County Borough in 2024 and the priorities and objectives it will focus on during this period.</li> <li>○ Key outcomes the Council aims to deliver, across the three priorities, and the actions / interventions to be taken.</li> <li>○ How the delivery of the Council’s Corporate Plan will contribute to the seven national well-being goals within the Well-being of Future Generations Act 2015.</li> </ul> </li> </ul>



Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2021/22
Corporate Plan and Service Delivery Plans	Sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> <li>• Corporate Plan updates were monitored and reported on a quarterly basis during the year and set out objectives and outcomes, detailed position statements on progress and exceptions to aid stakeholder scrutiny (see 'Quarterly Performance Report (including Risk Register up dates' section).</li> <li>• Service Delivery Plans were in place for each designated service area, following a review and sign-off process, and included detailed actions to support the delivery of Corporate Plan priority outcomes (as well as local / service specific actions and actions associated with the on-going recovery from the pandemic and key risks). Service Delivery Plans were monitored at a service level.</li> <li>• <u>Proposal for Improvement</u> - The collection and reporting of performance indicator information was necessarily paused during the pandemic due to the need to temporarily suspend some frontline service areas and / or changes in service delivery arrangements. For the 2022/23 financial year, the reporting of key performance indicator information should be reinstated to enable a full as picture as possible to be reported of performance.</li> </ul>
Risk Management Strategy	Optimising achievement of intended outcomes	<ul style="list-style-type: none"> <li>• The Council's Risk Management Strategy was reviewed and updated in line with a 2020/21 Annual Governance Statement proposal for improvement and taking into account recommendations reported in the 2020/21 Internal Audit report 'Risk Management'.</li> <li>• The updated draft of the Risk Management Strategy was reviewed and endorsed by the GAC on <u>23rd March 2022</u> and will ensure the arrangements continue to be fit for purpose to support the delivery of Corporate Plan and Service priorities.</li> <li>• <u>Proposal for Improvement</u> – The Council's Strategic Risk Register requires review to take account of revisions incorporated within the updated Risk Management Strategy. The Strategic Risk Register should be reviewed and where appropriate, updated, taking into account the updated principles as set out in the Risk Management Strategy.</li> </ul>

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2021/22
Quarterly Performance Report (including Risk Register updates)	Optimising achievement of intended outcomes	<ul style="list-style-type: none"> <li>• The Council's Performance Reports were publicly reported to the Executive and the designated scrutiny committee on a quarterly basis, and provided updates on: Revenue Budget, Capital Programme and Treasury Management performance; Workforce (sickness absence and turnover) information; Corporate Plan updates for the 3 priorities of People, Places and Prosperity, and supported by detailed action plan updates for each priority; additional investment allocated to Corporate Plan priorities; Strategic Risk Register risks that could adversely impact the delivery of Corporate Plan priorities alongside mitigating actions; and enhancing the Council's response to extreme weather events.</li> <li>• With specific regard to Corporate Plan priority updates reported, positive progress overall can be demonstrated alongside services continuing their recovery from the pandemic.</li> <li>• These arrangements were in line with the PMF and provided opportunity for stakeholders to hold the Council to account for its financial and operation performance.</li> <li>• In parallel with quarterly performance reporting arrangements, the GAC were provided with detailed risk management updates on <u>9th November 2021</u> (updated Strategic Risk Register for 2021/22), <u>7th February 2022</u> (Information Management) and <u>23<sup>rd</sup> March 2022</u> (updated draft Risk Management Strategy – see Risk Management Strategy section). These arrangements ensured the GAC was kept up to date with the Council's risk profile and monitored the effectiveness of the risk management arrangements in place.</li> </ul>

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2021/22
Annual Revenue Budget Strategy and three-year Capital Programme	Optimising achievement of intended outcomes	<ul style="list-style-type: none"> <li>• Full Council approved the 2021/22 Revenue Budget Strategy and 3-year Capital Programme (2021/22 to 2023/24) on <u>10th March 2021</u>.  <u>Revenue Budget Strategy 2021/22</u></li> <li>• The 2021/22 Revenue Budget totalled £527.903Million, the broad objectives of which have been delivered during the year: <ul style="list-style-type: none"> <li>○ Support the delivery of Corporate Plan priorities (see Supporting Principles C and D - 'Quarterly Performance Report (including Risk Register updates)').</li> <li>○ Retain the support of Audit Wales for the approach the Council has adopted to securing strong financial management (see Supporting Principle F and paragraph 5.17.8).</li> <li>○ Continue the delivery of our key services and protect as many local jobs as possible.- this being supported through additional investment in specific service areas and no cuts or reduction in service levels as part of the budget strategy.</li> <li>○ Take a responsible approach to the level of Council Tax - supported by the Council having the lowest average Band D council tax increase for 4 years (2018/19 to 2021/22) and fifth lowest for 2022/23.</li> </ul> </li> <li>• As part of formulating the 2021/22 Revenue Budget, the Council undertook a consultation exercise with local residents / stakeholders that included seeking feedback on the Council's 3 Corporate Plan Priorities: 87% of respondents agreed with the priorities, 6% disagreed and 7% indicated 'don't know'.  <u>Capital Programme (2021/22 to 2023/24)</u></li> <li>• The Capital Programme (2021/22 to 2023/24) totalled £116.024Million and set out the capital investment priorities of the Council over a 3-year period with clear links to supporting the delivery of Corporate Plan priority areas. The programme also included £9.4Million of additional resources to support on-going improvement in services available to residents.</li> </ul>

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2021/22
Medium Term Financial Plan	Optimising achievement of intended outcomes	<ul style="list-style-type: none"> <li>• The Council has well embedded Medium Term Financial Planning arrangements that inform budget setting arrangements and the allocation of resources, and drive a proactive approach in securing external funding. The latest Medium Term Financial Plan (July 2021) analysed the Council's resources across Corporate Plan priority areas: 85% of the revenue budget and 98% of the capital budget were allocated to Corporate Plan priority areas. (See also section 'Supporting Principle F').</li> </ul>
Scrutiny Committees	Optimising achievement of intended outcomes	<ul style="list-style-type: none"> <li>• The Council's Finance and Performance Scrutiny Committee had designated responsibility, in line with its Terms of Reference, to: <ul style="list-style-type: none"> <li>○ Scrutinise the Council's financial and operational performance (including Corporate Plan priority updates) on a quarterly basis.</li> <li>○ Be a consultee as part of the Council's annual budget consultation process.</li> </ul> </li> <li>• Comprehensive information was reported to the Finance and Performance Scrutiny Committee to enable the Committee to fulfil its responsibilities, including training, and lines of enquiry raised by the Committee Members were addressed through the regular attendance of the relevant Cabinet Member and Council Officers.</li> <li>• The Council utilised its scrutiny committee arrangements to pre-scrutinise key areas of work prior to consideration by Cabinet, for example, the Overview and Scrutiny Committee pre-scrutinised the 21<sup>st</sup> Century Schools and Colleges Programme – Mutual Investment Model on <u>16th July 2021</u> and the Finance and Performance Scrutiny Committee pre-scrutinised the draft Digital Strategy 2022-2026 <u>30th November 2021</u>.</li> <li>• A Cwm Taf Public Services Board Joint Overview and Scrutiny Committee was in place, coordinated by the Council, to scrutinise the work of the Public Services Board and associated partnership working.</li> </ul>

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

**5.13.1** The Council puts in place appropriate structures and leadership, and invests in its workforce to support the achievement of its Corporate Plan and Service priorities. The arrangements are kept under on-going review to enable internal and external changes to be planned for, implemented and outcomes optimised.

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2021/22
Corporate and Service Self Evaluation process.	Developing the entity's capacity	<ul style="list-style-type: none"> <li>• The Council's PMF sets out how it develops, plans and directs its capacity to support the delivery of Corporate Plan priorities and meet statutory requirements in respect of the Well-Being of Future Generations (Wales) Act 2015 and preparing for the introduction of the Local Government and Elections (Wales) Act 2021 through:               <ul style="list-style-type: none"> <li><u>Service Self-Evaluation</u> <ul style="list-style-type: none"> <li>○ Completed on an annual basis (and is subject to a review, challenge and sign-off process by the Chief Executive / Senior Leadership Team) and has set out 'How services are performing', 'how do they know' and 'what are they going to do to improve', and taken account of key cross-cutting themes including Resources, Welsh Language and Equalities.</li> <li>○ The outcome of the service self-evaluation process has informed Corporate Plan priority plans, service delivery plans (including identification of risk and mitigating actions) and individual performance review processes.</li> <li>○ From a resource perspective, the Service Self Evaluation arrangements have informed medium to long term financial planning arrangements, for example: developing and delivering the Council's digitalisation of services and asset management arrangements; an on-going focus on sustainable social services and investment in schools; further investment in public health services informed by the impact of the pandemic and also an on-going programme of work to tackle climate change; and service specific areas such as the impact of the Additional Learning Needs and Education Tribunal (Wales) Act 2018 Act, Flood Alleviation works and increasing the rates of recycling.</li> </ul> </li> </ul> </li> </ul>

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2021/22
Corporate and Service Self Evaluation process (continued).	Developing the entity's capacity	<p><u>Corporate Assessment</u></p> <ul style="list-style-type: none"> <li>○ The Council's Corporate Assessment is an evaluation of the 'corporate body' of the Council and seeks to consider the extent to which corporate services are supporting the business of the Council to improve outcomes for residents and also enabling the Council to meet its statutory requirements. The last Corporate Assessment was reported in 2019 and an updated Corporate Assessment is to be reported in 2022.</li> </ul>
Corporate Plan	Developing the entity's capacity	<ul style="list-style-type: none"> <li>• There continued to be strong and focussed leadership from the Cabinet and Senior Leadership Team in delivering Corporate Plan priorities, in parallel with supporting communities in their on-going recovery from the pandemic, and ensuring robust planning and monitoring arrangements were in place to enable the Council to 'live within its means'. This included: completion of key projects such as a new extra care facility in Pontypridd, a new supported accommodation scheme in Mountain Ash to support maintaining people's independence and the redevelopment of Llwynypia Courthouse (Tonypany) providing over 100 people with flexible business space across a range of businesses; targeting resources in key areas such as vulnerable 5 to 14 year olds with care and support needs, helping children return to school who have increased anxiety levels as a result of the pandemic and helping people that are homeless; administering £27Million of financial support packages to residents and businesses, primarily funded by Welsh Government, to provide help and assistance during the pandemic and the cost of living crisis; and a focus on collaboration and partnership working such as via the Cardiff Capital Region City Deal.</li> <li>• Detailed updates on the delivery of the Council's Corporate Plan priorities were reported and scrutinised by the Council's Cabinet and Finance and Performance Scrutiny Committee on a quarterly basis during the year (see also Supporting Principles C and D).</li> </ul>

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2021/22
Workforce Plan 2017-22.	Developing the entity's capacity	<ul style="list-style-type: none"> <li>• The Council's Workforce Plan 2017-22, set priorities that align to the Council's Corporate Plan in terms of developing a flexible and agile workforce that shares organisational knowledge; recruiting and retaining the best talent to create a diverse workforce; leadership and management development; enabling a high performing, engaged and committed workforce; and supporting health and wellbeing to maximise attendance.</li> <li>• Workforce planning, linked to the impact of the pandemic, has been identified as a risk within the Council's Strategic Risk Register, and updates were reported on a quarterly basis during the year as part of performance reporting arrangements.</li> <li>• Officers across services work closely with Human Resources and Finance officers to review and reconfigure staffing structures on an on-going basis to ensure provision aligns with need and support more efficient service delivery arrangements. In parallel, there was on-going investment in apprentices and graduates in line with service workforce requirements.</li> <li>• During 2021/22 staff development has been supported virtually through induction sessions, Leadership and Middle Management Development Programmes, Manager Briefings, 'Joint Cabinet and Senior Officer meetings' and a range of operational training such as health and safety, information management and dignity at work. This was supported by a Training Compendium that brought together all training available within the Council.</li> </ul>

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2021/22
Programme of elected Councillor and Officer training and development.	Developing the capability of the entity's leadership and other individuals	<p><u>Elected Councillors</u></p> <ul style="list-style-type: none"> <li>• A Member survey was undertaken in April / May 2021 to ensure the Council continued to provide appropriate support to all elected Members. Overall 42 Members provided feedback that included: <ul style="list-style-type: none"> <li>○ 88% indicated that a hybrid approach to committee meetings would be the preference.</li> <li>○ 100% of responses indicated that Members were happy with the support provided in respect of committees, scrutiny, general member support provision, member updates and research facilities.</li> <li>○ 90% were content with the level of training provided.</li> <li>○ Areas for development were: an etiquette policy to ensure appropriate conduct at all committee meetings is adhered to; Member updates and ward specific updates through the Members Portal. These areas of development have been progressed during the year.</li> </ul> </li> <li>• There has been continued focus on supporting the capabilities of elected Members through Personal Development Reviews, specific requests from Committees and also support provided on a 1 to 1 basis. The support arrangements have included: overview of scrutiny arrangements and roles and responsibilities; refresher code of conduct training; and Welsh Language and Treasury Management training and ICT related support (bitesize courses on Zoom / Teams training, introduction to ipad and staying safe in a virtual word and digital accessibility tools). Opportunity has also been taken to deliver training both face to face and virtually.</li> <li>• Work continued to develop the Members Portal and access has been provided to elected Members following the Local Government elections in May 2022.</li> <li>• Preparatory work was undertaken on a new Member induction programme following the local government elections in May 2022.</li> </ul>



		<p><u>Officers</u></p> <ul style="list-style-type: none"> <li>As set out in the 'Workforce Plan 2017-2022' section.</li> </ul>
<b>Local Code of Corporate Governance Requirements</b>	<b>Sub-Principle</b>	<b>Review of Effectiveness During 2021/22</b>
Schemes of Delegation	Developing the capability of the entity's leadership and other individuals	<ul style="list-style-type: none"> <li>Part 3 of the Council's Constitution 'Responsibility for Functions' set out General Scheme of Delegation of Executive and Non-Executive Functions to Officers and these were kept under on-going review during the year.</li> </ul>

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

5.14.1 The Council's governance structures support robust financial and performance management arrangements to enable efficient and effective service planning and delivery and the achievement of outcomes. Risk management and robust internal control are integral parts of these arrangements.

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2021/22
Corporate and Service Self Evaluation process.	Managing risk	<ul style="list-style-type: none"> <li>As set out in section 'Supporting Principle E'</li> </ul>
Risk Management Strategy.	Managing risk	<ul style="list-style-type: none"> <li>As set out in section 'Supporting Principles C and D'.</li> </ul>
Service Delivery Planning.	Managing performance	<ul style="list-style-type: none"> <li>As set out in section 'Supporting Principles C and D'.</li> </ul>
Quarterly Performance Report (including Risk Register up dates).	Managing performance	<ul style="list-style-type: none"> <li>As set out in section 'Supporting Principles C and D'.</li> </ul>
Corporate Performance Report (i.e. year-end annual report).	Managing performance	<ul style="list-style-type: none"> <li>The Council produces a year-end report that assesses the progress made to deliver Corporate Plan priorities in the previous year and also sets out its plan for the year ahead. This report was consistent with information published during the year, as part of quarterly Performance Reports, and the latest year-end report (for the 2020/21 financial year) was presented to and agreed by full Council on <u>20th October 2021</u>.</li> </ul>

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2021/22
Audit Committee and an Internal Audit function.	Robust internal control	<p><u>Audit Committee</u></p> <ul style="list-style-type: none"> <li>• The Council's GAC considered and approved an Annual Report for 2021/22 on <u>23rd March 2022</u> that provided an overview of its work during the year and a self-assessment of its arrangements against the CIPFA 2017 Practical Guidance Note. The conclusions from the Annual Report were: <ul style="list-style-type: none"> <li>○ From the review of the coverage of the GAC's work and oversight during the year, the Committee has delivered its Workplan and responsibilities in line with its Terms of Reference.</li> <li>○ The outcome of the self-assessment demonstrated that the Council's GAC made good progress to implement the proposals for improvement reported in 2020/21 and has also identified a small number of new proposals for improvement to further reinforce the existing arrangements in place.</li> </ul> </li> <li>• <b>Proposals for Improvement</b> <ul style="list-style-type: none"> <li>○ The GAC's Learning and Development Plan was put in place in March 2021. Using lessons learned from 2021/22, undertake a training needs analysis of Committee Members to inform a refreshed learning and development plan for 2022/23.</li> <li>○ No on-line library of learning and development information in respect of role / responsibilities of GAC is available for elected Members. Develop a library of on-line learning and development information for Committee Members as part of learning and development support arrangements.</li> </ul> </li> </ul>

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2021/22
Audit Committee and an Internal Audit function (continued).	Robust internal control	<p data-bbox="815 234 1010 264"><u>Internal Audit</u></p> <ul style="list-style-type: none"> <li data-bbox="815 312 2004 453">• A review of information presented by the Regional Internal Audit Shared Service to the GAC concluded that it was in line with the approved work programme and played a key part in enabling the Committee to fulfil its Terms of Reference. The information reported to the Committee by Internal Audit included: <ul style="list-style-type: none"> <li data-bbox="860 496 2004 563">○ The Internal Audit Charter 2021/22 that provided the Committee with information to assess the independence of the internal audit function.</li> <li data-bbox="860 568 1778 598">○ An Internal Audit Annual Plan 2021/22 and progress updates.</li> <li data-bbox="860 603 2004 708">○ Details of all audit assignments finalised during the year to enable the Committee to consider and gain assurance on the standard of internal control across the Council.</li> <li data-bbox="860 713 2004 783">○ Information on the overall assessment of Internal Audit's work for 2021/22 is set out at paragraphs 5.17.4 to 5.17.7.</li> </ul> </li> <li data-bbox="815 831 2004 1007">• The last external assessment of the Internal Audit Service was undertaken in 2016/17 and was reported to the 20<sup>th</sup> March 2017 Audit Committee. This assessment concluded that there were no significant deviations from the Standards and the next external assessment is being planned for the 2022/23 financial year.</li> </ul>

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2021/22
Information Management Plan (including General Data Protection Regulation - GDPR).	Managing Data	<ul style="list-style-type: none"> <li>• The Council has an approved Digital Strategy 2022-26 that sets the direction to obtain maximum value from data and seeking to ensure decision making is fully informed by data driven approaches whilst providing appropriate protection around its integrity and confidentiality.</li> <li>• The Council had arrangements in place for technical and cyber assurance through secured accreditations to the Public Service Network and Cyber Essentials that provide assurance that the Council meets required standards for security.</li> <li>• With regard to the management of data, the Council continued to focus upon local, regional and national responses to the COVID-19 pandemic, in particular, effectively enabling services such Track, Trace Protect' (TTP), Community Resilience Hubs, Mass Testing &amp; Vaccinations and supporting the Council's workforce.</li> <li>• The ICO investigated 8 cases in respect of the Council during 2021/22 and determined in all cases no further regulatory action was required and was satisfied with the Council's investigation of the breaches and the remedial measures identified.</li> <li>• With regard to GDPR, this is set out in 'Core Principle B'.</li> </ul>
Budget and Policy Framework Procedure Rules and Contract and Financial Procedure Rules.	Strong public financial management	<ul style="list-style-type: none"> <li>• The Council complied with the approved Budget and Policy Framework Procedure Rules for the 2021/22 budget setting process and was set out in the report to Cabinet on <u>28th January 2021</u>.</li> <li>• The Council's Finance Service and Procurement Service provided support and advice to services on the Procedure Rules and the Internal Audit Service tested compliance with the Council's Procedure Rules as part of delivering the 2021/22 Internal Audit Plan (see paragraphs 5.17.4 to 5.17.7 for the overall outcome from the work of Internal audit during 2021/22). During the year, an overview of the Council's Financial Procedure Rules was</li> </ul>

		provided to the GAC on <u>9th November 2021</u> to support the Committee in the delivery of its <u>terms of reference</u> .
<b>Local Code of Corporate Governance Requirements</b>	<b>Sub-Principle</b>	<b>Review of Effectiveness During 2021/22</b>
Medium Term Financial Plan (MTFP)	Strong public financial management	<ul style="list-style-type: none"> <li>• The Council updated its MTFP and was reported to Cabinet in July 2021, full Council in September 2021, the Finance and Performance Scrutiny Committee in October 2021 and the School Budget Forum in November 2021, providing opportunity for scrutiny and stakeholder understanding of the Council's forecasted financial position, risks and opportunities.</li> <li>• The Council's MTFP updates have consistently supported: <ul style="list-style-type: none"> <li>○ The identification of future forecasted budget gaps (taking account of estimated expenditure requirements and funding levels) that have accurately informed savings requirements and ensured the programme of improvement and investment was affordable.</li> <li>○ An on-going assessment and public reporting and scrutiny of reserve levels (including a plan to replenish general reserve balances to the minimum level as determined by the Council's Section 151 officer over the 3-year period of the current MTFP). This approach has also enabled additional one-off investment in Corporate Plan priority areas; for 2021/22 this totalled £15.9Million and were agreed by full Council on <u>10th March 2021</u> (£9.4Million) and <u>29th September 2021</u> (£6.5Million). This additional one-off investment, along with other allocated resources, contributed to capital expenditure investment of £106Million for 2021/22 (annual capital programme investment of over £100Million delivered for each of the past 5 financial years).</li> <li>○ The setting and delivery of balanced revenue budgets.</li> </ul> </li> </ul> <p>The consistent delivery of the above outcomes provides assurance on the robustness of the arrangements in place and a demonstrable commitment to prioritise resources to Corporate Plan areas.</p>

		<ul style="list-style-type: none"> <li>• Audit Wales completed a ‘Financial Sustainability Assessment’ review of the Council’s arrangements and was reported to the GAC on <u>9th November 2021</u>. Key information from the report: <ul style="list-style-type: none"> <li>○ Overall conclusion: ‘the Council continues to be well placed to manage its financial sustainability’.</li> <li>○ Two proposals for improvement: <p>‘Planning Assumptions - The Council needs to be assured that it has contingency plans in place to be able to manage less positive scenarios than it planned for in its medium-term financial planning’.</p> <p>‘Medium term financial planning – discussions are on-going about the Council’s estates, workforce and digital capabilities and these need to be formalised in the Council’s financial planning arrangements’</p> </li> </ul> </li> <li>• The Council set out its response to the proposals for improvement as part of a wider progress update on Audit Wales reports issued to the Council and was presented to the GAC on <u>23rd March 2022</u>.</li> </ul>
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#### Compliance with the CIPFA Financial Management Code of Practice

- 5.14.2 The CIPFA Financial Management Code (the Code) was launched in November 2019 and is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability.
- 5.14.3 The Code sets the standards of financial management for local authorities and is based on a series of principles supported by specific standards and statements of practice which are considered necessary to provide the strong foundation to:

- Financially manage the short, medium- and long-term finances of a local authority;
- Manage financial resilience to meet foreseen demands on services; and
- Financially manage unexpected shocks in their financial circumstances.

5.14.4 Each local authority must demonstrate that the requirements of the Code are being satisfied, with compliance being a collective responsibility of elected members, the Chief Finance Officer and their professional colleagues in the leadership team. However, the Code is not expected to be considered in isolation and accompanying tools will form part of the collective suite of evidence to demonstrate sound decision making and a holistic view is taken. In addition, whilst the Code is designed to be flexible to the nature, needs and circumstances of individual authorities, it is up to each authority to determine the extent to which it complies with the Code and to identify what action it may wish to take to better meet the standards that the Code sets out.

5.14.5 Full compliance is expected for the 2021-22 financial year and in its Guidance Bulletin 06 (*Application of the Good Governance Framework 2020/21*), CIPFA has stated that Annual Governance Statements should include the conclusions of the evaluation of compliance with the Code (incorporating any actions needed to ensure compliance with the Code) and, accordingly, this is set out in paragraph 5.14.6.

5.14.6 The Council has undertaken an assessment of its current arrangements against the Standards set out in the Code. The assessment process has demonstrated compliance with all of the standards through a robust and accountable approach to financial management alongside sound medium term financial planning arrangements that take account of the very challenging climate the Council has and will continue to operate within. The assessment process has also identified areas for improvement, to enable existing arrangements to be further enhanced, and are included in Section 6.



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

5.15.1 Accountability within RCT is about ensuring that those making decisions and delivering services are answerable for them, with external and internal audit being integral parts of the arrangements.

Local Code of Corporate Governance Requirements	Sub-principle	Review of Effectiveness During 2021/22
Reporting protocols and calendars (including forward looking work programmes, for example, for Cabinet and Scrutiny Committees).	Implementing good practice in transparency	<ul style="list-style-type: none"> <li>As set out in section 'Core Principle B'.</li> </ul>
Production of Annual Reports on key areas of business e.g. Corporate Parenting, Annual Equality Report.	Implementing good practice in transparency	<ul style="list-style-type: none"> <li>Annual Reports were prepared and publicly reported to support accountability and open and transparent performance arrangements, for example<sup>2</sup>, Corporate Parenting Board Annual Report 2020/21 (<a href="#">Corporate Parenting Board 12th July 2021</a>), Equality Report 2020/21 (<a href="#">Overview and Scrutiny Committee 28th February 2022</a>), Vale, Valleys and Cardiff Regional Adoption Collaborative Annual Report 2020/21 (<a href="#">Children and Young People Scrutiny Committee 8th December 2021</a>) and Young Carers Annual Report 2021/22 (<a href="#">Corporate Parenting Board 14th March 2022</a>).</li> </ul>

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<sup>2</sup> Annual Reports – annual reports referenced in other sections of the Annual Governance Statement, for example, the Governance and Audit Committee Annual Report, have not been noted for the purposes of this section of the document.

Local Code of Corporate Governance Requirements	Sub-principle	Review of Effectiveness During 2021/22
Statement of Accounts.	Implementing good practices in reporting	<ul style="list-style-type: none"> <li>• The external audit of the Council's Statement of Accounts have consistently, year-on-year, received an unqualified 'true and fair' audit opinion (i.e. clean bill of health); the latest unqualified audit opinion, relating to the 2020/21 financial year, was reported to full Council on <u>29th September 2021</u>.</li> <li>• During 2021/22, prior to the Council's audited statement of accounts being approved by full Council, key arrangements included: <ul style="list-style-type: none"> <li>○ Reporting the Council's certified draft statement of accounts to the <u>12th July 2021</u> GAC meeting (alongside Rhondda Cynon Taf Pension Fund, Central South Consortium Joint Education Service Joint Committee and the Annual Return for Llwydcoed Crematorium Joint Committee) to provide the Committee with opportunity to comment and consider the certified draft accounts in line with the statutory guidance as per the Local Government Measure 2011.</li> <li>○ The external auditor, Audit Wales, provided a verbal update on the progress of the audit of the draft Statement of Accounts to the <u>13th September 2021</u> GAC meeting.</li> </ul> </li> <li>• With regard to the statement of accounts process for the 2021/22 financial: <ul style="list-style-type: none"> <li>○ The Council published a notice to confirm that its draft 2021/22 Statement of Accounts had not been certified by the statutory date of 31<sup>st</sup> May, this being in line with Welsh Government's extended deadline for the preparation and certification processes and in compliance with the Accounts and Audit (Wales) Regulations.</li> <li>○ Governance arrangements are in place for the draft accounts to be reported to the GAC and for Audit Wales to provide an update on the progress of the external audit, prior to the final audited accounts being reported to full Council.</li> </ul> </li> </ul>

Local Code of Corporate Governance Requirements	Sub-principle	Review of Effectiveness During 2021/22
Pension Fund Committee.	Implementing good practices in reporting	<ul style="list-style-type: none"> <li>The Pension Fund Statement of Accounts 2020/21 were reported to and approved by full Council on 24<sup>th</sup> November 2021 and the outcome of the external audit, undertaken by Audit Wales, was an unqualified audit opinion (i.e. a clean audit opinion). An update was reported to the Pension Fund Committee on <u>13th December 2021</u>.</li> <li>A Work Programme for the 2021/22 financial year was presented to and agreed at the <u>13th July 2021</u> Pension Fund Committee and a review of reports presented during the year demonstrated delivery of the work programme.</li> </ul>
Annual Governance Statement.	Assurance and effective accountability	<ul style="list-style-type: none"> <li>A progress update on the 2020/21 Annual Governance Statement recommendations was reported to the <u>6th December 2021</u> GAC meeting. A year-end position statement is set out at Appendix A and demonstrates that all recommendations, and associated arrangements, had been implemented.</li> </ul>
Internal Audit external assessment and Charter.	Assurance and effective accountability	<ul style="list-style-type: none"> <li>As set out in 'Supporting Principle F'.</li> </ul>

## 5.16 Other Key Governance Arrangements

### Amgen Cymru Limited

- 5.16.1 Rhondda Cynon Taf CBC holds 100% of the voting rights of Amgen Cymru Ltd., who in turn hold 100% of the voting rights of Amgen Rhondda. The Council also holds 100% of the allotted preference shares in Amgen Rhondda Ltd. The principal activities of Amgen Cymru is to provide waste management services and waste disposal facilities. Amgen Rhondda is responsible for the stewardship of the Nant y Gwyddon landfill site.
- 5.16.2 The directors of the companies, including a non-executive director, are responsible for ensuring there are sound governance arrangements including a robust system of internal control.
- 5.16.3 The Council removed the “arm’s length” status of the companies during 2009/10, therefore many of the aspects of the Council’s governance arrangements such as policies, processes and controls apply to the companies.
- 5.16.4 During 2021/22 there have been no significant governance issues that have been identified by the Amgen Company directors, internal auditors or external auditors.

### Pension Fund

- 5.16.5 Rhondda Cynon Taf County Borough Council is the Administering Authority for the Rhondda Cynon Taf Pension Fund. Whilst the governance arrangements detailed in this statement apply equally to the Council’s responsibilities to the Pension Fund there are further specific requirements for Pension Funds which are detailed in a number of key documents:
- Governance Statement of Compliance which indicates the Fund’s position against the Government’s best practice standards;
  - Governance Policy Statement which provides an overview of the management structure, decision making and employer engagement;
  - Communication Policy Statement which details the communication and information services to participating employers and scheme members;
  - Pension Fund Administration Strategy which seeks to improve efficiency in the delivery of agreed standards of quality and to ensure compliance with statutory requirements;
  - Investment Strategy Statement which details how Fund investments are managed, including the Fund’s policy on how social, environmental and corporate governance considerations are taken into account; and
  - Funding Strategy Statement which provides a summary of how we will fund our pension liabilities.
  - Pension Fund Risk Register, which identifies, prioritises and monitors risks associated with the Fund, against suitable mitigation controls.

5.16.6 All of these documents can be found at the following link: [www.rctpensions.org.uk](http://www.rctpensions.org.uk)

5.16.7 The Public Service Pensions Act 2013 introduced a number of changes to public service pension schemes, including some significant changes for the governance of such

schemes. In accordance with the Act, the Council established a Local Pension Board to assist Rhondda Cynon Taf County Borough Council in its role of Administering Authority ('Scheme Manager') in:

- Securing compliance with the Principal Regulations and any other legislation relating to the governance and administration of the LGPS;
- Securing compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator; and
- Ensuring the effective and efficient governance and administration of the LGPS by the Scheme Manager.

5.16.8 The Pension Board is made up of two employer representatives and two member representatives.

5.16.9 In 2016/17 the Council established a formal Pension Fund Committee (subject to the provisions of Section 101 of the Local Government Act 1972) to oversee its responsibilities with regard to the administration of the RCT Pension Fund. The Pension Fund Committee consists of 5 elected members and is politically balanced.

5.16.10 The Committee is responsible for the strategic management of the RCT Pension Fund with all operational matters continuing to be delegated to the Council's Chief Finance Officer (as the Section 151 Officer or in his absence the Deputy Section 151 Officer) who are supported by an Investment and Administration Advisory Panel with appropriate officer, independent advisor and professional support.

5.16.11 The Pension Fund Committee met 4 times during the 2021/22 financial year.

5.16.12 In 2017, a Joint Governance Committee (JGC) was established in accordance with an inter-authority agreement, responsible for oversight of the Wales Pension Partnership (WPP) investment pooling collaboration of the eight LGPS funds in Wales. The eight Welsh Pension Fund Committee Chairs or their nominated deputy (elected member) attend the JGC and are supported by an officer working group. In January 2018, the WPP appointed an 'Operator' to establish and run a collective investment vehicle for the sole use of the Local Government Pension Scheme (LGPS) funds in Wales.

A summary of the pooling objectives of the WPP are:

- Generate consistent net of fee excess returns;
- Diversify manager risk;
- Reduce average manager fees;
- Achieve tax efficiency by reclaiming withholding tax on dividends (for non-UK equity sub-funds);
- Meet the Government deadlines by establishing one sub fund submission to the FCA; and
- Equitably share the costs of transitioning into sub-funds.

## 5.17 Other Key Sources of Assurance

5.17.1 The following other key sources of assurance were in place during the 2021/22 financial year.

### Chief finance Officer (Section 151 Officer)

5.17.2 The Chief Finance Officer position within the Council during 2021/22 complied with the principles outlined in the CIPFA document 'The Role of Chief Finance Officer' because the Chief Finance Officer:

- *Was a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest;*
- *Was actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the organisation's financial strategy; and*
- *Led the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.*

*To deliver these responsibilities the Chief Financial Officer:*

- *Led and directed a finance function that was resourced to be fit for purpose; and*
- *Is professionally qualified and suitably experienced.*

### Monitoring Officer

5.17.3 The Monitoring Officer is required to report to the Council in any case where it appears that any proposal, decision or omission by the authority has given rise to or is likely to or would give rise to any contravention of any enactment, rule of law or code of practice or maladministration or injustice in accordance with Sections 5 and 5A of the Local Government and Housing Act 1989. During the period of the Annual Governance Statement, the Monitoring Officer did not make any such reports.

### Head of the Regional Internal Audit Service

5.17.4 The Head of Internal Audit has produced a Head of Internal Audit Report for 2021/22. Subject to the GAC consideration at its meeting in July 2022, the Head of Internal Audit Report states:

- *from the work undertaken during the financial year 2021/22 and taking into account other sources of assurance, the Head of Internal Audit's annual opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control for 2021/22 is: "Reasonable Assurance".*
- *based on the work completed by the Regional Internal Audit Shared Service for the financial year no significant cross-cutting control issues have been identified that would impact on the Council's overall control environment. The weaknesses that have been identified are service specific.*

- 5.17.5 The Head of Internal Audit's Annual Report 2021/22 confirmed overall conformance to the Public Sector Internal Audit Standards. Covid-19 continued to influence how audit work was carried out in 2021/22 and all staff have worked from home and on some occasions on a hybrid basis during the year. Audits have been conducted remotely and evidence obtained digitally. Both audit staff and auditees have all continued to adjust well to the new ways of working.
- 5.17.6 The pandemic, remote working and vacant posts did have an impact on the delivery of the internal audit plan for 2021/22 and notwithstanding this, the level of Internal Audit coverage was still sufficient for the Head of Audit to be able to give an opinion. In respect of audit coverage, Internal Audit provided assurance on the processes put in place across Council services as a result of emerging risks during the year and many of the planned reviews for 2021/22 included a Covid related element in the audit scope and objectives. Audits have taken longer than usual, in particular where services have been under more pressure, or obtaining evidence has been more time consuming. Some planned reviews were not undertaken during the year, some due to requests from services that were under intense pressure. These will be considered in the 2022/23 plan.
- 5.17.7 It is likely that the service will continue to be delivered remotely for the foreseeable future with an element of office based/face to face working as required.

#### External Audit

- 5.17.8 Audit Wales provided updates to full Council and the GAC to enable elected Members to review and scrutinise its work and also seek assurance from Council Officers that agreed recommendations reported by Audit Wales were being implemented by Council services. Updates included:
- Full Council - overall, compliance with statutory requirements met and no significant issues to report
    - 29th September 2021 – 'Audit of Accounts Report – Rhondda Cynon Taf County Borough Council'
    - 24th November 2021 - 'Audit of Accounts Report – Rhondda Cynon Taf Pension Fund'
    - 19th January 2022 – 'Audit Wales – Annual Audit Summary 2021 (Rhondda Cynon Taf County Borough Council)'
  - Governance and Audit Committee – regular and comprehensive updates reported and feedback provided to elected Members on the actions being taken by the Council to implement recommendations reported by Audit Wales in respect of Rhondda Cynon Taf County Borough Council.
    - 26th April 2021 – 'Audit Wales – 2021 Audit Plan Rhondda Cynon Taf County Borough Council' and 'Audit Wales – 2021 Audit Plan Rhondda Cynon Taf Pension Fund'
    - 13<sup>th</sup> September 2021 - 'Audit Wales - verbal update on the progress of the audit of the Draft Statement of Accounts for 2020/21'
    - 9th November 2021 – 'Financial Sustainability of Local Government – Covid-19 Impact, Recovery and Future Challenges' and 'Audit Wales Work Programme and Timetable – Rhondda Cynon Taf County Borough Council'

- 6th December 2021 – ‘Council Progress Update: Audit Wales – Annual Audit Summary 2020’
- 7th February 2022 - ‘Audit Wales Work Programme and Timetable – Rhondda Cynon Taf County Borough Council’
- 23rd March 2022 - Council Progress Update: Audit Wales – Annual Audit Summary 2020 and Annual Audit Summary 2021’

5.17.9 The Review of Effectiveness and proposals for improvement have been reviewed and challenged by the Council’s Senior Leadership Team and the GAC.

## **5.18 Overall Conclusion**

5.18.1 Based on the review of effectiveness against the Local Code of Corporate Governance, the Council’s governance arrangements provided the basis to effectively manage service delivery, Corporate Plan priority areas and resources, and had appropriate regard to the on-going impact of the Covid-19 pandemic.

5.18.2 This position, together with a track record of implementing proposals for improvement made within previous Annual Governance Statements, provides assurance that appropriate arrangements are in place to address the proposals for improvement set out in Section 6.



## 6. PROPOSALS FOR IMPROVEMENT 2021/22

6.1 Further to completing the assessment of the Council's governance arrangements, Table 1 summarises the proposals for improvement.

**Table 1 – Proposals for Improvement**

Core / Supporting Principle (Paragraph)	Local Code of Corporate Governance Requirement	Issue Identified	Recommendation	Timescale for Implementation	Responsible Officer(s)
<b>Supporting Principles:</b>  <b>C: Defining outcomes in terms of sustainable economic, social and environmental benefits; and</b>  <b>D: Determining the interventions necessary to optimise the achievement of the intended outcomes</b>  <b>Paragraph 5.12.1</b>	Corporate Plan and Service Delivery Plans	The collection and reporting of performance indicator information was necessarily paused during the pandemic due to the need to temporarily suspend some frontline service areas and / or change delivery arrangements.	For the 2022/23 financial year, the reporting of key performance indicator information should be reinstated to enable a full as picture as possible to be reported of performance.	September 2022	Service Director – Finance and Improvement Services
	Risk Management Strategy	The Council's Strategic Risk Register requires review to take account of revisions incorporated within the updated Risk Management Strategy.	The Strategic Risk Register should be reviewed and where appropriate, updated, taking into account the revisions incorporated within the updated Risk Management Strategy.	September 2022	Head of Procurement

Core / Supporting Principle (Paragraph)	Local Code of Corporate Governance Requirement	Issue Identified	Recommendation	Timescale for Implementation	Responsible Officer(s)
<p><b>Supporting Principle:</b></p> <p><b>F: Managing risks and performance through robust internal control and strong public financial management</b></p> <p><b>Paragraph 5.14.1</b></p>	<p>Audit Committee and an Internal Audit function.</p>	<p>The GAC's Learning and Development Plan was put in place in March 2021.</p> <p>No on-line library of learning and development information in respect of role / responsibilities of GAC is available for elected Members.</p>	<p>Using lessons learned from 2021/22, undertake a training needs analysis of Committee Members to inform a refreshed learning and development plan for 2022/23.</p> <p>Develop a library of on-line learning and development information for Committee Members as part of learning and development support arrangements.</p>	<p>From September 2022</p> <p>From November 2022</p>	<p>Service Director – of Democratic Services and Communication</p> <p>Service Director – of Democratic Services and Communication</p>

Core / Supporting Principle (Paragraph)	Local Code of Corporate Governance Requirement	Issue Identified	Recommendation	Timescale for Implementation	Responsible Officer(s)
<b>Supporting Principle:</b>  <b>F: Managing risks and performance through robust internal control and strong public financial management</b>  <b>Paragraph 5.14.6</b>	Compliance with the CIPFA Financial Management Code of Practice  Standard D - The authority applies the CIPFA/SOLACE <i>Delivering Good Governance in Local Government: Framework</i> (2016).	The structure of the 2021/22 Annual Governance Statement has been revised to more clearly align with the Council's Local Code of Corporate Governance – this process has identified areas where the Local Code can be further strengthened e.g. reflecting the Council's stakeholder engagement arrangements.	The Council's Local Code of Corporate Governance should be reviewed and updated, and thereafter reported to the Governance and Audit Committee for consideration / approval.	January 2023	Service Director – Finance and Improvement Services
<b>Supporting Principle:</b>  <b>F: Managing risks and performance through robust internal control and strong public financial management</b>  <b>Paragraph 5.14.6</b>	Compliance with the CIPFA Financial Management Code of Practice  Standard E - The financial management style of the authority supports financial sustainability.	To ensure appropriate arrangements continue to be in place for elected Members and Budget Holders (Council Officers) to effectively fulfil the finance roles, a refreshed programme of training should be put in place.	Refresh training material and deliver a programme of Officer and elected Member financial awareness training (that includes an 'Introduction to Local Government Finance', 'Understanding the Council's Budgets' and 'Treasury Management').	From September 2022	Service Director – Finance and Improvement Services

Core / Supporting Principle (Paragraph)	Local Code of Corporate Governance Requirement	Issue Identified	Recommendation	Timescale for Implementation	Responsible Officer(s)
<b>Principle:</b> <b>F: Managing risks and performance through robust internal control and strong public financial management</b> <b>Paragraph 5.14.6</b>	Compliance with the CIPFA Financial Management Code of Practice  Standard G - The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.	The Council's Medium Term Financial Plan covers, on a high level basis, the key areas it will focus on as part of 'balancing the budget' in future budget strategies, for example, workforce, digitisation and Built Asset Review.	The information included within the Medium Term Financial Plan should be developed further to set out in more detail the Council's work in the key areas that will underpin future budget strategies and how they align with its medium term financial planning arrangements (this area was also reported as a recommendation by Audit Wales in its report 'Financial Sustainability Assessment – Rhondda Cynon Taf County Borough Council').	September 2022	Director of Finance and Digital Services

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**6.2** The Council's Senior Leadership Team has accepted the proposals for improvement and is committed to their implementation during 2022/23. The Senior Leadership Team has also confirmed that an update on progress will be reported to the Council's Governance and Audit Committee during the year to enable elected Members to review and scrutinise the extent of progress being made.



 Leader: A. Morgan

Chief Executive: \_\_\_\_\_

## APPENDIX A

## ANNUAL GOVERNANCE STATEMENT 2020/21 – YEAR-END POSITION STATEMENT

Core Principle / Area	Issue Identified	Recommendation	Timescale for Implementation	Responsible Officer(s)	Year-End Position Statement
<b>MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT</b>	The Council's Risk Management Strategy was last reviewed and approved by Audit Committee in December 2018.	The Strategy should be reviewed and where required proposed updates reported to the Governance and Audit Committee for consideration. In addition, as part of the review, regard should be given to the findings and recommendations included within the 2020/21 Internal Audit report 'Risk Management'.	December 2021	Head of Procurement Delivery	Completed – updated Risk Management Strategy reported to and endorsed at the 23 <sup>rd</sup> March 2022 Governance and Audit Committee meeting
	Where core financial system internal audit reports are presented to Audit Committee, no separate overview of the required internal controls is provided to aid Members understanding of the area (as originally intended as part of the 2020/21 work programme)	As part of compiling the 2021/22 Governance and Audit Committee work programme, finalised internal audit assignments for core financial systems should be supplemented by a more detailed overview of the area prior to the assignment being presented to Committee. This is to aid Members understanding of the main internal control requirements for key financial systems.	From October 2021	Coordinated by the Service Director – Finance and Improvement Services	No core financial system audits completed during the year – however, arrangements have been put in place in readiness for 2022/23

Core Principle / Area	Issue Identified	Recommendation	Timescale for Implementation	Responsible Officer(s)	Year-End Position Statement
<b>MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT</b>	<p>Although an overview of the Council's Contract Procedure Rules was presented to the Audit Committee in 2020/21, no overview of the Financial Procedure Rules was presented.</p>	<p>As part of the learning and development of Governance and Audit Committee Members, an overview of the Council's Financial Procedure Rules should be built into the 2021/22 Work Programme to support Members understanding of these requirements.</p>	November 2021	Service Director – Finance and Improvement Services	Completed – an overview of the Council's Financial Procedure Rules was presented to the 9 <sup>th</sup> November 2021 Governance and Audit Committee meeting
	<p>In addition, it was noted that a review of the information contained within both documents was not reviewed and reported to Audit Committee during 2020/21.</p>	<p>A review of the content of the Contract and Financial Procedure Rule documents should be undertaken and updates reported to the Governance and Audit Committee for consideration / approval (where deemed required).</p>	December 2021	Service Director – Finance and Improvement Services and Head of Procurement Delivery	Completed – a review of the Contract and Financial Procedure Rule documents have been undertaken and no material updates are deemed required (noting that both documents are subject to on-going review and updating)

Core Principle / Area	Issue Identified	Recommendation	Timescale for Implementation	Responsible Officer(s)	Year-End Position Statement
<b>MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT</b>	<p><u>Compliance with the CIPFA Financial Management Code of Practice</u></p> <ul style="list-style-type: none"> <li>• Standard C - Governance and Financial Management Style</li> <li>○ No Council wide review of officer schemes of delegation has been undertaken during the past financial year.</li> <li>○ Currently, progress updates in relation to Audit Wales recommendations are reported to Audit Committee annually.</li> </ul>	<p>Officer Schemes of Delegation should be reviewed and where required updated, approved by the Designated Officers and re-issued to post-holders.</p> <p>Updates on the progress being made by the Council to implement Audit Wales recommendations should be timetabled within the Governance and Audit Committee work programme for 2021/22 and provide a mid-year and year-end update of progress.</p>	<p>January 2022</p> <p>November 2021 / March – April 2022</p>	<p>Coordinated by the Director of Legal Services</p> <p>Director of Finance and Digital Services</p>	<p>Completed (noting that this area is subject to on-going review and updating)</p> <p>Completed – progress updates reported to the 6<sup>th</sup> December 2021 and 23<sup>rd</sup> March 2022 Governance and Audit Committee meetings</p>

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Core Principle / Area	Issue Identified	Recommendation	Timescale for Implementation	Responsible Officer(s)	Year-End Position Statement
<b>MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT</b>	<u>Compliance with the CIPFA Financial Management Code of Practice</u> <ul style="list-style-type: none"> <li>• Standard G - The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members</li> <li>○ The Council's forward-looking planning period covers 3 / 4 years as part of its Medium-Term Financial Plan.</li> </ul>	As part of the Council's on-going forward planning arrangements, information on the longer-term outlook (5 years+) should be considered and relevant updates reported as appropriate.	March 2022	Director of Finance and Digital Services	Completed - incorporated into the Council's latest Medium Term Financial Plan 2021/22 to 2024/25 - as reported to Cabinet on 20 <sup>th</sup> July 2021, full Council on 29 <sup>th</sup> September 2021 and to the Finance and Performance Scrutiny Committee on 21 <sup>st</sup> October 2021
<b>IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY, REPORTING, AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY</b>	As part of the suite of information on the Council's Governance web-age, it is noted that the Local Code of Corporate Governance was published in 2019 and has not been reviewed since this time.	The Council's Local Code of Corporate Governance should be reviewed and where proposed updates are deemed necessary, an updated document reported to the Council's Governance and Audit Committee for consideration / approval.	February 2022	Head of Procurement Delivery	Completed – noting that a further update will be actioned in 2022/23 to take account of the findings of the 2021/22 Annual Governance Statement Review of Effectiveness



## **The independent auditor's report of the Auditor General for Wales to the Members of Rhondda Cynon Taf CBC**

### **Opinion on financial statements**

I have audited the financial statements of:

- Rhondda Cynon Taf County Borough Council; and
- Rhondda Cynon Taf County Borough Council Group

for the year ended 31st March 2022 under the Public Audit (Wales) Act 2004.

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

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

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.

In my opinion the financial statements:

- give a true and fair view of the financial position of Rhondda Cynon Taf County Borough Council and the Rhondda Cynon Taf County Borough Council's Group as at 31 March 2022 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.

### **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. I am independent of Rhondda Cynon Taf County Borough Council and the Rhondda Cynon Taf County Borough Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the

audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Conclusions relating to going concern**

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

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

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

### **Other Information**

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

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

I have nothing to report in this regard.

### **Report on other requirements**

#### **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 2021/22;

- 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 Rhondda Cynon Taf County Borough Council and the Rhondda Cynon Taf County Borough Council group and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Governance Statement.

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

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

### **Responsibilities**

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

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on pages 15 to 16, the responsible financial officer is responsible for the preparation of the statement of accounts, including Rhondda Cynon Taf County Borough Council's Group financial statements, which give a true and fair view, and for such internal control 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.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing Rhondda Cynon Taf County Borough Council and its group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

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

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 Rhondda Cynon Taf County Borough Council and group's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud;
- Obtaining an understanding of Rhondda Cynon Taf County Borough Council and its group's framework of authority as well as other legal and regulatory frameworks that the Council and its group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Council.

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

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

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

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

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

### **Certificate of completion of audit**

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

Adrian Crompton

Auditor General for Wales

[Date]

24 Cathedral Road

Cardiff

CF11 9LJ

## Glossary of Terms

### Accrual

An accrual is a sum shown in the accounts representing income or expenditure relating to the accounting period, which had not actually been received or paid as at the date of the Balance Sheet.

### Actuary

An actuary is an individual or organisation that calculates insurance premiums and liabilities and pension obligations.

### Acquisition method

This method recognises on a line-by-line basis the assets, liabilities, reserves and revenue of the company that is being consolidated.

### Agent

An Agent is where the Council is acting as an intermediary.

### Amortisation

Charges to revenue for the estimated reduction in the value of an intangible asset.

### Audit

An audit is an independent examination of activities.

### Budget

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

### Capital Expenditure

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

### Capital Receipt

Capital receipts are proceeds from the sale of long-term assets such as land or buildings.

### CCRC – Cardiff Capital Region City Deal

The Cardiff Capital Region within the City Deal is comprised of 10 local authorities; Blaenau Gwent; Bridgend; Caerphilly; Cardiff; Merthyr Tydfil; Monmouthshire; Newport; Rhondda Cynon Taf; Torfaen; and the Vale of Glamorgan.

### Chartered Institute of Public Finance and Accountancy (CIPFA)

CIPFA is responsible for issuing financial guidance to public bodies.

### Creditor

A creditor is an organisation/individual owed money by the Council at the end of the financial year for goods/services received.

**Current Assets**

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

**Current Liabilities**

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

**Debtor**

A debtor is an organisation/individual who owes the Council money at the end of the financial year for goods/services received.

**Debt Management Office (DMO)**

The DMO is an Executive Agency of Her Majesty's Treasury. Its responsibilities include debt and cash management for the UK Government, lending to Local Authorities and managing certain public sector funds.

**Defined Benefit Scheme**

A defined benefit pension scheme is one that bases retirement benefits upon Career Average Re-Valued Earnings.

**Defined Contribution Scheme**

A defined contribution scheme is a type of retirement plan in which the amount of the employer's annual contribution is specified. Benefits are based on the amounts credited to these accounts (through employer contributions and, if applicable, employee contributions) plus any investment earnings. Only employer contributions to the account are guaranteed, not the future benefits.

**Delegated Schools**

A delegated school is one managed independently by its Governing Body. The funds of these schools are held outside of the Council Fund balances.

**Depreciated Historic Cost (DHC)**

Depreciated Historic Cost is obtained by recording the purchase price of an asset and reducing the value over its useful economic life.

**Depreciated Replacement Cost (DRC)**

DRC is an estimation of the market value for existing use plus current gross replacement costs less allowances for deterioration.

**Depreciation**

Depreciation is the estimated loss in value of tangible long-term assets that are presented in the Balance Sheet.

**Earmarked Reserves**

These are reserves set aside for a specific purpose.

**Fair Value Hierarchy**

Level 1 – Assets and liabilities at level 1 are those where fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Assets and liabilities at level 2 are those where quoted market prices are not available.

Level 3 – Assets and liabilities at level 3 are those with valuations derived from unobservable inputs, for example, assumptions about rent growth; discount rates, etc.

### **Financial Year**

This is the accounting period. For local authorities it starts on 1<sup>st</sup> April and finishes on 31<sup>st</sup> March of the following year.

### **Impairment**

Impairment occurs when the value of a long-term asset falls below the value it is currently held at in the Balance Sheet and Asset Register.

### **International Accounting Standard (IAS)**

Financial Regulations to be followed as set by the International Accounting Standards Board (IASB).

### **International Financial Reporting Standards (IFRS)**

International Financial Reporting Standards are produced by the IASB (International Accounting Standards Board) with the aim of ensuring consistency within the countries adopting the standards.

### **Inventories**

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

### **Leasing**

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

### **Lessee**

User or renter of the leased asset or property. In case of capital leases, the lessee is also the 'debtor' to the lessor.

### **Lessor**

Owner or the title holder of the leased asset or property. The lessor is also the lender and secured party in case of capital leases and operating leases.

### **Liability**

A liability is an obligation to transfer economic benefits as a result of past transactions or events.

### **Long-Term Asset**

These are assets that are used in the provision of services (usually for more than one year).

### **Minimum Revenue Provision (MRP)**

MRP is a charge against revenue resources representing a repayment of debt. It is a method of paying for Capital Expenditure which was funded by borrowing.



**Modern Equivalent Valuation (MEV)**

Modern Equivalent Valuation is a method of valuation that calculates the cost of constructing modern equivalent buildings and structures, depreciating them to account for the age and future economic life.

**Non-Domestic Rates (NDR)**

The NDR, or Business Rate, is the charge to occupiers of business premises. NDR is set by central government and is a percentage of rateable values. The percentage is the same throughout Wales. The total collected is split between individual authorities in proportion to their adult populations.

**Net Realisable Value**

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

**Non-Recurring Fair Values**

These relate to assets that are measured at fair value due to particular circumstances. The assets which meet the criteria for assets held for sale are valued at the lower of non-recurring value less cost to sell, and its carrying value.

**Operating Leases**

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

**Post Balance Sheet Events**

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

**Precepts**

This is the amount paid to a non-rating body (for example a community council).

**Principal**

An entity is acting as a Principal when it has control of the goods and services it is providing.

**Prior Year Adjustment**

Material adjustments applicable to prior years arising from changes in accounting policies or from the correction of material errors.

**Projected Unit Method**

An actuarial method of calculating the liabilities of a pension scheme which allows for projected future increases in pensionable pay up to retirement or date of leaving service.

**Provision**

A provision is an obligation to transfer economic benefits as a result of past events where a reliable estimate can be made of the obligation, but the amount or timing of which cannot yet be determined accurately.

**Public Works Loan Board (PWLB)**

This is a Government agency that provides loans to local authorities for periods between 1 and 50 years.

**Recurring Fair Value**

These relate to assets that are measured at the end of each accounting period, within the rolling programme of valuations.

**Related Party**

A related party exists where there is control or influence by one party over another.

**Royal Institute of Chartered Surveyors (RICS) Red Book**

RICS is a professional body enforcing the highest standards in valuations. The "Red Book" contains mandatory rules and best practice guidance on these valuations.

**Soft Loans**

A soft loan is loan taken at an interest rate below the market rate.

**South East Wales Corporate Joint Committee (SEWCJC)**

This is a Corporate Joint Committee set up with the existing governance arrangements as CCRCD.

**Strain on Funds**

When an employee retires early and is immediately paid a pension, without actuarial reduction, the lost contribution income and interest cost arising from the associated earlier increased cash flow is referred to as pension strain cost. The pension strain cost is determined by actuarial calculation.

**Sub Lease**

A sub-lease is a lease between a tenant who already holds a lease to a commercial space or property and someone (the sub-lessee) who wants to use part or all of the tenant's space. The tenant is deemed to be a sub-lessor.

**Trust Fund**

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

**Voluntary Aided School**

Voluntary aided schools are mainly religious or faith schools, although anyone can apply for a place. The governing body employs the staff and sets admissions criteria. School land and buildings are normally owned by a charitable foundation, often a religious organisation, and the governing body contributes to building and maintenance costs.

**Voluntary Controlled School**

Voluntary controlled schools are similar to voluntary aided schools, but are run by the local authority. The local authority employs the school's staff and sets the admissions criteria. School land and buildings are normally owned by a charity, often a religious organisation, which also appoints some of the members of the governing body.

**Welsh Government (WG)**

The Welsh Government is the devolved Government for Wales. The Welsh Government consists of the First Minister, Welsh Ministers, the Counsel General and Deputy Ministers. They are supported by Civil Servants who work across devolved areas of public life such as health, education and the environment.

## Appendix 2

Date/Dyddiad:  
18<sup>th</sup> January 2023

Please ask for/Gofynnwch am:  
Barrie Davies  
(01443) 424026

Auditor General for Wales  
24 Cathedral Road  
Cardiff  
CF11 9LJ

Dear Adrian,

### **Representations regarding the 2021/22 Rhondda Cynon Taf County Borough Council Financial Statements**

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Rhondda Cynon Taf CBC for the year ended 31<sup>st</sup> March 22 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.

In addition we have completed the questionnaires (Appendix A) provided to us regarding;

- ISA240 The auditor's responsibilities relating to fraud in an audit of financial statements
- ISA250 Consideration of laws and regulations in an audit of financial statements
- ISA550 Related parties

### **Management Representations**

#### **Responsibilities:**

We have fulfilled our responsibilities for the preparation of the financial statements in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22; in particular the financial statements give a true and fair view in accordance therewith.

We have fulfilled our responsibilities for 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 RCTCBC and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements.
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements; and
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

## **Financial Statement representations:**

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

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

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

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

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

### **Judicial Reviews**

*In view of the continuing challenging financial climate and the potential need for the Council to make difficult decisions around future service provision, there is an on-going risk that service reconfiguration decisions could be subject to legal challenge.*

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

*There are no misstatements identified in the accounts, which remain uncorrected.*

There are a number of misstatements that have been corrected by management, as set out in the Audit Wales ISA 260 Report.

### **Representations by Rhondda Cynon Taf County Borough 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 Rhondda Cynon Taf Council on 18<sup>th</sup> January 2023.

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

Director of Finance & Digital Services  
(S.151 Officer)

Leading Member

Date

Date

## Appendix 1

### Matters in relation to fraud

International Standard for Auditing (UK and Ireland) 240 covers auditors responsibilities relating to fraud in an audit of financial statements.

The primary responsibility to prevent and detect fraud rests with both management and 'those charged with governance', which for the Council is the Full Council. Management, with the oversight of those charged with governance, should ensure there is a strong emphasis on fraud prevention and deterrence and create a culture of honest and ethical behaviour, reinforced by active oversight by those charged with governance.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

#### What are we required to do?

As part of our risk assessment procedures we are required to consider the risks of material misstatement due to fraud. This includes understanding the arrangements management has put in place in respect of fraud risks. The ISA views fraud as either:

- the intentional misappropriation of assets (cash, property, etc); or
- the intentional manipulation or misstatement of the financial statements.

We also need to understand how those charged with governance exercises oversight of management's processes. We are also required to make enquiries of both management and those charged with governance as to their knowledge of any actual, suspected or alleged fraud, for identifying and responding to the risks of fraud and the internal controls established to mitigate them.

Enquiries of management - in relation to fraud		
Question	2020-21 Response	2021-22 Response
1. What is management's assessment of the risk that the financial statements may be materially misstated due to fraud and what are the principal reasons?	<p>Good governance flows from a shared ethos and culture, as well as from systems and structures. The Council expects all representatives (i.e. Members and Officers) to conduct their duties with the highest levels of honesty and integrity.</p> <p>Policies underpin the culture in place and the Regional Internal Audit Shared Service test compliance with relevant Policies linked to the core financial systems (in line with the approved Annual Audit Plan).</p> <p>To ensure a consistent approach to working practices and processes, all officers are subject to the Council's terms and conditions of employment. A comprehensive suite of information such as policies and procedures are available for officers on "The Source" such as:</p> <ul style="list-style-type: none"> <li>• Financial Procedure Rules</li> <li>• Contract Procedure Rules</li> <li>• Human Resources policies</li> <li>• Anti-Fraud, Bribery &amp; Corruption Strategy</li> <li>• Whistleblowing Policy</li> <li>• Gifts and Hospitality Policy.</li> </ul> <p>New employees attend a virtual corporate induction and an induction checklist encompasses key policies and procedures.</p> <p>Headteacher and Governor training takes place for Financial Management of Schools.</p>	<p>Good governance flows from a shared ethos and culture, as well as from systems and structures. The Council expects all representatives (i.e. Members and Officers) to conduct their duties with the highest levels of honesty and integrity.</p> <p>Policies underpin the culture in place and the Regional Internal Audit Shared Service test compliance with relevant Policies linked to the core financial systems (in line with the approved Annual Audit Plan).</p> <p>To ensure a consistent approach to working practices and processes, all officers are subject to the Council's terms and conditions of employment. A comprehensive suite of information such as policies and procedures are available for officers on "The Source" such as:</p> <ul style="list-style-type: none"> <li>• Financial Procedure Rules</li> <li>• Contract Procedure Rules</li> <li>• Human Resources policies</li> <li>• Anti-Fraud, Bribery &amp; Corruption Strategy</li> <li>• Whistleblowing Policy</li> <li>• Gifts and Hospitality Policy.</li> </ul> <p>New employees attend a virtual corporate induction and an induction checklist encompasses key policies and procedures.</p> <p>Headteacher and Governor training takes place for Financial Management of Schools.</p>

	<p>All Members receive Code of Conduct training once newly elected and refresher training is available annually. Code of conduct training is also provided to co-opted Members. The following codes and protocols referred to are included as part of the member induction programme and provided on a one to one basis if requested by a Member via the Council Business Unit.</p> <p><b>Codes and Protocols</b></p> <ul style="list-style-type: none"> <li>• Members' Code of Conduct</li> <li>• Protocol Standard of Conduct to be followed by Members</li> <li>• Officers' Code of Conduct</li> <li>• Protocol for Member/Officer Relations</li> </ul> <p>Where Members and/or Officers do not undertake their duties in accordance with the expected standards then governance arrangements are in place within the Council to manage this process in an equitable, fair and transparent manner.</p> <p>Taking all of the above into account, our assessment of the risk of fraud arising and having a material impact on the financial statements is considered to be low.</p>	<p>All Members receive Code of Conduct training when newly elected and refresher training is available annually. Code of conduct training is also provided to co-opted Members. The following codes and protocols referred to are included as part of the member induction programme and provided on a one-to-one basis if requested by a Member via the Council Business Unit –</p> <p><b>Codes and Protocols</b></p> <ul style="list-style-type: none"> <li>• Members' Code of Conduct</li> <li>• Protocol Standard of Conduct to be followed by Members</li> <li>• Officers' Code of Conduct</li> <li>• Protocol for Member/Officer Relations</li> </ul> <p>Where Members and/or Officers do not undertake their duties in accordance with the expected standards then governance arrangements are in place within the Council to manage this process in an equitable, fair and transparent manner.</p> <p>Taking all of the above into account, our assessment of the risk of fraud arising and having a material impact on the financial statements is considered to be low.</p>
<p>2.What processes are employed to identify and respond to the risks of fraud more generally and specific risks of misstatement in the financial statements?</p>	<p>The Council has a number of governance arrangements in place that help in the prevention and detection of fraudulent and/or improper activities. These include:</p> <ul style="list-style-type: none"> <li>• Financial &amp; Contract Procedure Rules</li> <li>• Systems of Internal Control</li> <li>• Recruitment Policies</li> <li>• Whistleblowing Policy</li> <li>• Local procedures within departments, for example, authorisation arrangements and quality assurance processes (a number of which were undertaken remotely during 2020/21</li> </ul>	<p>The Council has a number of governance arrangements in place that help in the prevention and detection of fraudulent and/or improper activities. These include:</p> <ul style="list-style-type: none"> <li>• Financial &amp; Contract Procedure Rules</li> <li>• Systems of Internal Control</li> <li>• Recruitment Policies</li> <li>• Whistleblowing Policy</li> <li>• Local procedures within departments, for example, authorisation arrangements and quality assurance processes (a number of which continued to be undertaken remotely</li> </ul>



	<p>due to revised working arrangements as a result of the pandemic)</p> <ul style="list-style-type: none"> <li>• An independent Internal Audit Service (the 'scopes' for audit assignments included in the 2020/21 Audit Plan are taking account of revised working arrangements / potential risks as a result of the pandemic).</li> <li>• An independent Corporate Fraud Team</li> <li>• Combining with Others to Prevent and Fight Fraud</li> <li>• Participation in the National Fraud Initiative for example</li> </ul> <p>The Anti-Fraud, Bribery &amp; Corruption Strategy provides a clear path for raising concerns and facilitating 'tip-offs', and the fraud response arrangements outlined enables such information or allegations to be properly dealt with and reported.</p> <p>The Council's Whistleblowing Policy also gives advice on how to raise a concern, as well as providing information on the safeguards and support that are available to those who raise concerns.</p> <p>Given the governance arrangements in place, management can give assurance that the risk of material misstatement is low.</p>	<p>during 2021/22 due to revised working arrangements as a result of the pandemic)</p> <ul style="list-style-type: none"> <li>• An independent Internal Audit Service (the 'scopes' for audit assignments included in the 2021/22 Audit Plan took into account on-going remote working arrangements / potential risks as a result of the pandemic).</li> <li>• An independent Corporate Fraud Team</li> <li>• Combining with Others to Prevent and Fight Fraud</li> <li>• Participation in the National Fraud Initiative for example</li> </ul> <p>The Anti-Fraud, Bribery &amp; Corruption Strategy provides a clear path for raising concerns and facilitating 'tip-offs', and the fraud response arrangements outlined enables such information or allegations to be properly dealt with and reported.</p> <p>The Council's Whistleblowing Policy also gives advice on how to raise a concern, as well as providing information on the safeguards and support that are available to those who raise concerns.</p> <p>Given the governance arrangements in place, management can give assurance that the risk of material misstatement is low.</p>
<p>3. What arrangements are in place to report fraud issues and risks to the Audit Committee?</p>	<p>Rhondda Cynon Taf County Borough Council is resolute in its determination to maintain its reputation as a Council that will not tolerate fraud, bribery, corruption or abuse of position for personal gain, wherever it may be found in any area of Council activity.</p> <p><b><u>Arrangements in place to report fraud issues</u></b></p> <p><u>Whistleblowing</u></p> <p>A copy of the Council's Whistleblowing Policy &amp; Procedure was reported to the Council's Audit Committee at its meeting held on the <u>31<sup>st</sup> October 2016 (and was also included as an electronic link within the <a href="#">Whistleblowing Annual Report 2019/20</a> reported to Audit Committee on 20<sup>th</sup> July 2020).</u></p> <p>The purpose of the Policy is to provide a means by which complaints of malpractice or wrongdoing can be raised by those</p>	<p>Rhondda Cynon Taf County Borough Council is resolute in its determination to maintain its reputation as a Council that will not tolerate fraud, bribery, corruption or abuse of position for personal gain, wherever it may be found in any area of Council activity.</p> <p><b><u>Arrangements in place to report fraud issues</u></b></p> <p><u>Whistleblowing</u></p> <p>The Council's Whistle-blowing Policy and Procedure was updated and approved during the year (26<sup>th</sup> April 2021 Audit Committee) and staff awareness was undertaken via a Council wide email to employees on 9<sup>th</sup> March 2022 and whistle-blowing was part of staff induction arrangements.</p> <p>The purpose of the Policy is to provide a means by which complaints of malpractice or wrongdoing can be raised by those</p>

	<p>who feel that other avenues for raising such issues are inappropriate. The Policy confirms that so far as possible, those raising concerns under the Policy will be treated confidentially.</p> <p>Workers are encouraged to report any concerns they have via the Council's <u>Whistleblowing webpage "Get Involved"</u>.</p> <p><u>Anti-Fraud, Bribery &amp; Corruption Strategy</u> The purpose of the Strategy is to communicate the Council's main principles for countering fraud, bribery and corruption. It sets out the:</p> <ol style="list-style-type: none"> <li>5. Council's zero tolerance approach against fraud, bribery &amp; corruption;</li> <li>6. Reporting avenues for suspected irregularities;</li> <li>7. Resources that are in place to support a counter fraud, bribery &amp; corruption culture; and</li> <li>8. Governance arrangements in respect of reporting to Audit Committee.</li> </ol> <p>In the Council's <u>Report It</u> section of the website, instructions for those who wish to raise anti-fraud, bribery or corruption concerns are provided along with the means to complete an on-line form.</p> <p><b><u>Arrangements in place to report to Audit Committee:</u></b></p> <p>On 20<sup>th</sup> July 2020, the Audit Committee were presented with the Anti-Fraud Annual Report 2019/20 setting out progress during 2019/20 and agreed a workplan for 2020/21. This helps to ensure the Council continues to operate within an effective anti-fraud culture across the organisation, with resilient preventative measures capable of identifying and addressing new threats. At the <a href="#">2<sup>nd</sup> November 2020 Audit Committee meeting</a>, an Anti-fraud, Bribery and Corruption Progress Report 2020/21 was presented.</p> <p>On 20<sup>th</sup> July 2020, the Audit Committee were also presented with updates on whistleblowing activity during 2019/20 concluding that arrangements are appropriate. This Report also recommended that although the Policy is reviewed regularly at an operational level and the changes that have been made since</p>	<p>who feel that other avenues for raising such issues are inappropriate. The Policy confirms that so far as possible, those raising concerns under the Policy will be treated confidentially.</p> <p>Workers are encouraged to report any concerns they have via the Council's <u>Whistleblowing webpage "Get Involved"</u>.</p> <p><u>Anti-Fraud, Bribery &amp; Corruption Strategy</u> The purpose of the Strategy is to communicate the Council's main principles for countering fraud, bribery and corruption. It sets out the:</p> <ul style="list-style-type: none"> <li>• Council's zero tolerance approach against fraud, bribery &amp; corruption;</li> <li>• Reporting avenues for suspected irregularities;</li> <li>• Resources that are in place to support a counter fraud, bribery &amp; corruption culture; and</li> <li>• Governance arrangements in respect of reporting to the Governance and Audit Committee.</li> </ul> <p>In the Council's <u>Report It</u> section of the website, instructions for those who wish to raise anti-fraud, bribery or corruption concerns are provided along with the means to complete an on-line form.</p> <p><b><u>Arrangements in place to report to the Governance and Audit Committee:</u></b></p> <p>Anti-fraud, Bribery and Corruption Strategy updates were reported to the Governance and Audit Committee during the year (a mid-year update on <a href="#">6th December 2021</a> and a year-end update including a proposed work programme for 2022/23 on <a href="#">23rd March 2022</a>).</p> <p>The overall conclusion set out in the March 2022 report, based on the work undertaken during the year, was that the Council has taken necessary preventative steps to raise awareness around vigilance and appropriate sharing of intelligence across the anti-</p>
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	<p>2016 have been of a housekeeping nature (e.g. changes to job titles of posts), a complete review of the document will be undertaken and reported to Audit Committee in 2020/21 for consideration. The <a href="#">1st February 2021 Audit Committee</a> meeting (that reported an update on the '2019/20 Annual Governance Statement Recommendations – Progress update') noted that the review of the Whistleblowing Policy will be reported to the April 2021 Audit Committee (at the same time as the Whistleblowing Annual Report for 2020/21).</p> <p>Related information is also included under question 5 'Enquiries of management - in relation to fraud'.</p>	<p>fraud network. This report was endorsed by the Governance and Audit Committee.</p> <p>The <a href="#">23rd March 2022</a> Governance and Audit Committee meeting also considered the Whistleblowing Annual Report 2021/22 and concluded that the Whistleblowing Policy and Procedure continues to be fit for purpose and that the Council's whistleblowing arrangements are appropriate.</p> <p>The arrangements in place demonstrate the Council's commitment to promoting the highest standards of service and ensuring that workers know how they can bring matters of alleged wrongdoing to the attention of the Council.</p> <p>Related information is also included under question 5 'Enquiries of management - in relation to fraud'.</p>
<p>4. How has management communicated expectations of ethical governance and standards of conduct and behaviour to all relevant parties, and when?</p>	<p><b><u>Elected Councillors</u></b> Following the Local Government elections held on 4<sup>th</sup> May 2017, all elected Councillors were provided with an induction and an on-going programme of support that included an overview of the Council's Code of Conduct.</p> <p>Every elected Councillor has signed up to his/her individual Role Description, a copy of which is retained by the Council's Democratic Services division.</p> <p>The Council's Scrutiny Committee meeting minutes were examined to determine whether proceedings were conducted in line with the Council's Code of Conduct. Declarations of interest were sought and declarations were made by elected Councillors, as a standard agenda item, where appropriate.</p> <p>On <a href="#">17th November 2020</a> Cabinet received the report on the Public Services Ombudsman for Wales – Annual Report and Letter</p>	<p><b><u>Elected Councillors</u></b> All elected Councillors are provided with an induction (when they start their role as a Councillor) and an on-going programme of support is in place that includes an overview of the Council's Code of Conduct.</p> <p>Every elected Councillor has signed up to his/her individual Role Description, a copy of which is retained by the Council's Democratic Services division.</p> <p>The Council's Scrutiny Committee meeting minutes were examined to determine whether proceedings were conducted in line with the Council's Code of Conduct. Declarations of interest were sought and declarations were made by elected Councillors, as a standard agenda item, where appropriate.</p>

	<p>2019/20. In addition, a Standards Committee was in place during 2020/21 and received a <a href="#">summary of complaints against Members</a> submitted to the Ombudsman. Also on 27<sup>th</sup> November 2020, the Standards Committee received information on proposed arrangements for Code of Conduct refresher training for County Borough Councillors.</p> <p><b><u>Council Employees</u></b> The Council has a number of recruitment and selection Policies in place that help to ensure that new recruits have the integrity and ethical values of the organisation and also the competencies to undertake the duties required of them.</p> <p>Employees have contracts of employment and competency based job descriptions which set out grade, roles and responsibilities. The Human Resources Service oversees terms and conditions of employment, and the Council have a suite of policies and procedures that are available for officers to access.</p> <p>Each new recruit is provided with a the 'Basic Rules – A Guide for Employees' booklet, via The Source, that gives each employee information in relation to (amongst other things) expected behaviour, use of social media, appearance and attendance. The expectations of each employee are set out from the outset.</p> <p>The Council describes what excellent behaviour looks like for each type of job, for example, 'always treat people with respect', and this information is used to test candidates suitability for jobs at interview and is used to inform discussions managers have with their staff as part of their development.</p>	<p>A Standards Committee was in place during the year, its Terms of Reference supported by an agreed and published <a href="#">Work Programme for 2021/22</a> and the Committee met on 3 occasions.</p> <p>The work programme gave focus to areas that promote high standards of conduct, for example, Public Services Ombudsman for Wales (PSOW) updates; consideration of Dispensation Applications; and reviewing and endorsing a Memorandum of Understanding developed by the Democratic Services Committee to promote diversity in democracy, promote high standards of behaviour and mutual respect between elected Councillors (the Memorandum of Understanding was subsequently endorsed by full Council in February 2022).</p> <p>Information on the outcome of investigations undertaken by the PSOW relating to RCT Elected Members and Community/Town Councillors within RCT (for whom the Monitoring Officer has responsibility) were reported to the Standards Committee during the year (<a href="#">24th September 2021</a>, <a href="#">19th November 2021</a> and <a href="#">16th March 2022</a> along with other relevant information i.e. Code of Conduct Casebook updates, Summary of Complaints and the PSOW Annual Report and Letter 2020/21).</p> <p><b><u>Council Employees</u></b> The Council has a number of recruitment and selection Policies in place that help to ensure that new recruits have the integrity and ethical values of the organisation and also the competencies to undertake the duties required of them.</p> <p>Employees have contracts of employment and competency based job descriptions which set out grade, roles and responsibilities. The Human Resources Service oversees terms and conditions of employment, and the Council have a suite of policies and procedures that are available for officers to access.</p> <p>Each new recruit is provided with a the 'Basic Rules – A Guide for Employees' booklet, via The Source, that gives each employee</p>
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		<p>information in relation to (amongst other things) expected behaviour, use of social media, appearance and attendance. The expectations of each employee are set out from the outset.</p> <p>The Council describes what excellent behaviour looks like for each type of job, for example, 'always treat people with respect', and this information is used to test candidates suitability for jobs at interview and is used to inform discussions managers have with their staff as part of their development.</p>
<p>5. Are you aware of any instances of actual, suspected or alleged fraud within the council since 1 April 2021</p>	<p>To support transparency and openness, the Council's arrangements during 2020/21 included:</p> <p><u>Whistle-blowing arrangements</u> A new Regulation came into force during April 2017 which placed a requirement upon the Council to report annually on whistle-blowing disclosures. The Regulation required the Council to publish the annual report on its website or by other means appropriate for bringing the report to the attention of the public. For Rhondda Cynon Taf, this requirement was met for the 2019/20 financial year via an Annual Report to Audit Committee on <a href="#">20th July 2020</a> and for 2020/21, the Annual Report is scheduled to be reported to the April 2021 Audit Committee meeting.</p> <p><u>Anti-fraud, Bribery &amp; Corruption arrangements</u></p> <p>As set out for question 3 above, the Anti-Fraud Annual Report for 2019/20 was reported to Audit Committee on 20<sup>th</sup> July 2020 and an Anti-Fraud, Bribery and Corruption progress report was presented to the 2<sup>nd</sup> November 2020 Audit Committee meeting. This update also included references / information on the specific work around financial probity in relation to the award of flooding support to businesses and residents (i.e. Storm Dennis related) and Covid-19 business support payments, and also the inclusion of data matching for Covid-19 business support payments paid by local authorities as part of the 2020/21 National Fraud Initiative programme of work.</p>	<p>To support transparency and openness, the Council's arrangements during 2021/22 included:</p> <p><u>Whistle-blowing arrangements</u> A new Regulation came into force during April 2017 which placed a requirement upon the Council to report annually on whistle-blowing disclosures. The Regulation required the Council to publish the annual report on its website or by other means appropriate for bringing the report to the attention of the public. For Rhondda Cynon Taf, this requirement was met for the 2021/22 financial year via an Annual Report to the Governance and Audit Committee on 23<sup>rd</sup> March 2022.</p> <p><u>Anti-fraud, Bribery &amp; Corruption arrangements</u></p> <p>As set out for question 3 above, the Anti-Fraud Annual Report for 2021/22 was reported to the Governance and Audit Committee on <a href="#">23<sup>rd</sup> March 2022</a> (and an Anti-Fraud, Bribery and Corruption mid-year update was reported to the Governance and Audit Committee on <a href="#">6<sup>th</sup> December 2021</a>). The year-end update included information on (amongst other things): communication arrangements to help drive proactive preventative and awareness raising measures; a targeted fraud awareness training plan; coordination and recording of fraud referrals; engagement with services within the Council (for example, the Cyber Security Team) and other external bodies to counter fraudulent activities and undertake data matching activities; and financial probity work around the award of Covid-19 business payments..</p>

	The Council included a payslip insert to all employees in August 2020 providing information on how Council employees could report any suspicions regarding Anti-fraud, Bribery and Corruption.	A targeted 'Fraud Awareness – Manager Briefing' was designed and circulated to all service area managers during the year highlighting proactive measures and support, together with the appropriate reporting lines.
6. Are you aware of any fraud within the council since 1 April 2021	Please refer to the response to question 5, above.	Please refer to the response to question 5, above.
7. Are you aware of any instances of actual, suspected or alleged fraud within the council since 1 April 2021	Please refer to the response to question 5, above.	Please refer to the response to question 5, above.

Enquiries of those charged with governance – in relation to fraud			
Question	2020-21 Response	2021-22	Response
1. How does the Full Council, exercise oversight of management's processes for identifying and responding to the risks of fraud within the audited body and the internal control that management has established to mitigate those risks?	<p>Full Council has ensured that the Audit Committee's Terms of Reference are comprehensive and compliant with the Local Government Measure 2011.</p> <p>Audit Committee has a detailed <a href="#">work plan</a> for each Municipal Year that helps them ensure they meet their Terms of Reference.</p> <p>The Statement of Accounts and Annual Governance Statement are reported to full Council, alongside the external auditor's report, for consideration and if appropriate, approval.</p> <p>Audit Wales reports its Annual Audit Summary Report to full Council setting out, amongst other things, the results of its work undertaken within the Authority in the previous financial year. The most recent being reported <a href="#">10<sup>th</sup> March 2021</a>. Further to review by Council, this report is scrutinised by the Council's overview and scrutiny arrangements to monitor progress and is also reported to Audit Committee.</p>	<p>Full Council has ensured that the Governance and Audit Committee's Terms of Reference are comprehensive and compliant with the Local Government Measure 2011 and Local Government and Elections (Wales) Act 2021 (as reported to Audit Committee (<a href="#">26/4/21</a>) and full Council (<a href="#">26/5/21</a>).</p> <p>The Governance and Audit Committee has a detailed <a href="#">workplan (2021/22)</a> for each Municipal Year that helps them ensure they meet their Terms of Reference. The <a href="#">23/3/22</a> Governance and Audit Committee also considered an Annual Report setting out the work undertaken by the Committee during the year (including consideration of Fraud related reports) in line with its Terms of Reference and a self-assessment against the Chartered Institute of Public Finance and Accountancy (CIPFA) publication 'Audit Committees - Practical Guidance for Local Authorities &amp; Police 2018 Edition.</p> <p>The Statement of Accounts and Annual Governance Statement are reported to full Council, alongside the external auditor's report, for consideration and if appropriate, approval.</p> <p>Audit Wales reports its Annual Audit Summary Report to full Council setting out, amongst other things, the results of its work undertaken within the Authority in the previous financial year. The most recent being reported to full Council <a href="#">19/1/22</a>. Further to review by Council, this report was reviewed by the Governance and Audit Committee (<a href="#">23/3/22</a>) – as part of this report, a detailed update was provided on the progress being made by the Council to implement agreed proposals for improvement reported by Audit Wales.</p>	
2. Are you aware of any instances of actual, suspected or alleged	Please refer to response within "Enquiries of Management" section, Question 5.	Please refer to response within "Enquiries of Management" section, Question 5.	

fraud with the audited body since 1 April 2021		
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## Appendix 2

### Matters in relation to laws and regulations

International Standard for Auditing (UK and Ireland) 250 covers auditors responsibilities to consider the impact of laws and regulations in an audit of financial statements.

Management, with the oversight of those charged with governance (Full Council), is responsible for ensuring that the Council's operations are conducted in accordance with laws and regulations, including compliance with those that determine the reported amounts and disclosures in the financial statements.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. The ISA distinguishes two different categories of laws and regulations:

- laws and regulations that have a direct effect on determining material amounts and disclosures in the financial statements;
- other laws and regulations where compliance may be fundamental to the continuance of operations, or to avoid material penalties.

#### What are we required to do?

As part of our risk assessment procedures we are required to make inquiries of management and the Full Council as to whether the Council is in compliance with relevant laws and regulations. Where we become aware of information of non-compliance or suspected non-compliance we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

Enquiries of management – in relation to laws and regulations		
Question	2020-21 Response	2021-22 Response
1. How have you gained assurance that all relevant laws and regulations have been complied with?	<p>The accounts are prepared in accordance with the Accounts &amp; Audit Regulations.</p> <p>The Accounts and Audit (Wales) Regulations 2014 (as amended) require the Responsible Financial Officer (for Rhondda Cynon Taf, the Director of Finance and Digital Services) to certify unaudited accounts by 31<sup>st</sup> May following financial year-end. The regulations include a provision whereby if the Responsible Financial Officer does not certify the draft accounts by 31<sup>st</sup> May, there is a requirement to publish a statement setting out the reasons for non-compliance. RCT CBC intends to publish such a notice for 2020/21 accounts as it did for the 2019/20 accounts.</p> <p>As it did for 2019/20 accounts, Welsh Government has clarified its expectation for the timescales of the preparation and publication of statutory financial accounts for 2020/21 by confirming there is no requirement to amend regulations and permitting local authorities to prepare accounts in line with the 2019/20 timescales. This requires preparation and certification of draft accounts by 31 August 2021 and publication of final audited accounts by 30 November 2021 for all local government bodies in Wales. However, the Welsh Government encourages Councils to approve earlier wherever possible and engage with external auditors.</p> <p>Audit Wales have not raised any issues of non compliance.</p>	<p>The accounts are prepared in accordance with the Accounts &amp; Audit Regulations.</p> <p>The Accounts and Audit (Wales) Regulations 2014 (as amended) require the Responsible Financial Officer (for Rhondda Cynon Taf, the Director of Finance and Digital Services) to certify unaudited accounts by 31<sup>st</sup> May following financial year-end. The regulations include a provision whereby if the Responsible Financial Officer does not certify the draft accounts by 31<sup>st</sup> May, there is a requirement to publish a statement setting out the reasons for non-compliance. RCT CBC published such a notice for the 2021/22 accounts in line with the regulations (as it did for the 2020/21 and 2019/20 accounts).</p> <p>As has been the case for the previous 2 financial years, Welsh Government has clarified its expectation for the timescales of the preparation and publication of statutory financial accounts for 2021/22 by confirming there is no requirement to amend regulations and permitting local authorities to prepare accounts and confirming that local authorities may wish to prepare their accounts to the extended timescale used since the preparation of the 2019-20 accounts. This requires preparation and certification of draft accounts by 31 August 2021 and publication of final audited accounts by 30 November 2021 for all local government bodies in Wales. However, the Welsh Government encourages Councils to approve earlier wherever possible and engage with external auditors.</p> <p>Audit Wales have not raised any issues of non compliance.</p>
2. Have there been any instances of non-compliance or suspected non-compliance with relevant	There are no instances of non-compliance with relevant laws and regulations. Full Council receives assurance on this from the appointed External Auditor.	There are no instances of non-compliance with relevant laws and regulations. Full Council receives assurance on this from the appointed External Auditor.

laws and regulations since 1 April 2021, or earlier with an ongoing impact on the 2021-22 financial statements?		
3. Are there any potential litigations or claims that would affect the financial statements?	Any potential litigations and/or claims are accounted for in accordance with the Code of Practice and where appropriate, disclosed in the letter of representation.	Any potential litigations and/or claims are accounted for in accordance with the Code of Practice and where appropriate, disclosed in the letter of representation.
4. Have there been any reports from other regulatory bodies, such as HM Revenues and Customs which indicate non-compliance?	No.	No.
5. Are you aware of any non-compliance with laws and regulations within the council since 1 April 2021	No.	No.

Enquiries of those charged with governance – in relation to laws and regulations		
Question	2020-21 Response	2021-2022 Response
1. How does the Full Council, in its role as those charged with governance, obtain assurance that all relevant laws and regulations have been complied with?	<p>Full Council appoints Audit Committee and sets its Terms of Reference.</p> <p>Full Council ratifies the appointment of the Section 151 Officer and the Council's Monitoring Officer, whose roles are defined by statute and referenced within the Constitution.</p> <p>Full Council receives assurance from the appointed External Auditor.</p>	<p>Full Council appoints Governance and Audit Committee and sets its Terms of Reference.</p> <p>Full Council ratifies the appointment of the Section 151 Officer and the Council's Monitoring Officer, whose roles are defined by statute and referenced within the Constitution.</p> <p>Full Council receives assurance from the appointed External Auditor.</p>
2. Are you aware of any instances of non-compliance with relevant laws and regulations?	There are no instances of non-compliance with relevant laws and regulations. Full Council receives assurance on this from the appointed External Auditor.	There are no instances of non-compliance with relevant laws and regulations. Full Council receives assurance on this from the appointed External Auditor.

## **Appendix 3**

### **Matters in relation to related parties**

International Standard for Auditing (UK and Ireland) 550 covers auditors responsibilities relating to related party relationships and transactions.

The nature of related party relationships and transactions may, in some circumstances, give rise to higher risks of material misstatement of the financial statements than transactions with unrelated parties.

Because related parties are not independent of each other, many financial reporting frameworks establish specific accounting and disclosure requirements for related party relationships, transactions and balances to enable users of the financial statements to understand their nature and actual or potential effects on the financial statements. An understanding of the entity's related party relationships and transactions is relevant to the auditor's evaluation of whether one or more fraud risk factors are present as required by ISA (UK and Ireland) 240, because fraud may be more easily committed through related parties.

#### **What are we required to do?**

As part of our risk assessment procedures, we are required to perform audit procedures to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose related party relationships, transactions or balances in accordance with the requirements of the framework.

Enquiries of management – in relation to related parties		
Question	2020-21 Response	2021-22 Response
<p>1. Confirm that you have disclosed to the auditor:</p> <ul style="list-style-type: none"> <li>the identity of any related parties, including changes from the prior period;</li> <li>the nature of the relationships with these related parties;</li> <li>details of any transactions with these related parties entered into during the period, including the type and purpose of the transactions.</li> </ul>	<p>Related party transactions are disclosed within the notes to the statement of accounts in accordance with the Code of Practice on Local Authority Accounting.</p>	<p>Related party transactions are disclosed within the notes to the statement of accounts in accordance with the Code of Practice on Local Authority Accounting.</p>
<p>2. What controls are in place to identify, authorise, approve, account for and disclose related party transactions and relationships?</p>	<p>Governance arrangements are in place to ensure that a Register of Members Interests is in place and also that Declarations of Interest at each committee are asked for as a standard agenda item.</p> <p>Within the Annual Statement of Accounts of the Council, there is a requirement for the disclosure of “Related Party Transactions”. This relates to payments made to, or income received from, any organisation in which a Member or Chief Officer (who sits on the Senior Leadership Team) of the Council has an interest, financial or otherwise.</p> <p>Independent checks are also undertaken by finance officers against publicly available national databases to minimise the risk of non- disclosure.</p> <p>Additional controls are in place to ensure records of related parties are captured prior to a Member or officer</p>	<p>Governance arrangements are in place to ensure that a Register of Members Interests is in place and also that Declarations of Interest at each committee are asked for as a standard agenda item.</p> <p>Within the Annual Statement of Accounts of the Council, there is a requirement for the disclosure of “Related Party Transactions”. This relates to payments made to, or income received from, any organisation in which a Member or Chief Officer (who sits on the Senior Leadership Team) of the Council has an interest, financial or otherwise.</p> <p>Independent checks are also undertaken by finance officers against publicly available national databases to minimise the risk of non- disclosure.</p> <p>Additional controls are in place to ensure records of related parties are captured prior to a Member or officer of the Senior Leadership team leaving the local authority.</p>

	<p>of the Senior Leadership team leaving the local authority.</p> <p>Further additional Controls in place include:</p> <ul style="list-style-type: none"><li>• Gifts &amp; Hospitality Policy</li><li>• Contract Procedure Rules</li><li>• The Anti-Fraud, Bribery &amp; Corruption Strategy</li></ul>	<p>Further additional Controls in place include:</p> <ul style="list-style-type: none"><li>• Gifts &amp; Hospitality Policy</li><li>• Contract Procedure Rules</li><li>• The Anti-Fraud, Bribery &amp; Corruption Strategy</li></ul>
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Enquiries of the those charged with governance – in relation to related parties		
Question	2020-21 Response	2021-22 Response
<p>1. How does the Council, in its role as those charged with governance, exercise oversight of management's processes to identify, authorise, approve, account for and disclose related party transactions and relationships?</p>	<p>Governance arrangements are in place to ensure that a Register of Members Interests is in place and also that Declarations of Interest at each committee are asked for as a standard agenda item.</p> <p>Within the Annual Statement of Accounts of the Council, there is a requirement for the disclosure of "Related Party Transactions". This relates to payments made to, or income received from, any organisation in which a Member or Chief Officer (who sits on the Senior Leadership Team) of the Council has an interest, financial or otherwise.</p> <p>Additional Controls in place include:</p> <ul style="list-style-type: none"> <li>• Gifts &amp; Hospitality Policy</li> <li>• Contract Procedure Rules</li> <li>• The Anti-Fraud, Bribery &amp; Corruption Strategy.</li> </ul>	<p>Governance arrangements are in place to ensure that a Register of Members Interests is in place and also that Declarations of Interest at each committee are asked for as a standard agenda item.</p> <p>Within the Annual Statement of Accounts of the Council, there is a requirement for the disclosure of "Related Party Transactions". This relates to payments made to, or income received from, any organisation in which a Member or Chief Officer (who sits on the Senior Leadership Team) of the Council has an interest, financial or otherwise.</p> <p>Additional Controls in place include:</p> <ul style="list-style-type: none"> <li>• Gifts &amp; Hospitality Policy</li> <li>• Contract Procedure Rules</li> <li>• The Anti-Fraud, Bribery &amp; Corruption Strategy.</li> </ul>





## **RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

### **COUNCIL**

**18<sup>th</sup> January 2023**

### **WELSH CHURCH ACT FUND ANNUAL REPORT 2021/22**

### **REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES**

**AUTHOR : Barrie Davies (01443) 424026**

#### **1.0 PURPOSE OF REPORT**

1.1 This report is to ensure the Council complies with the requirements relating to the production and approval of an Annual Report and Financial Statements for the Welsh Church Act Fund for the financial year ended 31<sup>st</sup> March 2022.

#### **2.0 RECOMMENDATIONS**

2.1 It is recommended that Members:

- (a) Consider the External Auditor report – “2021- 22 Audit Plan” (Appendix 1);
- (b) Consider the External Auditor report – “Audit of Accounts Report” (Appendix 2);
- (c) Approve and note the Welsh Church Act Fund Annual Report and Financial Statements for the financial year 2021/2022 (Appendix 3); and

- (d) Approve and note the Letter of Representation relating to the Welsh Church Act Fund (Appendix 4).

### **3.0 BACKGROUND**

- 3.1 The Council has administrative responsibility for the production of the Welsh Church Act Fund Annual Report and Financial Statements.
- 3.2 The draft financial statements were provided to Audit Wales on 9<sup>th</sup> November 2022.
- 3.3 The intervening period has seen the completion of the audit of the Financial Statements by Audit Wales and they are now in a position to provide their opinion on them as presenting a true and fair view. During the audit process a small number of amendments were necessary and these are incorporated into the Financial Statements at Appendix 3. The Audit Wales reports are at Appendix 1 “2021-22 Audit Plan” and the Audit of Accounts Report is at Appendix 2, both attached for Members consideration.
- 3.4 It is normal practice for Audit Wales to request that the Responsible Finance Officer provides a “Letter of Representation”, which highlights material issues relating to the completeness and/or accuracy of the information included in the Financial Statements and could, therefore, influence the audit opinion. This is to ensure that the Financial Statements properly reflect the Fund’s financial standing and is consistent with the approach taken by Audit Wales in prior years.
- 3.5 The Letter of Representation for the Welsh Church Act Fund is provided at Appendix 4.

### **4.0 EQUALITY AND DIVERSITY IMPLICATIONS AND SOCIO-ECONOMIC DUTY**

- 4.1 The report satisfies the legal requirement for the approval of the Welsh Church Act Fund’s Annual Report and Financial Statements in accordance with the Charities Act 2011. As a result, there are no equality and diversity or socio-economic duty implications to report.

### **5.0 WELSH LANGUAGE IMPLICATIONS**

5.1 There are no Welsh language implications as a result of the recommendations in this report.

## **6.0 CONSULTATION**

6.1 There are no consultation requirements emanating from the recommendations set out in the report.

## **7.0 FINANCIAL IMPLICATIONS**

7.1 There are no financial implications as a result of the recommendations set out in the report.

## **8.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

8.1 The report ensures the Council complies with the legal requirements contained in the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 (SI 2008 No 629) and the Charities Statement of Recommended Practice 2019 (FRS102).

## **9.0 LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT**

9.1 The report supports the Well-being of Future Generations Act in particular 'a Wales of cohesive communities' through the financial support it offers to community based groups within the areas of Rhondda Cynon Taf, Merthyr Tydfil and Bridgend Councils.

## **10.0 CONCLUSION**

10.1 The completion of the audit of the Welsh Church Act Fund Financial Statements provides Members, in their role as trustees, with the necessary assurances upon the financial affairs of the Fund.

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## 2021-22 Audit Plan – The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils

Audit year: 2021-22

Date issued: December 2022

Document reference: 3272A2022

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

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# 2022 Audit Plan

## About this document

- 1 This document sets out the work I plan to undertake during 2022 to discharge my statutory responsibilities as your external auditor and to fulfil my obligations under the Code of Audit Practice.

## Audit of financial statements

- 2 I am required to issue a report on The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend, and Merthyr Tydfil County Borough Councils' financial statements which includes an opinion on their 'truth and fairness'. In preparing such a report, I will:
  - give an opinion on your financial statements; and
  - assess whether the Trustee's Annual Report presented with the financial statements is prepared in line with guidance and consistent with the financial statements.
- 3 I will also report by exception on a number of matters which are set out in more detail in our [Statement of Responsibilities](#), along with further information about our work.
- 4 I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material will be reported to the Full Council prior to completion of the audit.
- 5 Any misstatements below a trivial level (set at 5% of materiality) I judge as not requiring consideration by those charged with governance and therefore will not report them.
- 6 There have been no limitations imposed on me in planning the scope of this audit.

## Audit of financial statement risks

- 7 The following table sets out the significant risks that have been identified for the audit of your financial statements.



## Exhibit 1: audit of financial statement risks

Financial audit risks	Proposed audit response
<b>Significant risks</b>	
The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.31-33].	The audit team will: <ul style="list-style-type: none"><li>• test the appropriateness of journal entries and other adjustments made in preparing the financial statements;</li><li>• review accounting estimates for biases; and</li><li>• evaluate the rationale for any significant transactions outside the normal course of business.</li></ul>

## Fee, audit team and timetable

- 8 My fees and planned timescales for completion of the audit are based on the following assumptions:
- the financial statements are provided in accordance with a timescale to be agreed taking into account the impact of COVID-19, to the quality expected and have been subject to a robust quality assurance review;
  - information provided to support the financial statements;
  - appropriate accommodation and facilities are provided to enable my audit team to deliver the audit in an efficient manner;
  - all appropriate officials will be available during the audit;
  - you have all the necessary controls and checks in place to enable the Responsible Financial Officer to provide all the assurances that I require in the Letter of Representation addressed to me; and
  - Internal Audit's planned programme of work is complete and management has responded to issues that may have affected the financial statements;
- 9 If I do receive questions or objections, I will discuss potential audit fees at the time

## Fee

- 10 As set out in our Fee Scheme 2022-23, our fee rates for 2022-23 have increased by 3.7% as a result of the need to continually invest in audit quality and in response to increasing cost pressures.

- 11 The estimated fee for 2022 is set out in **Exhibit 2**. This represents an increase of £2,209 compared to your actual 2021 fee, and reflects the fee rates referred to above, and the estimated skill mix and audit days required.

### Exhibit 2: audit fee

This table sets out the proposed audit fee for 2022, by area of audit work, alongside the actual audit fee for last year.

Audit area	Proposed fee for 2022 (£) <sup>1</sup>	Actual fee for 2021 (£)
Audit of financial statements	8,549	6,340

- 12 Planning will be ongoing, and changes to my programme of audit work, and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with the Responsible Financial Officer.
- 13 Further information can be found in my [Fee Scheme 2022-23](#).

### Audit team

- 14 The main members of my team, together with their contact details, are summarised in **Exhibit 3**.

### Exhibit 3: my audit team

This table lists the members of the local audit team and their contact details

Name	Role	Contact number	E-mail address
Richard Harries	Engagement Lead	07789 397018	<a href="mailto:richard.harries@audit.wales">richard.harries@audit.wales</a>
Mike Jones	Audit Manager	07879 848673	<a href="mailto:mike.jones@audit.wales">mike.jones@audit.wales</a>
Helen Williams	Audit Lead	02920 320708	<a href="mailto:helen.williams@audit.wales">helen.williams@audit.wales</a>

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

Name	Role	Contact number	E-mail address
Gareth Lewis	IT Specialist	02920 320588	<a href="mailto:gareth.lewis@audit.wales">gareth.lewis@audit.wales</a>

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

## Timetable

- 16 We will continue to undertake such remote work as is possible during the COVID-19 national emergency and may need to revise the timetable as work progresses.

### Exhibit 4: timetable

This table sets out the key milestones for the planned audit outputs

Planned output	Work undertaken	Report finalised
2022 Audit Plan	November 2022	November 2022
<b>Audit of financial statements work:</b> <ul style="list-style-type: none"> <li>• Audit of Financial Statements Report</li> <li>• Opinion on Financial Statements</li> </ul>	November to December 2022	January 2023
2023 Audit Plan	To be confirmed	To be confirmed

# Appendix 1

## Other future developments

### Future changes to UK GAAP

Following the introduction of the new UK GAAP accounting regime in 2015-16, and the replacement of the Financial Reporting Standard for Smaller Entities (FRSSE) by Section 1A of FRS 102 in 2016-17, there have been only limited changes to FRS 102 since.

More significant amendments are expected from 2022-23, reflecting recent changes in International Financial Reporting Standards, including accounting for financial instruments and leases.

### Good Practice Exchange

Audit Wales' Good Practice (GPX) helps public services improve by sharing knowledge and practices that work. Events are held where knowledge can be exchanged face to face and resources shared online. This year the work has focused on COVID-19 learning. Further information on this can be found on our [website](#).

### Brexit: The United Kingdom's future outside the European Union

The United Kingdom left the European Union on 31 January 2020 under the terms of the Withdrawal Agreement. Between then and 31 December 2020, the UK entered a transition period, during which it continued to participate in EU programmes and follow EU regulations. On 31 December 2020, the transition period ended, and a new relationship between the UK and EU started, on the basis of a new free trade agreement.

The new agreement means some substantial changes in the trading relationship between the UK and the EU. There will also potentially be changes in administrative areas previously covered by EU law. In the short term, the UK has incorporated EU rules into domestic law. However, it is likely that in some key areas, such as public procurement, agricultural support and state aid, the UK will seek to diverge over time. In changing these rules, there will be some important constitutional issues around the relationship between the UK Government and devolved governments.

The wider opportunities and risks for Wales' economy, society and environment will become clearer as public services move from managing the short-term risks, especially around disruption to supply chains, to adapting to a different relationship with the EU and the wider world. We are also awaiting further details on the UK Government's plans to replace EU funding schemes for regional development and rural development.

The Auditor General will continue to keep a watching brief over developments. In November 2020, he wrote a [letter](#) to the Chair of the External Affairs and Additional Legislation Committee, setting out some observations on the latest position with respect to preparations for the end of the transition period. He also previously published a [report](#)

in February 2019 on public bodies' Brexit preparations and a [follow-up on progress](#) in September 2019.



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# Audit of Accounts Report – The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils

Audit year: 2021-22

Date issued: January 2023

Document reference: 3319A2023

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

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# Contents

We intend to issue an unqualified audit report on your Accounts.

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# Summary report

## Introduction

- 1 We summarise the main findings from our audit of your 2021-22 annual report and financial statements accounts in this report.
- 2 We have already discussed these issues with the Service Director – Finance and Improvement Services and Director of Finance and Digital Services.
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
- 4 We set this level at £267,920 for this year's audit.
- 5 There are some areas of the accounts that may be of more importance to the reader and we have set a lower materiality level for these, as follows:
  - Related parties £2,520.
- 6 We have now substantially completed this year's audit.
- 7 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.

## Proposed audit opinion

- 8 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**.
- 9 We issue a 'qualified' audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.
- 10 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards
- 11 Our proposed audit report is set out in **Appendix 2**. Significant issues arising from the audit

## Uncorrected misstatements

- 12 There are no misstatements identified in the accounts, which remain uncorrected.

## Corrected misstatements

- 13 There were initially misstatements in the accounts that have now been corrected by management. However, we believe that these should be drawn to your attention and they are set out with explanations in **Appendix 3**.

## Other significant issues arising from the audit

- 14 In the course of the audit, we consider a number of matters relating to the accounts and report any significant issues arising to you. There were no issues arising in these areas this year.

# Appendix 1

## Final Letter of Representation

[Audited body's letterhead]

Auditor General for Wales  
Wales Audit Office  
24 Cathedral Road  
Cardiff  
CF11 9LJ

Date

### Representations regarding the 2021-22 financial statements

This letter is provided in connection with your audit of the financial statements of The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils for the year ended 31 March 2022, for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

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

### Management representations

#### Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the Charities Statement of Recommended Practice 2019 (FRS102); 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 Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils 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.

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

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

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

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

The financial statements are free of material misstatements, including omissions. All misstatements have been corrected both material and those below materiality thresholds.

## Representations by Full 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 Rhondda Cynon Taf County Borough Council on 18 January 2023.

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

Signed by:

Signed by:

Director of Finance and Digital Services  
(Section 151 Officer)

Leading Member

Date: 18 January 2023

Date: 18 January 2023

# Appendix 2

## Proposed Audit Report

### **The independent auditor's report of the Auditor General for Wales to the trustee of The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils**

#### **Opinion on financial statements**

I have audited the financial statements of The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils for the year ended 31 March 2022 under the Charities Statement of Recommended Practice (FRS102). These comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

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

#### **Conclusions relating to going concern**

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from when the financial statements are authorised for issue. My responsibilities and the responsibilities of the trustee 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 trustee 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.

## **Report on other requirements**

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

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustee's report;
- sufficient accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit.



## Responsibilities

### Responsibilities of the trustee's for the financial statements

As explained more fully in the statement of trustee's responsibilities set out on page 8 the trustee is responsible for preparing the financial statements in accordance with the Charities Act 2011, for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the charity'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 deemed inappropriate.

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

I have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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, including obtaining and reviewing supporting documentation relating to The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils' policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I

identified potential for fraud in the following areas: revenue recognition, posting of unusual journals and review for any unusual transactions.

- obtaining an understanding of The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils' framework of authority as well as other legal and regulatory frameworks that The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils 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 The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils.

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 about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all the 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 The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils' 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.

Richard Harries  
On behalf of the Auditor General for Wales Cardiff

24 Cathedral Road  
Cardiff  
CF11 9LJ

Date:

# Appendix 3

## Summary of Corrections Made

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

### Exhibit 1: summary of corrections made

Value of correction	Nature of correction	Reason for correction
Charitable Activities £35,000  Creditors: Amounts Falling Due Within One Year £35,000	Increase in Grants awarded.  Increase in Grants awarded.	The final approval of grants in March 2022 had not been included within the financial statements.
Creditors: Amounts Falling Due Within One Year £89,000  Creditors: Amounts falling due after more than one year £89,000	Decrease in creditors falling due within one year and increase in amounts falling due after more than one year.	To reflect the period that the grants payable has been outstanding.
Related Party disclosures (Note 4)	Some amounts and organisations noted required amendment.	To correctly reflect the related party transactions.
Narrative amendments to the report of the Trustees	Various narrative amendments.	To comply with the Statement of Recommended Practice.



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**The Welsh Church Act Fund within  
the areas of  
Rhondda Cynon Taf, Bridgend  
and Merthyr Tydfil  
County Borough Councils**

**ANNUAL REPORT  
AND FINANCIAL STATEMENTS  
2021/22**

Registered Charity no. 506658

## Annual Report 2021/22

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## **Report of the Trustee for the Year Ended 31<sup>st</sup> March 2022**

### **Duty to Prepare Annual Reports and Accounts**

Rhondda Cynon Taf County Borough Council, as trustee, is responsible for the preparation of the Annual Report and Accounts for the Welsh Church Act Fund.

The trustee presents its report along with the financial statements of the charity for the year ended 31<sup>st</sup> March 2022. The financial statements have been prepared in accordance with the legal requirements contained in the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 (SI 2008 No 629) and the Charities Statement of Recommended Practice 2019 (FRS102).

### **Legal and Administrative Information**

#### **Name of Charity**

The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils.

#### **Charity Number**

506658

#### **Governing Document**

Trust Deed

#### **Trustee**

Rhondda Cynon Taf CBC, as a corporate body, is the trustee of the Welsh Church Act Fund.

#### **Method of Appointment**

Upon becoming a Member of the Council, Councillors become a trustee of the Fund.

#### **Chief Executive**

Chris Bradshaw

#### **Principal Office**

Rhondda Cynon Taf CBC, The Pavilions, Cambrian Park, Clydach Vale, Tonypany, CF40 2XX.

#### **Auditors**

Audit Wales, 24 Cathedral Road, Cardiff, CF11 9LJ.

#### **Bankers**

Barclays Bank PLC, Leicester, Leicestershire, United Kingdom, LE87 2BB.

### **COIFs (Charities Official Investment Fund)**

Managed by CCLA (Churches, Charities and Local Authorities) Investment Management Ltd., Senator House, 85 Queen Victoria Street, London, EC4V 4ET.

### **Solicitors**

Legal and Democratic Services, Rhondda Cynon Taf CBC, The Pavilions, Cambrian Park, Clydach Vale, Rhondda Cynon Taf, CF40 2XX.

### **Investment Managers**

There is no contract with any advisor and no annual fees are charged. However, advice is sought on an ad-hoc basis.

## **Narrative Information**

### **Constitution and Objectives**

Lloyd George, under the provisions of the 1914 and 1919 Welsh Churches Acts, established the Welsh Church Act Fund. These two acts transferred certain categories of secularised property to a Welsh Church Act Fund to be administered by the County Councils, however, these funds were not activated until 1942-47, when property to the value of almost £2.5m was handed over to the County Councils.

The Welsh Churches Acts state that income of the funds should be devoted to charitable or alms giving purposes and that each Council is required to prepare a scheme for the use of the fund.

The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils still operates under the constitution of the Mid Glamorgan Welsh Church Act Fund. The original trust deed is dated 9<sup>th</sup> January 1976 and the registered charity number is 506658.

The charitable purposes to which the fund may be applied are:

- Educational
- Relief in sickness
- Relief in need
- Libraries, Museums, Art Galleries, etc.
- Social and recreational
- Protection of historical buildings, etc.
- Medical and social research, treatment, etc.
- Probation, etc.
- Blind persons
- Aged persons
- Places of worship and burial grounds
- Emergencies or disasters
- Other charitable purposes

These purposes are consistent with the Charity Commission's guidance on public benefit.



## **Organisation**

All the Councilors of Rhondda Cynon Taf CBC act as trustee of the Welsh Church Act Fund. As the Fund covers the areas of Bridgend and Merthyr Tydfil as well as Rhondda Cynon Taf, the trustee consults with representatives from these County Borough Councils on successful applications within their localities.

Where appropriate an induction and appropriate training is provided to councilors and any responsible officers which deal with the Fund on behalf of the Trustee.

The charity trustee has complied with the duty in the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

## **Related Parties**

A related party transaction is one where the charity has a relationship with another party, which might inhibit it from pursuing its own separate interests. It is considered that Rhondda Cynon Taf CBC, Bridgend CBC and Merthyr Tydfil CBC and all Trustees of the Fund have related party relationships with the charity. Transactions with related parties are disclosed in Note 4 to the Statement of Financial Activities.

## **Grant Making Policy**

Organisations are invited to submit applications together with estimates, accounts and constitutions. One or more of the purposes mentioned previously will cover successful applicants. There are specific restrictions applied around these general categories which are as follows:

1. Students are not eligible as it is considered that the County Borough Council's education policy already covers the most worthwhile cases.
2. Individual cases of relief in sickness will be referred to by the County Borough Council's Community & Children's Services Group.
3. Individual cases of relief in need will be refused, as any provision in this area should be the responsibility of the Department for Work and Pensions. However, applications from organisations working towards relief in need will be considered on their merits.
4. No grant will be made towards organisations with an alcohol license.
5. No grants will be made toward projects operating outside the areas of Bridgend, Merthyr Tydfil and Rhondda Cynon Taf.
6. Applications will be considered from organisations based outside the areas of Bridgend, Merthyr Tydfil and Rhondda Cynon Taf provided that the work of the organisation has local significance.
7. To be eligible, organisations should ensure their facilities are open to the public at large. Any assistance given will be towards project expenditure of a capital nature only. Revenue costs such as running expenses will not be supported. Welsh Church

Act Fund grants will not be paid up front. Grant will normally be paid on completion of the project, on submission of invoices and bank statements to evidence the expenditure.

8. Welsh Church Act Fund grant limits during 2021/22 were:

Grants under £2,000 did not require match funding, grants exceeding £2,000 required a minimum of 10% match funding and grants exceeding £10,000 required a minimum of 20% match funding from non-Welsh Church Fund sources. Maximum grant available was £50,000.

### **Details of the Grant Making Process**

When projects are fully developed and ready for a decision, recommendations are made by officers via a Grant Assessment Report. Decisions to accept or reject these recommendations are made by the Regeneration Manager in consultation with the Cabinet Member and following consultation with Bridgend and Merthyr Tydfil County Borough Councils.

### **Review of Financial Activities**

The Statement of Financial Activities for the year is set out on page 13. A summary of the financial results are set out below:

Investment income during the year totalled £376k (£408k in 2020/21). Expenditure on charitable activities totalled £423k (£342k in 2020/21), and governance costs of £9k were incurred (£6k in 2020/21). Net incoming resources less resources expended amounted to a deficit of £56k (Net incoming resources less resources expended amounted to a surplus of £60k in 2020/21).

During 2021/22 the number of grant awards processed increased from 23 in 2020/21 to 38. The low number of applications is due to the impact of the COVID 19 pandemic.

Net gains on the revaluation of Investments totalled £385k for the year (net gains of £1,326k in 2020/21).

### **Investment Policy and Performance against Policy**

The Trust Deed governs the trustee's investment powers. This permits the Charity's funds to be invested in any authorised security listed on the London Stock Exchange. The trustee has complied with this policy during 2021/22.

The investment strategy of the Fund is to balance risk. Capital value is exposed to minimum risk whilst ensuring investment income is sufficient to pay for approved grants.

## **Aims**

The challenges experienced by all charities during the Covid 19 pandemic continue to have an impact on the sector. This will be most keenly felt in areas of high deprivation where the Fund operates. We will continue to be a demand led grant making charity providing support where it is needed.

## **Achievements and Performance**

In line with the charity's objectives, grants of £385k were awarded in 2021/22. Further details are given in Note 2 to the Statement of Financial Activities.

## **Risk Management**

The trustee is made aware of any issues with possible detrimental effects upon the Fund as they arise. There were no such issues during 2021/22.

The accounts are prepared in accordance with the Host Authority's Corporate Governance policies such as Financial Procedure Rules, Contract Procedure Rules, Codes of Conduct and Scheme of Delegation. The trustee is aware that investment values can decrease as well as increase.

## Statement of the Trustee's Responsibilities

The trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustee is responsible for the maintenance and integrity of the charity and financial information included on its website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Trustee

Signed:

On behalf of the Trustee.....

Date.....

## **The independent auditor's report of the Auditor General for Wales to the trustee of the Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils**

### **Opinion on financial statements**

I have audited the financial statements of the Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils for the year ended 31<sup>st</sup> March 2022 under the Charities Statement of Recommended Practice (FRS102). These comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31<sup>st</sup> March 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

### **Basis for opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Conclusions relating to going concern**

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body'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 trustee 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 trustee 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 the fact.

I have nothing to report in this regard.

## **Report on other requirements**

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

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustee's report;
- sufficient accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by the team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit.

## **Responsibilities**

### **Responsibilities of the trustee for the financial statements**

As explained more fully in the statement of trustee's responsibilities set out on page 8, the trustee is responsible for preparing the financial statements in accordance with the Charities Act 2011, for being satisfied that they give a true and fair view, and for such internal control as the trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the charity'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 deemed inappropriate.

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

I have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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, including obtaining and reviewing supporting documentation relating to The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils' policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals and review of any unusual transactions;
- Obtaining an understanding of The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils' framework of authority as well as other legal and regulatory frameworks that The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils' operates in, focusing on those laws and regulations that had a fundamental effect on the operations of The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils.

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 about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of The

Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil 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.

Richard Harries  
On behalf of the Auditor General for Wales

24 Cathedral Road  
Cardiff  
CF11 9LJ

Date:



**Statement of Financial Activities for the year ended 31<sup>st</sup> March 2022**

	Note	Unrestricted Funds	
		2021/22 £'000	2020/21 £'000
<b><u>Income and Endowments from:</u></b>			
Investments	1	376	408
<b>Total Income and Endowments</b>		<b>376</b>	<b>408</b>
<b><u>Expenditure on:</u></b>			
Charitable Activities	2	(423)	(342)
Other	3	(9)	(6)
<b>Total Expenditure</b>		<b>(432)</b>	<b>(348)</b>
Net gains/(Losses) on Investments		385	1,326
<b>Net Income/(Expenditure)</b>		<b>329</b>	<b>1,386</b>
<b><u>Net Movement in funds</u></b>		<b>329</b>	<b>1,386</b>
<b><u>Reconciliation of Funds</u></b>			
Total Funds Brought Forward at 1 <sup>st</sup> April		13,523	12,137
<b>Total Funds Carried Forward at 31<sup>st</sup> March</b>		<b>13,852</b>	<b>13,523</b>

The notes contained on pages 18 - 21 form part of these Accounts.

**Balance Sheet as at 31<sup>st</sup> March 2022**

	Note	31/03/22	31/03/21
		£'000	£'000
<b><u>Fixed Assets</u></b>			
Investments	1	13,781	13,396
		<b>13,781</b>	<b>13,396</b>
<b><u>Current Assets</u></b>			
Debtors	2	98	103
Cash at Bank		391	398
		<b>489</b>	<b>501</b>
<b><u>Current Liabilities</u></b>			
Creditors: Amounts falling due within one year	3	(329)	(374)
		<b>160</b>	<b>127</b>
<b>Net Current Assets</b>			
Creditors: Amounts falling due after more than one year	4	(89)	(0)
		<b>13,852</b>	<b>13,523</b>
<b>Total Net Assets</b>			
Represented By:			
<b><u>The Funds of the charity:</u></b>			
Unrestricted Funds		13,852	13,523
<b>Total Unrestricted Funds</b>		<b>13,852</b>	<b>13,523</b>

The notes contained on pages 22 - 23 form part of these Accounts.

**Statement of Cash Flows for the year ended 31<sup>st</sup> March 2022**

	Note	2021/22	2020/21
		£'000	£'000
<b><u>Cash Flows from Operating Activities:</u></b>			
<b>Net Cash Provided by (Used in) Operating Activities</b>	1	(388)	(672)
<b><u>Cash Flows from Investing Activities:</u></b>			
Dividends, Interest and Rents from Investments		381	406
<b>Net Cash Provided by (Used in) Investing Activities</b>		381	406
<b><u>Cash Flows from Financing Activities</u></b>			
<b>Net Cash Provided by (Used in) Financing Activities</b>		0	0
<b>Change in Cash and Cash Equivalents in the Reporting Period</b>		(7)	(266)
<b>Cash and Cash Equivalents at the Beginning of the Reporting Period</b>		398	664
<b>Cash and Cash Equivalents at the End of the Reporting Period</b>		391	398

The notes contained on page 24 form part of these Accounts.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

**Barrie Davies**  
**Director of Finance and Digital Services**  
 Rhondda Cynon Taf CBC  
 The Pavilions  
 Cambrian Park  
 Clydach Vale  
 Tonypandy. CF40 2XX

## **Accounting Policies**

Accounting Policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts.

### **Basis of Preparation**

The financial statements are prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with the Financial Reporting Standard for Smaller Entities.

The financial statements have been prepared in accordance with the legal requirements contained in the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 (SI 2008 No 629) and the Charities Statement of Recommended Practice 2019 (FRS102) except where stated otherwise.

### **Incoming Resources Policy**

Income is credited to the fund in the year to which it relates regardless of when the income is actually received.

### **Resources Expended Policy**

Expenditure is included on an accruals basis i.e. charged to the year to which it relates regardless of when the expenditure is made.

### **Grants Payable Policy**

Grants payable are charged in the year when the offer is conveyed to the recipient. Unused grants are written back when written confirmation is provided stating that funding is no longer required.

### **Management and Administration Policy**

The allocation of Central Support Services costs to the Fund is based upon an estimate of the time spent by employees of Rhondda Cynon Taf CBC in undertaking work associated with the Fund.

### **Investment Properties**

Investment properties are recorded in the accounts at the most recent valuation of market value. Any difference in value arising out of the periodic revaluations will be charged/credited to Unrestricted Funds. The most recent valuation was at 1<sup>st</sup> December

2020 and was carried out by Chris Clarke Surveyors Ltd. In accordance with FRS 102, investment properties are not depreciated.

### **Fixed Asset Investments (Other Than Property)**

Long Term Investments are recorded in the accounts at current market value. Rhondda Cynon Taf CBC, as Host Authority, administers investments on behalf of the Fund. The Treasury Management Policy statement of the Host Authority governs all such transactions.

Any unrealised and realised gains and losses on revaluation and disposal are combined in the Statement of Financial Activities.

### **Fund Structure**

All funds are unrestricted.

### **Trustee Remuneration and Expenses**

The trustee has not received any remuneration or expenses in the year 2021/22.

### **Policy on Reserves**

Reserves are unrestricted and held for the future use of the Fund for the purposes specified in the Trust Deed.

### **Policy on Investments of Cash**

Cash is deemed to be sums of money available for immediate use by the Welsh Church Fund. Such items are cash balances held in the Fund's bank account (less unpresented cheques). The Welsh Church Fund does not hold Cash in Hand.

### **Policy on Debtors and Creditors**

Debtors are amounts recoverable, based on the amount the Charity anticipates it will receive. There is no bad debt provision included within the Statements. Creditors are amounts due from the Welsh Church Act Fund.

### **Policy on Going Concern**

The trustee is responsible for keeping proper accounting records and produce financial statements that comply with the provisions of the trust deed. The Fund is therefore prepared on the basis of a going concern.

**Notes to the Statement of Financial Activities****1. Investment Income**

	<b>2021/22</b> <b>£'000</b>	<b>2020/21</b> <b>£'000</b>
Bank Interest	1	1
Interest on Investments	375	407
<b>Total</b>	<b>376</b>	<b>408</b>

**2. Charitable Activities**

During 2021/22 the Fund awarded total grants amounting to £384,696.01. Those organisations awarded grants equal to or greater than £2,000 are detailed below:

<b>Organisation</b>	<b>Amount</b> <b>£</b>
Rhondda Lawn Tennis Club	(10,000.00)
Llantrisant Church	(10,000.00)
Bridgend Society of Friends / Quakers	(4,125.00)
St Winifred's, Penrhiwceiber	(10,000.00)
Cylch Meithrin Seren Fach, Mountain Ash	(4,816.25)
Emmanuel Christchurch, Bridgend	(10,000.00)
St Matthew's, Treorchy	(9,997.54)
St Theodore's Church, Kenfig Hill	(10,000.00)
Lee Gardens Pool, Penrhiwceiber	(48,560.24)
Brackla Tabernacle, Brackla	(9,270.00)
Green Street Chapel, Aberdare	(9,000.00)
All Saint's Church, Bridgend	(10,000.00)
Hetty Pit, The Great Western Colliery Preservation Trust, Trehafod	(6,000.00)
St George's, Cwmparc	(10,000.00)
Fuze at The Fern Partnership, Clydach Vale	(8,850.00)
Parc and Dare Band, Treorchy	(10,000.00)
Hope Church, Merthyr	(10,000.00)
St John The Divine Church, Aberkenfig	(7,549.35)
Bridge Mentoring Scheme, Bridgend	(5,000.00)
Dylan's Den, Treorchy	(7,871.61)
St Teilo's, Bridgend	(10,000.00)
St Peter's Church, Pentre	(9,295.30)
Blaenllechau Youth Project, Blaenllechau	(5,402.39)
Hope Rescue, Llanharan	(12,057.16)
Rhondda Lawn Tennis Club	(10,000.00)
Merthyr Tydfil Sailing Club	(10,000.00)
Darranlas Environmental Group, Mountain Ash	(8,926.38)
Rock Community Church, Abercynon	(9,270.00)
Gelligaled Park Community Action Group	(39,761.63)
St Donat's Church, Abercynon	(10,000.00)

Darranlas Community Building, Mountain Ash	(10,000.00)
Cwmparc Community Welfare Association	(4,764.69)
Nebo Baptist Church, Bridgend	(10,000.00)
Nantgarw China Works	(10,000.00)
St Thomas Church (Rhondda Ministry Area)	(8,470.73)
<b>Subtotal of grants equal to or greater than £2,000 (35 in number)</b>	<b>(378,988.27)</b>
<b>Grants less than £2,000 (3 in number)</b>	<b>(5,707.74)</b>
<b>Total grants payable for 2021/22 (38 in number)</b>	<b>(384,696.01)</b>
Grants written back to the Fund	867.17
Accounting and Technical Support	(39,321.88)
<b>Total Charitable Activities as per Statement of Financial Activities</b>	<b>(423,150.72)</b>

The Welsh Church Fund only awards grants to institutions.

The following table gives a summary analysis of grants awarded by the nature of the project during 2021/22:

<b>Analysis</b>	<b>Total Amount of Grant Awarded</b>	<b>Total Number of Grants</b>
	<b>£</b>	
Social and recreational	(113,162.54)	9
Other charitable purposes	(90,758.55)	9
Places of worship	(164,774.92)	18
Libraries, Museums and Art Galleries	(16,000.00)	2
<b>Total</b>	<b>(384,696.01)</b>	<b>38</b>

### 3. Other Costs

	<b>2021/22 £'000</b>	<b>2020/21 £'000</b>
Audit Fees	(9)	(6)
<b>Total</b>	<b>(9)</b>	<b>(6)</b>

#### 4. Related Party Transactions

##### 4.1 Related Transactions with Administrating Authority

Organisation	Nature of Interest	Welsh Church Act Fund Transactions with Organisation			
		Net Value (£'000)		Balance Outstanding as at 31st March 2022 (£'000)	
		Payments	Receipts	Payments	Receipts
Rhondda Cynon Taf CBC	Accounting & technical support	(39)	0	0	0
Rhondda Cynon Taf CBC	Interest Receivable	0	1	0	1
<b>Total</b>		<b>(39)</b>	<b>1</b>	<b>0</b>	<b>1</b>

##### 4.2 Related Transactions with Members of the Council

During 2021/22, nine Members identified an interest in Twelve organisations that have been awarded a grant from the Fund.

Organisation	Member's Relationship	Amount Awarded		Outstanding Amount	
		2021/22	2020/21	31/03/22	31/03/21
Eglwys y Bedyddwyr, Blaenycwm,	Secretary	0	8,508	0	0
St Elvan's Church, Aberdare.	Member	0	0	2,000	25,000
Friends of Aberdare Park	2 Members and a Trustee	0	0	10,000	10,000
Ynysybwl Regeneration Partnership, Ynysybwl	Director	0	50,000	0	10,000
Trecynon Free Library & Institute, Trecynon.	Chair	0	10,000	0	10,000
Pontypridd YMCA	Director	0	50,000	50,000	50,000
Rhondda Lawn Tennis Club, Treorchy.	Member	20,000	0	10,000	0
Gelligaled Park Action group.	Trustee and a Member	39,762	0	39,762	0
St Winifred's Church, Penrhiwceiber	Treasurer	10,000	0	0	0



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Darranlas Environmental Group, Mountain Ash	Member	8,926	0	2,792	0
Darranlas Community Building, Mountain Ash	Member	10,000	0	10,000	0
Lee Gardens Pool Penrhiwceiber	Chair	48,500	0	28,560	0

## Notes to the Balance Sheet

### 1 Fixed Asset Investments

#### 1.1 Analysis of Movement in Investments

An analysis of the fixed assets held as investments for the charity is provided below:

	<b>Land £'000</b>	<b>Securities £'000</b>	<b>Totals £'000</b>
1 <sup>st</sup> April 2021	44	13,352	13,396
Net Surplus on Revaluation	0	385	385
<b>Market Value at 31<sup>st</sup> March 2022</b>	<b>44</b>	<b>13,737</b>	<b>13,781</b>

#### 1.2 Investment Securities Analysis

	<b>31/03/22 £'000</b>	<b>31/03/21 £'000</b>
Government Stock	479	457
Charities Official Investment Fund	8,795	8,094
Charities Official Fixed Interest Fund	4,463	4,801
<b>Total Market Value</b>	<b>13,737</b>	<b>13,352</b>
Historical Cost as at 31 <sup>st</sup> March 2022	7,289	7,289

### 2 Debtors

An analysis of debtors as at 31<sup>st</sup> March 2022 is provided below:

	<b>31/03/22 £'000</b>	<b>31/03/21 £'000</b>
Amounts due from RCT CBC	1	1
Accrued Interest on Investments	97	102
<b>Total</b>	<b>98</b>	<b>103</b>

2.1 Accrued Interest relates to investment income relating to 2021/22 paid in 2022/23. It is made up as follows:

	<b>£'000</b>
COIF Fixed Interest Fund	61
COIF Investment Fund	32
2 ½ % Index Linked 2024	4
<b>Total</b>	<b>97</b>

**3 Creditors: Amounts Falling Due Within One Year**

An analysis of creditors as at 31<sup>st</sup> March 2022 is as follows:

	<b>31/03/22</b>	<b>31/03/21</b>
	<b>£'000</b>	<b>£'000</b>
Miscellaneous Charitable Organisations	(304)	(336)
Audit Wales – fee accrual	(15)	(6)
Rhondda Cynon Taf CBC	(10)	(32)
<b>Total</b>	<b>(329)</b>	<b>(374)</b>

**4 Creditors: Amounts Falling Due After More Than One Year**

An analysis of creditors as at 31<sup>st</sup> March 2022 is as follows:

	<b>31/03/22</b>	<b>31/03/21</b>
	<b>£'000</b>	<b>£'000</b>
Miscellaneous Charitable Organisations	(89)	(0)
<b>Total</b>	<b>(89)</b>	<b>(0)</b>

**Notes to Cash Flow****1. Reconciliation of Net Income/(Expenditure) to Net Cash Flow from Operating Activities**

	<b>2021/22</b>	<b>2020/21</b>
	<b>£'000</b>	<b>£'000</b>
<b>Net Income/(Expenditure) as per the Statement of Financial Activities</b>	<b>329</b>	<b>1,386</b>
<b>Adjustments for:</b>		
(Gains)/Losses on Investments	(385)	(1,326)
Dividends, Interest and Rents from Investments	(376)	(408)
(Increase)/Decrease in Debtors	0	4
Increase/(Decrease) in Creditors	44	(328)
<b>Net Cash Provided by (used in) Operating Activities</b>	<b>(388)</b>	<b>(672)</b>

## Appendix 4

Date/Dyddiad:  
18<sup>th</sup> January 2023

Please ask for/Gofynnwch am:  
Barrie Davies  
(01443) 424026

Auditor General for Wales  
24 Cathedral Road  
Cardiff  
CF11 9LJ

Dear Richard,

**Representations regarding the 2021/22 financial statements for the Welsh Church Act Fund within the Areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils**

This letter is provided in connection with your audit of the financial statements of the Welsh Church Act Fund for the Areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils for the year ended 31<sup>st</sup> March 2022 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

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

### **Management Representations**

#### **Responsibilities:**

We have fulfilled our responsibilities for:

- The preparation of the financial statements in accordance with legislative requirements and the Charities SoRP; in particular the financial statements give a true and fair view in accordance therewith;
- The design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

## **Information Provided:**

We have provided you with:

- Full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Our knowledge of fraud or suspected fraud that we are aware of and that affects Rhondda Cynon Taf County Borough Council (as Trustee of the Fund) 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.

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

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

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

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

The financial statements are free of material misstatements, including omissions. All misstatements have been corrected both material and those below materiality thresholds.

**Representations by the Trustee of the Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils.**

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 of Rhondda Cynon Taf County Borough Council on 18<sup>th</sup> January 2023.

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

Director of Finance and Digital Services  
(Section 151 Officer)

Leading Member

Date 18/01/23

Date 18/01/23

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## RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2022/23

COUNCIL

18<sup>th</sup> JANUARY 2023

### LOCAL COUNCIL TAX REDUCTION SCHEME

#### REPORT OF: THE DIRECTOR OF FINANCE AND DIGITAL SERVICES

**Author:** Barrie Davies (01443 424026)

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

- 1.1. This report fulfils the requirement to annually consider whether to revise or replace the Council's existing Council Tax Reduction Scheme ("CTRS") and the requirement to adopt a scheme by 31<sup>st</sup> January 2023.
- 1.2. As part of the review, the report sets out the changes to the CTRS that were introduced in April 2013. It explains the amendments proposed, the funding implications likely and documents the consultation outcomes allowing Members to consider the adoption of the Council's local CTRS for the 2023/24 financial year, which must be adopted by 31<sup>st</sup> January 2023.

#### **2. RECOMMENDATIONS**

2.1. It is recommended that Members:

- a) Note and adopt the provisions of the Prescribed Requirements Regulations and the amendments made to those regulations by the Amendment Regulations as the Council's local CTRS for 2023/24, subject to the local discretions that the Council is able to exercise;
- b) Note the outcome of the consultation exercise undertaken by the Council on the local discretions applicable to the CTRS for 2023/24; and
- c) Confirm the discretions applicable to the Council's local CTRS for 2023/24 as set out at paragraph 5.3 (Table 2) of this report.

### **3. BACKGROUND**

3.1. The CTRS in Wales is set by regulations made under Schedule 1B of the Local Government Finance Act 1992 (as inserted by the Local Government Finance Act 2012). On 26<sup>th</sup> November 2013, the National Assembly for Wales (NAfW) approved two sets of regulations:

- (a) the Council Tax Reduction Schemes (Default Schemes) (Wales) Regulations 2013 (“the Default Scheme Regulations”); and
- (b) the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 (“the Prescribed Requirements Regulations”) (together the “Regulations”).

The Regulations at (b) above prescribe the main features of the CTRS to be adopted by all councils in Wales.

3.2. The Prescribed Requirements Regulations contain an obligation, where each year a council must consider whether to revise its scheme, or to replace it with another scheme. Any revision or replacement must be made no later than 31<sup>st</sup> January in the year preceding the financial year for which the revision or replacement scheme will take effect. However, the Regulations were amended in January 2015 to remove the requirement for Local Authorities to consult in relation to changes made by Welsh Ministers where authorities have no discretion. This means that Local Authorities do not need to consult when the Prescribed Requirements Regulations are amended by WG annually, to reflect consequential amendments to other state benefit changes.

3.3. Although there is a national scheme for Wales, the Prescribed Requirements Regulations provide limited discretion for the Council to apply minor additional discretionary elements that are more generous than the national scheme and which provide for additional administrative flexibility. If the Council does decide to offer more generous local discretions this would further increase the cost of the CTRS. These are:-

- (a) The ability to increase the standard extended reduction period of 4 weeks given to persons who have ceased to receive qualifying benefits after they return to work (or increase hours or increase earnings), where they have previously been receiving a Council Tax reduction that is to end as a result of the change in their circumstances;
- (b) The ability to backdate the application of Council Tax reduction for periods longer than the standard period of 3 months before the claim is made; and
- (c) Discretion to disregard more than the statutory weekly £10 of income received in respect of War Disablement Pensions and War Widow’s Pensions (disregarded when calculating the income of the applicant).

3.4. The Prescribed Requirements Regulations require the Council to adopt a CTRS by 31<sup>st</sup> January each year, regardless of whether it applies any of the discretionary elements set out in the preceding paragraph. If the Council fails to make a scheme, then a default scheme shall apply under the provisions of the Default Scheme Regulations. The Council can only apply discretion if it adopts a scheme under the Prescribed Requirements Regulations.

- 3.5. Each year, WG updates the Regulations to amend the financial values used to assess an applicant's entitlement. On 6<sup>th</sup> December 2022 the amending Regulations - (The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2023) (the "Amendment Regulations") - were laid before WG. Due to the WG's procedures which govern the making of the Regulations, the Amendment Regulations are to be formally considered by Plenary session of WG on 17<sup>th</sup> January 2023 and subject to approval, will come into force on 20<sup>th</sup> January 2023.
- 3.6. As detailed above, each year WG has to amend the Regulations to ensure that certain financial values used to calculate entitlement to a reduction for non-passported CTRS applicants are up-rated. For 2023/24, these changes relate to: -
- Personal allowances in relation to working age, carer and disabled applicants;
  - Personal allowances in relation to pensioner applicants;
  - Non-dependant deductions;
- 3.7. In addition to any changes to the up-rating provisions referred to above, the Amendment Regulations incorporate further amendments to reflect consequential changes relating to social security benefits and other technical changes. A summary of all the main changes is set out in Appendix 1 to this report for information.

#### **4. CONSULTATION AND EQUALITY IMPACT ASSESSMENT**

- 4.1. The Regulations specify that in preparing its CTRS, a council must consult with any person it considers are likely to have an interest. Consequently, this requirement is met by incorporating a number of questions on the discretionary areas in the local CTRS, within the Council's general budget consultation process (which includes council tax levels and service priorities to inform the annual budget setting process).
- 4.2. Phase 1 of the annual budget consultation process for the 2023/24 financial year ran from 23<sup>rd</sup> November to 21<sup>st</sup> December 2022 and used the Council's Let's Talk Engagement website, delivered face-to-face events in the community and with specific groups / Council Committees, and provided alternate means of engagement for those having reduced or no access to the internet and for those who preferred to engage through traditional methods.
- 4.3. The overall response from the consultation process on the three discretionary areas available to the Council and which it could apply to its CTRS was as follows: -

**Table 1**

<b>Discretion Area</b>	<b>No. of Respondents</b>	<b>Yes</b>	<b>No</b>	<b>Don't Know</b>
Do you think that 4 weeks is a reasonable period to continue paying Council Tax Reduction when someone returns to work?	505	385	80	40
Do you think that it is reasonable for the Council to continue to totally disregard War Disablement and War Widow's Pensions income when assessing entitlement to CTR Scheme?	504	313	141	50
Do you think that 6 months is a reasonable period to backdate claims for working age and pensioners?	502	325	128	49

4.4. As part of the consultation arrangements set out in paragraph 4.2 a presentation was made to the Council's Overview and Scrutiny Committee on 29<sup>th</sup> November 2022, the feedback from which is set out below.

Council Tax Reduction Scheme – a 4-week extended payment period for people who return to work?

- Committee Members agreed that a 4-week period is adequate and should be retained as this provides individuals with support as they return to work.

Council Tax Reduction Scheme – Exclude war disablement and war widow pension when assessing CTR scheme?

- Committee Members supported the exclusion of the whole amount of War Disablement Pensions and War Widow's Pensions when calculating Council Tax Reduction Scheme entitlement.

Council Tax Reduction Scheme – Backdating claims by 6 months?

- Committee Members agreed that the backdated claim period of 6 months was adequate and should be retained.

4.5. In terms of an Equality Impact Assessment, the Council undertook a comprehensive equality impact assessment in January 2013 based on the original scheme. This has been reviewed in light of the minor changes to each subsequent year's scheme and it is evident that there are no amendments required.

4.6. The NAFW undertook a comprehensive Regulatory Impact Assessment in respect of the national Council Tax Reduction Scheme, which accompanied the Regulations when they were considered by the NAFW in November 2013.

## **5. ADOPTION OF THE COUNCIL TAX REDUCTION SCHEME**

5.1 The Council is required to adopt its CTRS by 31<sup>st</sup> January 2023. This requirement is a statutory duty and applies even if the Council chooses not to apply any of the discretions available to it. If the Council fails to make a scheme, then a default scheme will apply under the Default Scheme Regulations (as amended).

5.2 As set out in paragraph 3.3, the Council does have limited discretion to be more generous than the national scheme and provide for additional administrative flexibility (specified under Part 5, paragraphs (32) to (34) of the Prescribed Requirements Regulations).

5.3 Taking account of:-

- (a) the responses to the Council's consultation exercise relating to the discretionary elements of the scheme;
- (b) the existing Housing Benefit Scheme in relation to the treatment of War Pensions (widows, widowers and disablement), which disregards these payments in full; and
- (c) the fixed funding made available by WG (as detailed at paragraph 6),

it is recommended that the approach to the available discretions should continue in line with the arrangements for 2022/23 as set out in Table 2.

**Table 2**

<b>Discretionary Parts of the Prescribed Requirements Regulations</b> <i>(Part 5 – Other Matters that must be included in an authority’s scheme)</i>	<b>Prescribed Requirements Regulations (Minimum Requirement)</b>	<b>Recommended Discretion to be adopted</b>
<p>Ability to increase the standard extended reduction period of 4 weeks given to applicants where they have previously been receiving a Council Tax reduction that is to end, as they have ceased receiving qualifying benefits as a result of returning to work, increasing their hours of work, or receiving increased earnings.</p> <p><i>Regulation 32 (3) paragraph (33) of Schedule 1 and Regulation 33 (3), paragraph (35) and (40) of Schedule 6.</i></p>	<p>4 Weeks</p>	<p><u>Pensioners:</u> The standard period of <b>4</b> weeks specified in paragraph (33) of Schedule 1 will apply, and</p> <p><u>Non- Pensioners:</u> The standard period of <b>4</b> weeks specified in paragraph (35) and (40) of Schedule 6 will apply</p>
<p>Ability to backdate an application for CTR with regard to late claims prior to the standard period of 3 months before the claim is made.</p> <p><i>Regulation 34 (4) and paragraph (3) and (4) of Schedule 13.</i></p>	<p>3 Months</p>	<p><u>Pensioners:</u> A period of <b>6</b> months will apply.</p> <p><u>Non-Pensioners:</u> A period of <b>6</b> months will apply.</p>
<p>Ability to disregard more than the statutory weekly £10 of income received in respect of War Disablement Pensions and War Widow's Pensions (disregarded when calculating income of the applicant);</p> <p><i>Regulation 34 (5), paragraphs 1(a) and 1(b) Schedule 4 and paragraphs 20(a) and 20(b) of Schedule 9</i></p>	<p>£10</p>	<p><u>Pensioners:</u> The <b>total</b> value of any pension specified in paragraphs 1 (a) and (b), Schedule 4 will be disregarded.</p> <p><u>Non-Pensioners:</u> The <b>total</b> value of any pension specified in paragraphs 20 (a) and (b), Schedule 9 will be disregarded.</p>

5.4 It should be noted that there is no additional funding available from WG to fund the discretionary elements of the CTRS. The estimated cost of funding the discretionary elements of the Prescribed Scheme in **2022/23** is set out in Table 3 below:

**Table 3**

<b>Discretionary Element</b>	<b>Est. Annual Cost</b>	<b>No. of Applicants</b>
Extended Payments	£2,000	12
Backdated Payments	£10,000	70
War Disablement & War Widow's Pensions	£24,000	54
<b>Total estimated cost</b>	<b>£36,000</b>	<b>136</b>

5.5 Accordingly, it is recommended that the Council adopts the Prescribed Requirements Regulations (as amended by the Amendment Regulations) which set out all the components that must be included in a CTR Scheme, as the Council's CTR Scheme for 2023/24 along with the discretions as set out in Table 2.

## **6. FINANCIAL IMPLICATION(S)**

6.1. The budgeted annual value of CTRS to be paid in **2022/23** is £25.587M. There are currently 23,579 applicants as compared to 24,409 at December 2021.

6.2. Local Authorities receive fixed funding for the CTRS from WG, which means that as a local authority's caseload, and hence costs, changes from that assumed when the WG funding was set, the local authority bears the financial risk of any variance.

6.3 The amount allocated to councils by WG through the local government settlement takes no account of:

- Any increase in Council Tax levels that may be applied for 2023/24;
- The increase or decrease in the costs of awards under the CTRS if the number of claimants increase/decrease, or if claimants become eligible for more/less help; and
- The provision for Council Tax bad debt.

6.4 The total amount of cash-limited funding for 2023/24 distributed to the local authorities in Wales contained in the provisional Local Government Settlement announced on 14<sup>th</sup> December 2022 is £244M (this has remained unchanged since 2013/14) and the Council's allocation for 2023/24 is £20.866M (representing 8.6% of the all Wales funding).

6.5 Any change to actual Council Tax levels in 2023/24 made by the Council, will affect the cost of providing the local CTRS, which equates to approximately £256k for each 1% increase in Council Tax.

## **7. EQUALITY AND DIVERSITY / SOCIO ECONOMIC DUTY IMPLICATIONS**

7.1 The equality and diversity and socio-economic duty implications are set out in the main body of the report.

## **8. CONSULTATION**

8.1 Consultation arrangements have been set out in the main body of the report.

## **9. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

9.1 The relevant legislation has been referenced throughout the main body of the report.

## **10.0 WELSH LANGUAGE IMPLICATIONS**

10.1 There are no Welsh language implications as a result of the recommendations in this report.

## **11. LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT**

11.1 The recommendation for the adoption of this CTRS and the local discretions will contribute to the Council's Corporate Plan 2020 – 2024 "Making a Difference" through focussing on supporting the economy, prosperity and promoting people's independence. In doing so, it will also contribute to the well-being goals as set out in the Well-being of Future Generations Act.

## **12. CONCLUSION**

12.1 Each year local authorities in Wales are under a statutory obligation to consider whether to revise their CTRS or to replace it with another scheme and any revision or replacement must be made by no later than 31<sup>st</sup> January in the year preceding the financial year for which the revision or replacement scheme will take effect.

12.2 This report provides Council with details of the proposed scheme to be applicable for financial year 2023/24.

**Council Tax Reduction Scheme**

**Amendments to the 2013 Regulations made by 2023**

**Regulations**

1. The new statutory instrument<sup>1</sup> amends the 2013 CTRS Regulations to up-rate certain figures used within those Regulations to calculate entitlement to a Council Tax Reduction, and the amount of any reduction awarded to applicants in 2023/24. It also makes a number of consequential and technical amendments to the 2013 CTRS Regulations to take account of interrelated benefits and ensure they remain fit for purpose.
2. The up-rating increases the various figures used to calculate an applicant's entitlement to a reduction and the amount of the reduction, in line with variations for living costs and earnings. The uprated figures relate to:

<b>Change</b>	<b>Impact</b>
<p><b>Personal allowances in relation to working age, carer and disabled applicants</b> The financial figures in respect of these allowances have been amended and have increased in line with the cost of living rises. The convention is to uprate in line with the Consumer Price Index September figure from the previous year (2022), which is 10.1%.</p>	<p><b>Costs</b> Uprating the financial figures in respect of pensioners and working age allowances would slightly increase total reductions under Council Tax Reduction Schemes. However, if the financial figures in relation to Non-Dependant Deductions were also uprated, this would mitigate some of the increase in total reductions. Consequently, total council tax reductions are not expected to rise significantly because of the uprating.</p> <p><b>Benefits</b> Uprating the financial figures in the 2013 CTRS Regulations will ensure that</p> <ul style="list-style-type: none"> <li>▪ the personal allowance for working age applicants continues to increase in line with the CPI (which is set at 10.1%). For example in 2023-24, the single person allowance would increase from £82.10 to £90.40 (an increase of £8.30).</li> <li>▪ the personal allowance for pensioners continues to increase in line with the standard minimum guarantee and savings credit. For example in 2023-24, the single person allowance would increase from £197.10 to £217.00 (an increase of £19.90).</li> <li>▪ Non-dependant deduction rates are uprated, this will ensure the calculation used to assess the eligibility of non-dependant households remains up-to-date. The calculation would continue to make a fair assessment of the income of non-dependants and the cost of council tax. This will ensure the system remains fair and equitable.</li> </ul>
<p><b>Pensioners reaching state pension age: personal allowance</b>  The Regulations currently provide for higher or lower personal allowance rates for pensioners depending on whether they are over or under 65 respectively. There are no longer pensioners (within the meaning of the Regulations) who are under the age of 65. An amendment is therefore made to remove those redundant references. The effect of the amendment is that all pensioners in Wales are entitled to the higher rate of personal allowance. This means the Welsh scheme is more generous than in England</p>	
<p><b>Non-dependant deductions</b> The financial figures in relation to both the income bands and deductions made in relation to 'non-dependants' will be uprated. If amendments are not made, appropriate deductions would not be made from CTRS awards as the income thresholds would no longer reflect average earnings and the deduction would no longer reflect the overall cost of council tax.</p>	

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<sup>1</sup> The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2023



### 3. Additional Consequential Amendments

In addition to the uprating of financial figures, this statutory instrument makes a number of consequential amendments to the 2013 CTRS Regulations. These will ensure the 2013 Regulations remain up-to-date and fit for purpose.

<b>Area/Issue</b>	<b>Effect of 2023 “Amendment” Regulations</b>
<p><b><u>People from Ukraine</u></b> This amendment is designed to support Ukraine nationals and as a consequence of the refugee crisis caused by the Russo-Ukrainian War. Similar changes will be made by the Department for Levelling Up, Housing and Communities (DLUHC) for required components of local council tax support schemes in England.</p>	<p>The proposed amendments to the 2013 CTRS Regulations make provision to ensure that any Ukrainian national who has been granted leave to enter or remain in the United Kingdom under or outside the immigration rules or who has a right of abode is not treated as not being habitually resident in Great Britain for the purpose of determining their eligibility for a council tax reduction.</p> <p>The effect of these amendments is that people in this group will be eligible to be included in a local authority’s CTRS and will be eligible for a discount if they meet the other requirements of the CTRS.</p>
<p><b><u>People from Ukraine: Protection for hosts for the Homes for Ukraine scheme</u></b> This amendment is designed to ensure that no applicant living in Wales hosting a person from Ukraine under the Homes for Ukraine scheme is negatively impacted.</p>	<p>The proposed amendments to the 2013 CTRS Regulations make provision that any Ukrainian national who has been granted leave to enter or remain in the United Kingdom or who has a right of abode is to be treated as dependent on the applicant host for the purpose of calculating entitlement to a council tax discount. This has the effect of preserving the level of entitlement of the host applicant.</p>
<p><b><u>European Economic Area citizens</u></b> The 2013 CTRS Regulations currently provide an exception for European Economic Area (EEA) citizens. EEA citizens are now subject to immigration control (and therefore a class of persons who must not be included in an authority’s scheme). This amendment will mirror the English regulations.</p>	<p>The proposed amendments to the 2013 CTRS Regulations to remove the exception for EEA citizens who are now subject to immigration control.</p>

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## RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2022/23

COUNCIL

18<sup>th</sup> JANUARY 2023

### COUNCIL TAX PREMIUMS - LONG TERM EMPTY PROPERTIES AND SECOND HOMES

#### REPORT OF: THE DIRECTOR OF FINANCE AND DIGITAL SERVICES

Author: Barrie Davies (01443 424026)

#### **1.0 PURPOSE OF THE REPORT**

- 1.1 This report provides Council with the opportunity to consider the recommendation of Cabinet with regard to the proposed introduction of a Council Tax Premium for Long Term Empty Properties and Second Homes.

#### **2.0 RECOMMENDATIONS**

- 2.1 It is recommended that Council:
- i) Considers and if appropriate agrees to the introduction of a Council Tax Premium for Long Term Empty Properties and Second Homes, as recommended by Cabinet at its meeting held on 12<sup>th</sup> December 2022.

#### **3.0 REASON FOR RECOMMENDATION**

- 3.1 For full Council to satisfy the decision making requirements associated with the proposed introduction of a Council Tax Premium.

#### **4.0 BACKGROUND**

- 4.1 On the 17<sup>th</sup> October 2022, Cabinet considered and agreed a new Empty Homes Strategy for 2022-2025. At the same meeting, Cabinet agreed to initiate a consultation on a proposal to introduce a Council Tax Premium in respect of Long Term Empty Properties and Second Homes. The consultation process took place between 24<sup>th</sup> October and 21<sup>st</sup> November 2022.
- 4.2 The feedback from the consultation process was presented to Cabinet on the 12<sup>th</sup> December 2022 where they determined to proceed with the proposal, as consulted

upon, and to recommend this way forward to Full Council, in line with the statutory decision making requirements with regard to Council Tax Premiums.

- 4.3 The Cabinet reports, consultation report and the Cabinet Decision notice are appended to this report.

## 5.0 **SUMMARY OF PROPOSAL**

- 5.1 Cabinet are recommending the introduction of a Council Tax Premium on Long Term Empty Properties as follows :

<b>Length of Time Property has been Empty</b>	<b>No of Properties</b>	<b>Current Council Tax Liability</b>	<b>Proposed Council Tax Liability</b>
Empty Properties Exempt from Paying Council Tax (6 Month Statutory Exemption)			
<b>0 – 6 Months</b>	1,095	Nil	Nil
Empty Properties already Subject to a Council Tax Charge			
<b>7 – 12 Months</b>	248	100%	100%
Empty Properties already Subject to a Council Tax Charge and proposed to be Charged a Premium			
<b>1 – 2 Years</b>	406	100%	150%
<b>2 Years +</b>	1,310	100%	200%

- 5.2 It is also recommending to charge a premium in respect of second homes and that this should be set at 100% for all properties classified as a second home under Class B of the Council Tax (Prescribed Class of Dwelling) (Wales) Regulations 1998.
- 5.3 It is recommended that the premium for long term empty properties be introduced and effective from **1<sup>st</sup> April 2023**, while the premium for second homes be effective from **1<sup>st</sup> April 2024** (in line with the requirements of the regulations).
- 5.4 The Council would write to each homeowner, once a decision is made, to advise them of the forthcoming changes, thereby providing as much advance notice as possible. The Council is also required to publish notice of the decision within 21 days of that decision being made.

## 6.0 **EQUALITY AND DIVERSITY IMPLICATIONS / SOCIO-ECONOMIC DUTY**

- 6.1 An Equality Impact Assessment has been completed in respect of the proposal and concluded that there are no issues which would prevent the implementation of the proposal.

## **7.0 CONSULTATION**

7.1 The proposal has been consulted upon as set out above.

## **8.0 FINANCIAL IMPLICATION(S)**

8.1 The charging of a premium on long-term empty dwellings would raise additional revenue through the council tax. This is estimated (initially) at £1.5M (full year impact), but will be subject to review and confirmation pending the identification and application of the exceptions set out in Table 1 of Appendix 2.

8.2 The charging of a premium on second homes would raise an estimated extra £0.4M council tax (full year impact).

8.3 The extra revenue raised would support the continuation of the Council's Empty Homes Strategy.

## **9.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

9.1 The legal framework for the implementation of premiums are set out within:

- Housing (Wales) Act 2014
- Local Government Finance Act 1992, Sections 12A and 12B;
- Council Tax (Exceptions to Higher Amounts) (Wales) Regulations 2015

## **10.0 WELSH LANGUAGE IMPLICATIONS**

10.1 There are no Welsh language implications as a result of the recommendations in this report.

## **11.0 LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT**

11.1 The charging of Higher Amounts supports the Council's work in delivering its Empty Homes Strategy and in doing so contributes to the delivery of Corporate Plan priorities and well-being goals as set out in the Well-being of Future Generations Act.

## **12.0 CONCLUSION**

12.1 The Council has discretionary powers to charge higher amounts (premiums) in relation to council tax for long-term empty dwellings and second homes with a view to bringing empty properties back into use, increasing the supply of affordable housing and enhancing the sustainability of local communities.

12.2 This report now summarises the recommendation of the Cabinet with regard to implementing a Premium.

**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

**THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**COUNCIL**

**18<sup>th</sup> January 2023**

**REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES**

Item: **COUNCIL TAX PREMIUMS –  
LONG TERM EMPTY PROPERTIES AND SECOND HOMES**

**Background Papers**

Cabinet: 17<sup>th</sup> October 2022

Cabinet: 12<sup>th</sup> December 2022

Officer to contact: Barrie Davies



**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**CABINET**

**12th DECEMBER 2022**

**COUNCIL TAX PREMIUMS –  
LONG TERM EMPTY PROPERTIES AND SECOND HOMES**

**JOINT REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES,  
DIRECTOR OF PROSPERITY AND REGENERATION AND DIRECTOR OF PUBLIC  
HEALTH AND COMMUNITY SERVICES IN DISCUSSION WITH COUNCILLOR  
C LEYSHON, COUNCILLOR B HARRIS AND COUNCILLOR M NORRIS**

**Author: Mr. B Davies, Director of Finance and Digital Services  
Tel: (01443) 424026**

**1. PURPOSE OF THE REPORT**

- 1.1 This report provides Cabinet with the results of the public consultation which it agreed to initiate in respect of the introduction of a Council Tax Premium on long term empty properties and second homes in the County Borough.

**2. RECOMMENDATIONS**

It is recommended that Cabinet:

- 2.1 Review and consider the consultation feedback as attached at Appendix 1 of this report;
- 2.2 Determine whether, and if so how, they wish to proceed with the proposed introduction of a premium in light of the consultation feedback;
- 2.3 Subject to the above, recommend the proposed way forward to Full Council; and
- 2.4 Authorise the Director of Finance and Digital Services to put in place the necessary implementation arrangements.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1 To provide Cabinet with the feedback from the public consultation in order to determine whether and if so how they wish to proceed with the proposed introduction of a Council Tax Premium on long term empty properties and second homes.

#### **4. BACKGROUND**

- 4.1 From 1<sup>st</sup> April 2017, Councils in Wales have been able to charge higher amounts (a premium) of up to 100% on top of the standard rate of council tax on second homes and long-term empty properties. The legislative changes were made by the Housing (Wales) Act 2014 and the powers given to Councils are discretionary. Whether to charge a premium on second homes or long term empty properties (or both) is, therefore a decision to be made by each Council.
- 4.2 The Act also provides regulations which make exceptions to the premiums and these are set out in the Council Tax (Exceptions to Higher Amounts) (Wales) Regulations 2015.
- 4.3 From 1<sup>st</sup> April 2023, the regulations will be updated, following a Welsh Government consultation exercise, to allow Councils to charge a maximum premium of 300% on top of the standard rate of council tax.
- 4.4 Cabinet on the 17<sup>th</sup> October, considered and agreed a new Empty Homes Strategy for 2022-2025. One of the objectives of the strategy is to use a range of interventions to ensure all types of empty homes are targeted and enabled to be brought back into use. This includes reviewing Council Tax Premiums for long term empty homes and second homes.
- 4.5 At the same meeting, Cabinet agreed to undertake a consultation on the proposal to introduce a Council Tax Premium on Long Term Empty Properties as follows :

<b>Length of Time Property has been Empty</b>	<b>No of Properties</b>	<b>Current Council Tax Liability</b>	<b>Proposed Council Tax Liability</b>
Empty Properties Exempt from Paying Council Tax (6 Month Statutory Exemption)			
<b>0 – 6 Months</b>	1,095	Nil	Nil
Empty Properties already Subject to a Council Tax Charge			
<b>7 – 12 Months</b>	248	100%	100%
Empty Properties already Subject to a Council Tax Charge and proposed to be Charged a Premium			
<b>1 – 2 Years</b>	406	100%	150%
<b>2 Years +</b>	1,310	100%	200%

- 4.6 It was also proposed to charge a premium in respect of second homes and that this should be 100% for all properties classified as a second home under Class B of the



Council Tax (Prescribed Class of Dwelling) (Wales) Regulations 1998.

- 4.7 It was proposed that the premium for long term empty properties would be introduced and effective from **1<sup>st</sup> April 2023**, while the premium for second homes would be effective from **1<sup>st</sup> April 2024** (in line with the requirements of the Act).
- 4.8 The Council would write to each homeowner, once a decision is made, to advise them of the forthcoming changes, thereby providing as much advance notice as possible.
- 4.9 The full report which was considered by Cabinet on the 17<sup>th</sup> October 2022 is attached at Appendix 2.

## **5. EQUALITY AND DIVERSITY IMPLICATIONS / SOCIO-ECONOMIC DUTY**

- 5.1 An Equality Impact Assessment has been completed in respect of the proposal and concluded that there are no issues which would prevent the Cabinet from implementing the proposal.

## **6. CONSULTATION**

- 6.1 This report provides Cabinet with information on the response to the consultation exercise that has now taken place in relation to this proposal. The full consultation report is attached at Appendix 1.

## **7. FINANCIAL IMPLICATION(S)**

- 7.1 The charging of a premium on long-term empty dwellings would raise additional revenue through the council tax. This is estimated (initially) at £1.5M (full year impact), but will be subject to review and confirmation pending the identification and application of the exceptions set out in Table 1.
- 7.2 The charging of a premium on second homes would raise an estimated extra £0.4M council tax (full year impact).

## **8. LEGAL IMPLICATIONS**

- 8.1 The legal framework for the implementation of premiums are referenced throughout this report and are summarised below:
- Housing (Wales) Act 2014
  - Local Government Finance Act 1992, Sections 12A and 12B;



- Council Tax (Exceptions to Higher Amounts) (Wales) Regulations 2015

## **9. LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT**

- 9.1 The charging of Higher Amounts supports the Council's work in delivering its Empty Homes Strategy and in doing so contributes to the delivery of Corporate Plan priorities and well-being goals as set out in the Well-being of Future Generations Act.

## **10. CONCLUSION**

- 10.1 The Council has discretionary powers to charge higher amounts (premiums) in relation to council tax for long-term empty dwellings and second homes with a view to bringing empty properties back into use, increasing the supply of affordable housing and enhancing the sustainability of local communities.
- 10.2 This report summarises the responses to the consultation exercise that took place between 24<sup>th</sup> October and 21<sup>st</sup> November 2022 and should be considered in determining whether to implement the proposals set out at section 4 of this report.

# EMPTY PROPERTIES & SECOND HOMES CONSULTATION

RHONDDA CYNON TAF CBC  
NOVEMBER 2022

Tudalen 339



RHONDDA CYNON TAF

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## EXECUTIVE SUMMARY

- This report presents the findings of the Empty Properties and Second Home consultation with regard to the proposed introduction of a Council Tax Premium.
- The consultation was conducted in-house. The consultation period ran from the 24<sup>th</sup> October and ended on the 21<sup>st</sup> November 2022.
- Views were sought on proposals to;
  - Introduce a Council Tax Premium on long-term empty properties at 50% for those which have been empty between 1 and 2 years. The level of premium would then increase to 100% for those properties which have been empty for more than 2 years.
  - To charge a 100% premium in respect of all second homes, as classified under Class B of the Council Tax (Prescribed Class of Dwelling) (Wales) Regulations 1998.
- The following methods were used to consult with stakeholders;
  - A letter was sent to all empty property and second home owners (2699)
  - An online questionnaire
  - Promotion online on the Council's website/social media
  - A telephone number for the Council's Contact Centre
  - A dedicated email address
- Overall, 311 responses were received to the consultation.
- Respondents provided their comments on the proposals via the survey and through letters and emails, the majority of comments were from owners of empty properties and second homes and in disagreement with the proposals.
- The most frequent concern expressed was that a blanket policy of higher rates will unfairly impact people with individual circumstances beyond their control. Circumstances described included; increased costs of renovation work, or a struggle to source supplies and/ or labour; collapsed sales or longer than expected time spent on the sales or letting markets; inherited property; being unable to meet the costs of selling or letting a property; having ties to the local area but being unable to live here at present and a number of other situations.
- A number of respondents have let/ currently let/ intend to let properties but state that they are unable to afford or complete necessary works to bring properties up to legislative standards. Causes including damage by former tenants, unexpected redundancy or ill-health and a perceived excessive legislative burden are cited.

- When the proposals are analysed in the survey by the type of respondent, the majority of residents agreed with the 2 proposals (65.3% / 60%).

## **1. INTRODUCTION**

1.1 This report presents the findings of the Empty Properties and Second Home Council Tax Premium consultation.

1.2 Section 2 outlines some brief background to the consultation process.

1.3 Section 3 details the methodology.

1.4 Section 4 provides the results of the online questionnaire.

1.5 Section 5 presents the feedback received from letters and emails.

## **2. BACKGROUND**

2.1 The Council has discretionary powers to charge higher amounts of Council Tax (a premium) on certain properties provided for by the Housing (Wales) Act 2014.

2.2 The discretion given to Councils to charge a premium is intended to be used as part of a wider strategy to help Councils to:

- a) Bring long-term empty homes back into use to provide safe, secure and affordable homes; and
- b) Support Councils in increasing the supply of affordable housing and enhancing the sustainability of local communities.

2.3 This report provides the results of the consultation on the Council's proposals to:

- Introduce a Council Tax Premium on long-term empty properties at 50% for those which have been empty between 1 and 2 years. The level of premium would then increase to 100% for those properties which have been empty for more than 2 years.
- To charge a premium in respect of second homes, 100% for all properties classified as a second home under Class B of the Council Tax (Prescribed Class of Dwelling) (Wales) Regulations 1998.

### 3. METHODOLOGY

- 3.1 The Empty Properties and Second Home consultation was conducted in-house and ran from the 24<sup>th</sup> October to the 21<sup>st</sup> November 2022. This section presents the methodology which was utilised to promote and collect the data.
- 3.2 The consultation involved an online survey which was built using Snap XMP. The survey aimed to gain public feedback on the Council Tax premium proposals. A printed format of the survey was also provided for those who needed it.
- 3.3 To ensure wider outreach and involvement of the community the consultation was promoted on the [Councils online consultation webpage](#) to encourage engagement. An email was also sent to key stakeholders to promote the consultation and encourage participation on the Snap XMP survey.
- 3.4 As part of engagement, a letter was sent to 2699 empty property and second home owners within RCT to gather their views on the proposals.
- 3.5 Respondents were encouraged to respond through a dedicated email address [consultation@rctcbc.gov.uk](mailto:consultation@rctcbc.gov.uk), in order to allow them to share their views, concerns, and share their personal circumstances in regard to the proposals introduced in the consultation. Overall, there were a total of 69 emails/letters received from the public relating to the consultation.
- 3.6 A telephone consultation option is in place for all Council consultations, through the Council's contact centre. This option allows people to discuss their views or request consultation materials. Individual call backs were available on request and a consultation Freepost address was available for postal responses.
- 3.7 Overall, 311 responses were received to the consultation.

## 4 Questionnaire Results

- 4.1 The following section outlines the results from the questionnaire, which received 242 responses. A selection of comments are provided and the full list of the comments will be provided to Cabinet and senior officers to assist with decision making.
- 4.2 Respondents were asked whether they were responding as the owner of an empty property in RCT, the owner of a second home in RCT, a resident or 'other'.

**Table 1: Respondents**

<b>Analysis % Respondents</b>	<b>%</b>
<b>Are you replying to the questionnaire as;</b>	
<b>The owner of an Empty Property in Rhondda Cynon Taf?</b>	<b>28.1%</b>
<b>The owner of a second home in Rhondda Cynon Taf?</b>	<b>14.6%</b>
<b>A resident of RCT</b>	<b>49.0%</b>
<b>Other (please state)</b>	<b>8.3%</b>

- 4.3 Respondents were asked whether they agreed with the following 2 proposals:

**Table 2: Agreement with proposals**

	<b>Yes</b>	<b>No</b>	<b>Don't Know</b>
<b>Proposals</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Proposal 1</b> - It is proposed that a Council Tax Premium is introduced on long-term empty properties at 50% for those which have been empty between 1 and 2 years. The level of premium would then increase to 100% for those properties which have been empty for more than 2 years.	42.5	50.0	7.5



<p><b>Proposal 2</b> - It is also proposed to charge a premium in respect of second homes and that this should be 100% for all properties classified as a second home under Class B of the Council Tax (Prescribed Class of Dwelling) (Wales) Regulations 1998.</p>	<p>38.8</p>	<p>53.2</p>	<p>8.0</p>
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**Comments Proposal 1 – Empty Properties**

4.4 After viewing the comments received on the first proposal, the following are a selection of the comments received;

**Agreement with the Proposal**

*“Brilliant idea”*

*“Hopefully it would become a deterrent for those that own empty properties to do something positive with them.”*

*“I agree with this proposal. Hopefully the homeowner will sell or rent out the empty property so that another person/family can have the benefit of the same.”*

*“Affordable housing is very important to me. I earn good money and am old enough to have spent time renting in house shares in cities, younger residents will not be able to afford the privilege of owning or even renting by themselves or in a house share when our property is being selfishly hoarded by wealthy people.”*

*“Houses are for living in, not just for market speculation”*

*“Homes need to be kept to a decent standard and lived in. Increasing council tax on derelict and empty properties will encourage this but won't necessarily solve the problem.”*

*“Empty properties need to be done up and sold. There's plenty of people looking for places to live”*

**Disagreement with the Proposal**

*“some properties are empty for longer as due to the current financial market owners cannot afford to renovate, charging extra would mean*

*even less cash to renovate and these properties are not using council services”*

*“The properties have no cost to the council and additional taxation in one of the highest council tax areas in the country is wrong.”*

*“This would disincentivise builders to take on properties that have been empty and bring them up to a modern acceptable standard.”*

*“I agree with addressing long term empty properties, however if an owner of a rental property can evidence it being advertised, and/or undergoing extensive renovation, then they should not be penalised. In cases of extensive renovation, a complete waiver to council tax should be granted (time bound).”*

*“I understand that there are long term empty properties in RCT but this new rule will unfairly penalise the private rental sector at a time when so many other factors are weighing on landlords. There is not enough social housing in RCT so there is a reliance on private landlords who are already being squeezed.”*

*“You should be incentivising property developers - not penalising them. When the property is empty no council services are being used so no Council Tax should be payable.”*

*“I am currently undertaking a long-term project to update/renovate my property, with the view of eventually providing reasonable quality, affordable accommodation, which will hopefully provide long term secure accommodation for a local family/individual. I am currently undertaking work when time and finances allow, should my council tax increase this will dramatically slow or even put a stop on my ability to complete this work.”*

*“Renovations under way. We are having difficulties with the cost of materials and getting builders. Been hampered by ill health mortgage costs and fuel prices. If you're current proposals are implemented, we will have to sell”*

### **Comments Proposal 2 – Second Homeowners**

- 4.5 After viewing the comments received on the second proposal, the following are a selection of the comments received;

#### **Agreement with the proposal**

*“Once again fully support, great idea”*

*"I agree that those with second homes should be charged premium tax rates, but there should be something in place to prevent landlords from exploiting tenants with high rental charges to cover this cost"*

*"If you can afford the second home then you can afford to pay the associated fees, etc."*

*"Yes, it's ridiculous how many 2nd homes & air B&B are in the valleys. This is putting prices up for local people. You want to encourage people stay and live in the Valleys you must provide the properties for them to purchase."*

*"Accommodation is desperately needed, and people cannot afford to buy, hence more renting."*

*"A second home is a privilege of a wealthy minority at a time of housing shortage. It should be paid for"*

### **Disagreement with the Proposal**

*"This is a very poor way to force people with second homes to sell them. Additional housing is the responsibility of the council, and this is an attempt to remove the responsibility to private house holders."*

*"Once again the property is the individuals to which they have worked long and hard for I do not agree that the council has the right to look into an individual's dwelling"*

*"This proposal is pure greed. The premium if applied, should be based on the owner's ability to pay and not exceed 15%."*

*"Another money-making scheme. People should not be penalised for working hard to be able to have a second home or if unfortunate enough to have lost family members and inherited the homes."*

*"You are penalising people who have made provision for themselves and I intend writing to UK government as your proposals will mean that nobody will buy property to rent anymore"*

*"I was born & raised in the area where I have my second property & intend to retire there. If this additional charge is applied, I will not be able to afford to do this. My family & friends all live in this area & I would be devastated to sell my home."*

*"I claim benefits and would be financially unable to make payment"*

- 4.6 When the proposals above are analysed by the type of respondent we can see that the majority of residents are more likely to agree with these proposals (65.3% / 60%) than empty property (8.5% / 15.5%) or second homeowners (27% / 2.7%);

**Table 3: Agreement with proposals by type of Respondent**

<b>Analysis %</b>				
<b>Respondents</b>	<b>Empty property Owner % Agreed</b>	<b>Second home owner % Agreed</b>	<b>Resident % Agreed</b>	<b>Other agreed (%)</b>
<b>Proposal 1</b> - It is proposed that a Council Tax Premium is introduced on long-term empty properties at 50% for those which have been empty between 1 and 2 years. The level of premium would then increase to 100% for those properties which have been empty for more than 2 years.	8.5	27.0	65.3	33.3
<b>Proposal 2</b> - It is also proposed to charge a premium in respect of second homes and that this should be 100% for all properties classified as a second home under Class B of the Council Tax (Prescribed Class of Dwelling) (Wales) Regulations 1998.	15.5	2.7	60.0	38.1

### **Timescales of proposals**

- 4.7 The Council is proposing that the premium for long term empty properties is introduced and effective from 1st April 2023, while the premium for second homes would be effective from 1st April 2024 (in line with the requirements of the Act).
- 4.8 The majority of residents who took part agreed with this part of the proposal (65.3%), with only 21.1% of empty property owners agreeing and 25% of second homeowners.

**Table 4: Timescale for proposals**

	Total	Timescales		
		Yes	No	Don't Know
	<b>236</b>	<b>45.3%</b>	<b>42.4%</b>	<b>12.3%</b>
<b>Are you replying to the questionnaire as;</b>				
<b>The owner of an Empty Property in Rhondda Cynon Taf?</b>		<b>21.1%</b>	<b>66.2%</b>	<b>12.7%</b>
<b>The owner of a second home in Rhondda Cynon Taf?</b>		<b>25.0</b>	<b>63.9%</b>	<b>11.1%</b>
<b>a resident of RCT</b>		<b>65.3%</b>	<b>24.8%</b>	<b>9.9%</b>

**Extra Revenue Received**

- 4.9 The Council is proposing that the extra revenue raised would support the continuation of the Council's Empty Homes Strategy, and therefore be in line with the stated policy intentions of Welsh Government.

	Total	Extra revenue		
		Yes	No	Don't Know
<b>Base</b>	<b>239</b>	<b>38.5%</b>	<b>53.1%</b>	<b>8.4%</b>
<b>Are you replying to the questionnaire as;</b>				
<b>The owner of an Empty Property in Rhondda Cynon Taf?</b>		<b>9.9%</b>	<b>88.7%</b>	<b>1.4%</b>
<b>The owner of a second home in Rhondda Cynon Taf?</b>		<b>19.4%</b>	<b>75.0%</b>	<b>5.6%</b>
<b>A resident of RCT</b>		<b>61.3%</b>	<b>32.3%</b>	<b>6.5%</b>

- 4.10 The majority of residents agreed with the approach for the extra revenue (61.3%), with the majority of the empty home respondents (88.7%) and second homeowners disagreeing (75.0%).

- 4.11 The following are a selection of “other” comments received in the survey, under a number of main themes;

### **Comments**

#### **Agreement with the Proposals**

*“Anything that can reduce the waiting time for people to find somewhere to live would be so beneficial to many communities”*

*“Some owners let things drift with their properties. These proposals will make decisions to be made.....”*

*“No one should be able to make a profit from property while there are many people struggling to afford rent or mortgages. Property should not be an attractive investment for anybody, the Rhondda could set an example to the country with stricter rules on property letting and owning more than one residential property”*

*“The basic principle of spending money from long term empty properties to support the strategy we agree with. In our situation, I believe we have brought our house back into use and if work situation changes, we would move back in tomorrow.”*

*“What is the reason for this delay? This is an opportunity to collect additional money at a time when there is great pressure on the public purse. Move faster.”*

#### **Disagreement with the Proposals**

*“As stated earlier this would disincentivise builders or developers taking on properties that have been unoccupied for long periods”*

*“All that will happen is lots of properties become empty and up for sale as the owners of second homes do not want to pay thousands in council tax more than they should need to. It will not put more houses into use by anyone requiring a home!”*

*“no I do not agree as you are making money off the back of people where you are forcing them and giving them no other option than to sell their homes at reduced prices. You have builders waiting for these homes to buy at a cheaper price who then make a good profit on them once renovated and sold on. If they choose to rent them the rental price is usually a lot higher than what housing association would charge, so how is this providing affordable homes when young people or first time buyers, or renters cannot afford the price they are asking. as for renting them, if you are lucky enough”*

## **Timescales**

- 4.12 Some of the respondents felt that the timescales suggested in the proposal were unfair, as they were perceived to not provide the owners with enough time to rent, sell or improve the condition of empty properties to a decent standard.

*“Although I agree in general with charging extra on empty homes to encourage owners to bring them in to use, I think the timeline of April 2023 is actually too soon. I believe if you delay it by a year you will give owners adequate time to do something with the property. Be that sell it as is or renovate and sell/let the property. 5 months from today to do any of those with the current economic conditions is a tall ask and could be seen as profiteering more than helping.”*

*“Not long enough for empty properties which are to be sold. Builders will just stop renovating and renting as it will not be cost effective to pay the 200%”*

## **Costs**

- 4.13 A number of respondents felt that the proposals could lead them into financial difficulties;

*“If council tax and other relevant outgoings are paid on the property what other issues remain. The extra expenditure for me would be crippling adding to a very difficult situation already.”*

*“again, financially people cannot afford to renovate and would not leave properties empty when they could be charging rent...”*

*“Currently, I do not qualify for any of the grants/loans provided by RCT under the empty homes scheme. I would therefore be paying extra tax to help pay for other people’s properties and renovations while I struggle to pay for my own due to increased outgoings due to premium council tax.”*

## **Individual Circumstances**

- 4.14 A number of responses felt that the council needed to take into account the individuals own circumstances, rather than taking a blanket approach, this included ill health, family situations and inheriting houses;

*I agree with it in principal. If a person has more than one home and one stands empty, then yes, but not if it is the main home and it is empty for another reason (health/unliveable conditions etc)*

*I do not think you can take a blanket approach to this issue.*

*I think there should be a differential made between empty homes and those that are undergoing renovation, with a delay in implementation as peoples planned budgets to undertake works have been completely blown out of the water for reasons stated above (lack of supplies, tradesmen and excessively greedy tradesmen.*

*It should be on an individual basis and means tested*

*I've looked at the empty home scheme and don't feel it's suitable for everyone , therefore I'd be paying an extra premium to renovate other peoples homes*

### **Help/Support**

- 4.15 Some of the respondents suggested that the Council could provide more support to bring empty properties up to an appropriate standard.

*"..... the Council should be looking at ways of incentivising owners of empty homes to bring them back into use by offering grants for certain improvements to be made rather than taking punitive measures through increased taxes for services which are not being used by the owners of said properties"*

*"You need to work closer with landlords and property owners, providing help and support to bring properties up to an acceptable standard for occupation. your punitive strategy will simply force more landlords to give up and without the private sector the council will have to provide more homes."*

*"I understand that the local authority is financially in a very difficult position and are looking to make cuts and increase revenue wherever possible. However maybe providing more support to get empty properties back into the rental arena would be a more practical/positive step, rather than penalising people who already in a challenging position...."*

*"Would it not be better for the council to make it more appealing for people to do up houses that they buy to either rent or sell to the council, this way there would be more housing stock on the market"*



## 5 Letter and Email Responses

- 5.1 The following section outlines a summary of the comments from letters and emails received in response to the consultation. Letters were sent out to over 2,699 owners of empty properties in Rhondda Cynon Taf. 1 letter and 68 emails were received in response to the consultation.
- 5.2 The most frequent concern, expressed in the majority of emails and letter, is that a blanket policy of higher rates will unfairly impact people with individual circumstances beyond their control. Each letter or email detailed the circumstances that the writer felt should exempt them from the Council Tax premium.
- 5.3 Circumstances described included; increased costs of renovation work, or a struggle to source supplies and/ or labour; collapsed sales or longer than expected time spent on the sales or letting markets; inherited property; being unable to meet the costs of selling or letting a property; having ties to the local area but being unable to live here at present (including holding property on behalf of a younger relative); and a number of other situations.
- 5.4 A number of respondents have let/ currently let/ intend to let properties but state that they are unable to afford or complete necessary works to bring properties up to legislative standards. Causes including damage by former tenants, unexpected redundancy or ill-health and a perceived excessive legislative burden are cited. A number of these respondents requested information about grants or other financial assistance to complete required renovations.
- 5.5 Multiple respondents stated that they feel it is unreasonable to be charged any/ higher Council Tax on properties that are empty, as these properties make no demands on the services that they perceive Council Tax to be paid for e.g., waste collection, road maintenance and so on.
- 5.6 The following table shows the frequency of comments made.

**Table 10: Count of themes / categories emerging from comments**

<b>The themes / categories that emerged from the comments are as follow:</b>	<b>Count</b>
<b>Individual circumstances:</b> a blanket approach will unfairly penalise people with circumstances beyond their control including e.g. unable to sell/ collapsed sales, ill-health, delays to renovations etc.	27
<b>Renovations:</b> problems with building supplies/ labour, work unable to be completed	8
<b>Financial security:</b> owners who are pensioners/ on reduced income unable to meet costs/ forced sales would threaten future finances	7

<b>Costs:</b> Not in a financial position to be able to afford this proposal/ already struggling to afford the bills. Costs of renovation high before sales	11
<b>Renting:</b> Problems with tenants and damage to property	4
<b>Sales Market:</b> not enough local sales demand, delays selling	6
<b>Services:</b> Unfair to pay Council tax on an empty property when services aren't being received / no amenities benefits	6
More information on grants requested (particularly help with renovations to rental properties)	6

5.7 The following are a selection of comments from the main themes;

**Note: Service Managers and Members will be provided with all emails to consider the full responses in detail.**

### Comments

#### **Individual Circumstances**

*"...such a policy of Premium Charging, if introduced must allow each situation to be examined individually not be applied automatically via the Council Tax charging process."*

*"...I think it would be better to first ask the owner of a property why his property is empty before you impose an extra charge."*

*"Individual circumstances need to be considered before forcing what I consider a punitive increase on already struggling citizens like myself."*

#### **Renovations**

*"I am a single person who is currently trying to renovate an empty property and really struggling with the current cost of living and the increasing cost of materials and trades people. I have been paying full council tax now for a number of months alongside trying to cover the costs of the renovation so with a premium on the council tax this will have to place the renovation on hold until I can save up enough money to continue so effectively leaving this property empty for a lot longer."*

*"In January 2020 I was made redundant from my full time whilst in the middle of carrying out an extensive renovation on my property. To compound matters, the covid pandemic then hit, which put stop to all work on my property for well over 12 months, whilst making it incredibly difficult for me to find work during a tumultuous period for society as a whole. Since recommencing work on my property, I've had to endure huge price increases to both materials and labour which have hugely affected my build schedule as I'm having to find money to cover unforeseeable budget increases which I'm struggling to cover."*

## **Financial Security & Costs**

*"I believe that pensioner owners of second properties should be exempt from the proposed 100% penalty charge. Some, including ourselves, have inherited properties and have bought adjoining terraced houses just to make life a bit easier for themselves."*

*"I am a pensioner and single occupant who is currently paying council tax on two properties. Your proposal would leave me with a council tax bill of over £450 and I am now paying over £200 month in utility bills. My state pension is less than £600, so for the first time in my life it is likely that I will have to default on my bills. The cost of living is spiralling and house prices now falling."*

*"...we are due for retirement and this is part of retirement plan as we have lost a lot of money off our pensions."*

## **Renting**

*"I had a tenant that stopped paying the rent who I had to remove from the property. Hence it is now empty and has been on the market for over a year."*

*"The former occupant – who did not leave my property undamaged, left at the time of the introduction of Covid restrictions. As a person on the Welsh Governments "shielding" list I was unable to visit the property and carry out the necessary repairs and refurbishing for over a year. It then took me over 6 months to complete the refurbishments. Shouldn't that time when it was not possible for someone to live in the property be discounted from any period of "long term empty property"?"*

*"My three houses were badly damaged by tenants and I do not have the necessary funding to repair / renovate them. I am now retired, not in good health and unable to borrow against the houses."*

## **Sales Market**

*"...the house was sold last August and I am still waiting for solicitors to finish their enquiries. It will cost me a further £5,000.00 just to sell the house when I add agent's fees, solicitors' fees, council tax, insurance, with the possibility that the sale could fall through and the process would have to be repeated."*

*"My own currently empty property was placed for sale with a local Estate Agent some months ago and is currently under offer – it is unlikely to be purchased by someone who needs to rent."*

*"We purchase a new build and were told it would be completed in March 2022. We therefore put our house on the market and moved into our downsized home believing we would sell within 6 months. Unfortunately, given the economic climate, our buyer pulled out in September 2022. We therefore*

*are in the situation now where we are being penalised due to the economic situation.”*

### **Grants/ information**

*“If you wish to have an Empty Homes strategy then maybe you should look at helping landlords through the provision of improvement grants or loans to assist works to be carried out.”*

*“I would love to have my property rented but the pandemic and now the financial crisis has made it virtually impossible to find either materials or building trade to do the work. Are there any grants/assistance which could enable me to get my property to a rentable standard ?“*

### **Services**

*“I have been paying 100% council tax each year at ~£1,700 per annum, which is in my opinion, for an empty property is already a fair contribution towards the services that the local council and police force provide, which, as far as I understand is the primary reason for paying council tax.”*

*“I always thought Council Tax was a payment for services that you the Council provide e.g., Refuge and Recycle Collection, Road Sweeping and for facilities such as libraries, parks, and sport centres. Considering all the things the Council provide the property is empty and therefore nobody there to use these facilities. We feel you are claiming this money under false pretences.”*

*“We are currently paying 100% Council Borough tax, even though we only use council facilities (roads, tip, rubbish collection etc) less than 25% of the year, not to mention the many facilities we never get to use. As it stands, having our second home in Wales means that we pay 25% of council tax for services that we may use, and 75% towards services that we never use. We are happy to pay that amount to support the local community. However, the 100% premium, if it comes into effect, will mean that we are paying 8 times the services we are actually using! This feels really unfair.”*

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## **RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

### **CABINET**

**17<sup>TH</sup> OCTOBER 2022**

### **COUNCIL TAX PREMIUMS – LONG TERM EMPTY PROPERTIES AND SECOND HOMES**

**JOINT REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES,  
DIRECTOR OF PROSPERITY AND REGENERATION AND DIRECTOR OF PUBLIC  
HEALTH AND COMMUNITY SERVICES IN DISCUSSION WITH COUNCILLOR  
C LEYSHON, COUNCILLOR B HARRIS AND COUNCILLOR M NORRIS**

**Author: Mr. B Davies, Director of Finance and Digital Services  
Tel: (01443) 424026**

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

- 1.1 This report provides information concerning discretionary powers that the Council has to charge higher amounts of Council Tax (a premium) on certain properties provided for by the Housing (Wales) Act 2014.
- 1.2 Having regard to these powers, to consider a formal period of consultation on a proposal to introduce a premium.

#### **2. RECOMMENDATIONS**

It is recommended that Cabinet:

- 2.1 Note the details of the discretionary powers relating to Council Tax Premiums as outlined in this report;
- 2.2 Agree to initiate a consultation exercise on the proposed use of these powers in respect of empty properties and second homes as set out in Section 10; and
- 2.3 Agree that a report, including the results of the consultation exercise, be presented to cabinet to consider and determine the proposed way forward which they would recommend to full Council.

#### **3. REASONS FOR RECOMMENDATIONS**

- 3.1 The discretion given to Councils to charge a premium is intended to be used as part of a wider strategy to help Councils to:
  - a) Bring long-term empty homes back into use to provide safe, secure and affordable homes; and

b) Support Councils in increasing the supply of affordable housing and enhancing the sustainability of local communities.

3.2 The determination to charge a premium under these powers must be made by full Council. However, prior to doing so the Council must give due consideration to its statutory duties to carry out equality impact assessments under the Equality Act 2010 and the Welsh Public Sector Equality Duties 2011, as well as considering engagement and consultation with key stakeholders and the residents of the County Borough.

#### **4. BACKGROUND**

4.1 From 1<sup>st</sup> April 2017, Councils in Wales have been able to charge higher amounts (a premium) of up to 100% on top of the standard rate of council tax on second homes and long-term empty properties. The legislative changes were made by the Housing (Wales) Act 2014 and the powers given to Councils are discretionary. Whether to charge a premium on second homes or long term empty properties (or both) is, therefore a decision to be made by each Council.

4.2 The Act also provides regulations which make exceptions to the premiums and these are set out in the Council Tax (Exceptions to Higher Amounts) (Wales) Regulations 2015 and are detailed in part 5 of this report.

4.3 From 1<sup>st</sup> April 2023, the regulations will be updated, following a Welsh Government consultation exercise, to allow Councils to charge a maximum premium of 300% on top of the standard rate of council tax.

#### **5. HOUSING STRATEGY CONTEXT**

5.1 RCT's Empty Homes Strategy (2017-2022) was developed in recognition of the high numbers of empty homes in the County Borough, especially in the North, and the Council's commitment to addressing the problem. It was also in appreciation of the continuing pressure to deliver affordable housing for residents of RCT. Whilst most new housing supply will be delivered through new build developments, bringing empty homes back into use can offer an economically viable option, which can also contribute to increasing the affordable housing supply. At the same time, it will have a positive impact on existing communities by improving environmental and social conditions.

5.2 Since the strategy has been implemented the number of empty homes in RCT has reduced from 3,556 in April 2017 to 2,894 in April 2021, this a reduction of 662 (21%) homes. Whilst the reduction in the number of empty homes is positive, there are still a number of empty homes across RCT despite the Council's progress and commitment to bringing them back into use. To continue to address this issue a new Empty Homes Strategy is being developed and this proposal fully supports the new strategy.

5.3 A recent analysis of empty homes in RCT showed that 905 homes have been empty for the last 4 years. Whilst the Council continues to target these empty homes and provide advice and assistance to the home owners in order to support them to bring

them back into use, it is recognised that additional measures are required to encourage home owners not to leave these homes empty.

- 5.4 It is also important to note that the recent draft Local Housing Market Assessment (LHMA) 2022 – 2037 identified an annual need for 255 new affordable homes. It also identified that 6,208 new households will form during the period of the LHMA, of which 1,951 households will be unable to afford market housing costs. New build developments alone will not sufficiently meet this demand which further reinforces the need to bring existing housing stock across RCT back into use.
- 5.5 Since the introduction of the 100% Council Tax charge for empty properties, the Council has seen an increase in the number of requests for advice and assistance from both landlords and home owners, to bring their properties back into use evidencing the positive impact this has had on the number of empty homes across RCT.

## 6. **EXCEPTIONS TO THE COUNCIL TAX PREMIUMS**

- 6.1 A premium cannot be charged on a dwelling that falls within one of the seven Classes of Dwellings listed in Table 1. The Council Tax (Exceptions to Higher Amounts) (Wales) Regulations 2015, sets out the following exceptions:

Table 1 – Classes of Exceptions to Higher Amounts

<b>Class</b>	<b>Definition</b>	<b>Application</b>
Class 1	Dwellings being marketed for sale – time limited for one year.	Second Homes and Long-Term Empty Properties
Class 2	Dwellings being marketed for let – time limited for one year	
Class 3	Annexes forming part of, or being treated as part of, the main dwelling	
Class 4	Dwellings which would be someone's sole or main residence if they were not residing in armed forces accommodation	
Class 5	Occupied caravan pitches and boat moorings	Second Homes
Class 6	Seasonal homes where year-round occupation is prohibited	
Class 7	Job-related dwellings	

- 6.2 Welsh Government have provided guidance in relation to assisting Councils in the application of the exceptions.

## **7. HIGHER AMOUNTS (PREMIUMS) FOR LONG TERM EMPTY DWELLINGS**

- 7.1 For the purposes of charging a premium, a long-term empty dwelling is defined as a dwelling, which is both unoccupied and substantially unfurnished for a continuous period of at least **one year**.
- 7.2 In determining the length of time a dwelling has been empty, no account can be taken of any period before 1<sup>st</sup> April 2016. In addition, the furnishing or occupation of a dwelling for one or more periods of six weeks or less during the year will not affect its status as a long-term empty dwelling. In other words, a person cannot alter a dwellings status as a long-term empty dwelling by taking up residence or installing furniture for a short period.
- 7.3 Where a Council makes a determination to charge a premium on long-term empty dwellings, it may specify different percentages (up to a maximum of 300 per cent from 1<sup>st</sup> April 2023) for different dwellings based on the length of time for which they have been empty.
- 7.4 Should the Council determine to charge a premium on this type of property then notice of the decision must be published within 21 days of that decision but there is no requirement for the Council to provide a prescribed period of notice before charging a premium e.g. if Council determined in January/February 2023, after consulting, to charge a higher amount for this category of property then this could be effective from 1st April 2023.
- 7.5 Recent analysis of council tax data shows that around 40% properties classed as Long-Term Empty are owned by people who do not live in Rhondda Cynon Taf.

## **8. HIGHER AMOUNTS (PREMIUMS) FOR SECOND HOMES**

- 8.1 A second home is defined as a dwelling that is not a person's sole or main residence and is substantially furnished. These dwellings are referred to in the Local Government Finance Act (LGFA) 1992 as dwellings occupied periodically but they are commonly referred to as "second homes".
- 8.2 In order for a premium to apply to dwellings occupied periodically, a Council must make its first determination under section 12B of the LGFA 1992, at least one year before the beginning of the financial year to which the premium relates. This means that in order to charge a premium from 1st April 2024, a determination must be made before 1<sup>st</sup> April 2023.
- 8.3 Recent analysis of council tax data shows that approximately 40% of properties classed as second homes are owned by people who do not live in Rhondda Cynon Taf.





**9. CURRENT POLICY AND LEVELS OF LONG-TERM EMPTY PROPERTIES AND SECOND HOMES**

- 9.1 The level of discount for second homes (i.e. 0%) has been unchanged since 1<sup>st</sup> April 1996 when this Council was formed but until 1<sup>st</sup> April 2018 a long term empty dwelling attracted a 50% council tax discount.
- 9.2 However, from 1st April 2018, owners of long-term empty dwellings have been required to pay a full council tax bill (i.e. no discount is allowed). Members took this decision as part of the Council's work in delivering its Empty Homes Strategy and the impact has been that the number of long-term empty dwellings has fallen by 22% since the discount was removed.
- 9.3 Latest data (August 2022) shows there are still around 2,000 long-term empty properties in the County Borough at any given time. Appendix 1 provides additional information in relation to the distribution of these properties across the communities of Rhondda Cynon Taf and the length of time that these properties have stood empty.
- 9.4 There are a smaller number of second homes in Rhondda Cynon Taf (346) but this number has increased by over 80% since April 2018 – Appendix 2 provides some additional information in regards to these.

**10. PROPOSAL TO CHARGE A COUNCIL TAX PREMIUM**

- 10.1 The Council remains committed to maximising the availability of good quality housing for our residents and on reducing the number of long standing empty properties, which have a negative impact on our communities.
- 10.2 It is proposed that in order to support this objective, a Council Tax Premium is introduced on long-term empty properties at 50% for those which have been empty for up to 2 years. The level of premium would then increase to 100% for those properties which have been empty for more than 2 years. This means that the amount of Council Tax which is payable on empty properties would be as shown in Table 2.

Table 2: Proposed Council Tax Liability for Empty Properties

Length of Time Property has been Empty	No of Properties	Current Council Tax Liability	Proposed Council Tax Liability
Empty Properties Exempt from Paying Council Tax (6 Month Statutory Exemption)			
<b>0 – 6 Months</b>	1,095	Nil	Nil
Empty Properties already Subject to a Council Tax Charge			
<b>7 – 12 Months</b>	248	100%	100%
Empty Properties already Subject to a Council Tax Charge and proposed to be Charged a Premium			
<b>1 – 2 Years</b>	406	100%	150%
<b>2 Years +</b>	1,310	100%	200%

- 10.3 Note that in assessing the length of time a property has been empty, and as set out at para 7.2, no account can be taken of periods before 1<sup>st</sup> April 2016 – this does not have relevance insofar as this proposal is concerned.
- 10.4 It is also proposed to charge a premium in respect of second homes and that this should be 100% for all properties classified as a second home under Class B of the Council Tax (Prescribed Class of Dwelling) (Wales) Regulations 1998.
- 10.5 It is proposed that the premium for long term empty properties is introduced and effective from **1<sup>st</sup> April 2023**, while the premium for second homes would be effective from **1<sup>st</sup> April 2024** (in line with the requirements of the Act).
- 10.6 The Council would write to each homeowner, once a decision is made, to advise them of the forthcoming changes, thereby providing as much advance notice as possible.
- 10.7 The Council Tax legislation already has a number of statutory exemptions defined and clearly these will continue unaffected by the proposal set out above. A schedule of statutory exemptions is set out at Appendix 3 for completeness.

## **EQUALITY AND DIVERSITY IMPLICATIONS**

- 11.1 These will be considered as part of the consultation exercise.

## **12. CONSULTATION**

- 12.1 It is proposed that a 4 week consultation process be undertaken on this proposal. This will include the Council writing directly to the owner of every empty property to invite their feedback.
- 12.2 The council has previously (2019) consulted on a proposal to introduce a premium on long term empty properties, however this was never subsequently determined due to the onset of the pandemic.

## **13. FINANCIAL IMPLICATION(S)**

- 13.1 The charging of a premium on long-term empty dwellings would raise additional revenue through the council tax. This is estimated (initially) at £1.5M (full year impact), but will be subject to review and confirmation pending the identification and application of the exceptions set out in Table 1. It is proposed that the extra revenue raised would support the continuation of the Council's Empty Homes Strategy, and therefore be in line with the stated policy intentions of Welsh Government.
- 13.2 The charging of a premium on second homes would raise an estimated extra £0.4M council tax (full year impact).

## **14. LEGAL IMPLICATIONS**

- 14.1 The legal framework for the implementation of premiums are referenced throughout this report and are summarised below:
- Housing (Wales) Act 2014
  - Local Government Finance Act 1992, Sections 12A and 12B;
  - Council Tax (Exceptions to Higher Amounts) (Wales) Regulations 2015

## **15. LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT**

- 15.1 The charging of Higher Amounts supports the Council's work in delivering its Empty Homes Strategy and in doing so contributes to the delivery of Corporate Plan priorities and well-being goals as set out in the Well-being of Future Generations Act.

## **16. CONCLUSION**

- 16.1 The Council has discretionary powers to charge higher amounts (premiums) in relation to council tax for long-term empty dwellings and second homes with a view to bringing empty properties back into use, increasing the supply of affordable housing and enhancing the sustainability of local communities.

- 16.2 Despite the removal of a 50% discount in the council tax in April 2018, there remain almost 2,000 long-term empty properties across Rhondda Cynon Taf. The prospect of paying a premium on the council tax bill may encourage more property owners to bring their empty homes back into use in a timelier manner.
- 16.3 The number of properties classified as “second homes” is increasing within Rhondda Cynon Taf and while these are still relatively low, the properties are being kept vacant for long periods and in general terms precluded from the available housing stock. Therefore, it would be reasonable to consider whether a premium should be paid in addition to the council tax liability.
- 16.4 This report recommends that in relation to long-term empty properties and second homes, a consultation exercise is conducted to gauge the views of residents and property owners on the proposal as set out in this report.



## APPENDIX 1 – DISTRIBUTION OF LONG TERM EMPTY PROPERTIES BY COMMUNITY AREA AND PROPERTY BAND

Community Area	7 - 12 Months	1 - 2 Years	2 years +	Grand Total
ABERAMAN	13	22	64	99
ABERCYNON	6	8	34	48
ABERDARE	26	23	91	140
CWM CLYDACH	8	13	39	60
CWMBACH	1	3	14	18
CYMMER	6	9	29	44
FERNDALE	11	10	51	72
GILFACH GOCH	2	6	9	17
HIRWAUN	2	8	25	35
LLANHARAN		7	19	26
LLANHARRY	4	5	9	18
LLANTRISANT	4	16	34	54
LLANTWIT FARDRE	4	8	30	42
LLWYDCOED			12	12
LLWYNYPIA	3	4	11	18
MAERDY	2	6	27	35
MOUNTAIN ASH	9	26	37	72
PENRHIWCEIBER	9	10	45	64
PENTRE	6	13	66	85
PENYGRAIG	9	12	28	49
PENYWAUN	3	3	3	9
PONTYCLUN	5	6	7	18
PONTYPRIDD	24	43	125	192
PORTH	5	14	36	55
RHIGOS		1	7	8



TAFFS WELL	2	2	16	20
TONYPANDY	5	10	35	50
TONYREFAIL	16	11	40	67
TREALAW	10	10	22	42
TREHERBERT	8	18	77	103
TREORCHY	10	28	80	118
TYLORSTOWN	19	28	113	160
YNYSHIR	6	3	21	30
YNYSYBWL	6	3	15	24
YSTRAD	4	17	39	60
	<b>248</b>	<b>406</b>	<b>1310</b>	<b>1964</b>

Period Empty	A	B	C	D	E	F	G	H	I	T	U	Grand Total
7 - 12 Months	163	54	12	8	6	2	3					248
1 - 2 Years	255	80	41	17	7	2		1		3		406
2 years +	825	274	110	45	21	11	6	2	2	13	1	1310
	<b>1243</b>	<b>408</b>	<b>163</b>	<b>70</b>	<b>34</b>	<b>15</b>	<b>9</b>	<b>3</b>	<b>2</b>	<b>16</b>	<b>1</b>	<b>1964</b>



## APPENDIX 2 - DISTRIBUTION OF SECOND HOMES BY COMMUNITY AREA AND PROPERTY BAND

Community Area	A	B	C	D	E	F	G	Grand Total
ABERAMAN	8	2						10
ABERCYNON	2	4		2				8
ABERDARE	10	5	7		1		1	24
CWM CLYDACH	6							6
CWMBACH	2	1		2				5
CYMMER	6	2				1		9
FERNDALE	9							9
GILFACH GOCH	3	2			1			6
HIRWAUN	3	2	2	1	2			10
LLANHARAN		6	3					9
LLANHARRY		1	1					2
LLANTRISANT	1	1	4	3		1		10
LLANTWIT FARDRE		1	9	3	3	1		17
LLWYDCOED	1	2		3			1	7
LLWYNYPIA	3	1						4
MAERDY	6							6
MOUNTAIN ASH	9			1	1	1		12
PENRHIWCEIBER	6							6
PENTRE	5	2	1					8
PENYGRAIG	1	3	2					6
PENYWAUN				1	1			2
PONTYCLUN	1		2	3	1	1		8
PONTYPRIDD	8	23	20	2	2	2		57
PORTH	6	1						7
TAFFS WELL	1		2	2				5





TONYPANDY	3		2					5
TONYREFAIL	3	5	1	1				10
TREALAW	2							2
TREHERBERT	12		2	1		1		16
TREORCHY	16	9		1				26
TYLORSTOWN	10							10
YNYSHIR	6	1						7
YNYSYBWL	2	1	2					5
YSTRAD	10	1		1				12
	<b>161</b>	<b>76</b>	<b>60</b>	<b>27</b>	<b>12</b>	<b>8</b>	<b>2</b>	<b>346</b>

*\*Temporary Band awaiting confirmation from the Valuation Office Agency e.g. new build property*

*\*\*Property temporarily removed from the Valuation List e.g. property beyond economic repair*

### APPENDIX 3 – SCHEDULE OF COUNCIL TAX EXEMPTIONS

Class A	Dwellings requiring or undergoing major repair or structural alteration to render it habitable	Available for a maximum period of 12 months, following which council tax payable at 100%
Class B	Unoccupied dwellings owned by a charity	
Class C	New Properties	Available for a maximum period of 6 months, following which council tax payable at 100%
Class C	Dwellings that have become vacant	Available for a maximum period of 6 months, following which council tax payable at 100%
Class D	Dwelling left unoccupied by persons detained elsewhere e.g., prison	
Class E	Dwelling left unoccupied by persons living in a care home or a hospital	
Class F	Unoccupied dwelling where the liable person is deceased and waiting for probate or letters of administration to be granted (exemption continues for up to six months after being granted)	
Class G	Dwelling left unoccupied where occupation is prohibited by law	
Class H	Unoccupied dwelling held available for a Minister of Religion	
Class I	Dwelling left unoccupied by a person requiring personal care	
Class J	Dwelling left unoccupied by a person providing care	
Class K	Dwelling left unoccupied by a student	
Class L	Unoccupied dwelling where there is a mortgagee in possession	
Class M	Halls of residence	
Class N	Dwellings occupied solely by students, school or college leavers or by certain spouses or dependents of students	
Class O	Armed Forces Accommodation (UK Forces)	
Class P	Dwellings occupied by Members and Dependents of Visiting Forces	
Class Q	A dwelling left empty by a bankrupt	
Class R	Unoccupied Caravan Pitches and Moorings for Boats	
Class S	Properties occupied solely by persons under 18	
Class T	An unoccupied annexe to an occupied dwelling	
Class U	Properties occupied solely by severely mentally impaired persons (SMI)	
Class V	Dwellings occupied by Diplomats	
Class W	Occupied Annexes	
Class X	Dwellings occupied by Care Leavers	



**RHONDDA CYNON TAF COUNCIL**

**RECORD OF DECISIONS OF THE EXECUTIVE**

**DECISION MADE BY: Cabinet DATE DECISION MADE: 12 December, 2022**

**Cabinet Members Present:**

Councillor A Morgan (Chair), Councillor M Webber (Vice-Chair),  
Councillor G Caple, Councillor A Crimmings, Councillor R Lewis,  
Councillor C Leyshon and Councillor M Norris

**Apologies for Absence:**

Councillor B Harris

***Agenda Item : 4***

**SUBJECT: Council Tax Premiums - Long Term Empty Properties and Second Homes**

**1. DECISION MADE:**

**Agreed –**

1. To note the consultation feedback as attached at Appendix 1 of the report;
2. Having considered the consultation feedback, to proceed with the introduction of a premium as set out in the original proposal;
3. In line with the above to recommend the proposed way forward to Full Council; and
4. Subject to the above, to authorise the Director of Finance and Digital Services to put in place the necessary implementation arrangements.

**2. REASON FOR THE DECISION BEING MADE:**

The need to provide Cabinet with the results of the public consultation which it agreed to initiate in respect of the introduction of a Council Tax Premium on long term empty properties and second homes in the County Borough.

**3. LINKS TO CORPORATE PRIORITIES/FUTURE GENERATIONS - SUSTAINABLE DEVELOPMENT:**

The charging of Higher Amounts supports the Council's work in delivering its Empty Homes Strategy and in doing so contributes to the delivery of Corporate Plan priorities and well-being goals as set out in the Well-being of Future Generations Act.

**4. CONSULTATION UNDERTAKEN PRIOR TO DECISION BEING MADE:**

The report provides Cabinet with information on the response to the consultation exercise that has now taken place in relation to the proposal.

**5. PREVIOUS CONSIDERATION BY A COMMITTEE OF THE COUNCIL:**

None

**6. PERSONAL INTERESTS DECLARED:**

None

**7. DISPENSATION TO SPEAK (AS GRANTED BY STANDARDS COMMITTEE):**

N/A

**8. (a) IS THE DECISION SUBJECT TO CALL-IN BY THE OVERVIEW AND SCRUTINY COMMITTEE:**

No

**8.(b) IF NO, REASONS WHY IN THE OPINION OF THE DECISION-MAKER THE DECISION IS EXEMPT OR NON APPLICABLE:**

**I. COUNCIL / SCRUTINY FUNCTION (CALL IN IS THEREFORE NON APPLICABLE):-**

*Reason:*

The report will be presented to full Council for consideration.

**II. URGENT DECISION:-**

*Reason N/A*

**8.(c) IF DEEMED URGENT - SIGNATURE OF PRESIDING OFFICER OR DEPUTY PRESIDING OFFICER OR HEAD OF PAID SERVICE CONFIRMING AGREEMENT THAT THE PROPOSED DECISION IS REASONABLE IN ALL THE CIRCUMSTANCES FOR IT BEING TREATED AS A MATTER OF URGENCY, IN ACCORDANCE WITH THE OVERVIEW AND SCRUTINY PROCEDURE RULE 17.2:**

.....  
**(PRESIDING OFFICER)**

.....  
**(Dated)**

**FOR OFFICE USE ONLY**

**PUBLICATION**

Publication on the Council's Website:- **Monday, 12 December 2022**

**APPROVED FOR PUBLICATION: ✓**

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## RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

### COUNCIL

18<sup>TH</sup> JANUARY 2023

### The Council's Draft Annual Self- Assessment 2021/22 incorporating the Council's Corporate Performance Report

#### REPORT OF THE CHIEF EXECUTIVE

**AUTHOR: Lesley Lawson, Performance Manager**

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

- 1.1 The purpose of the report is for full Council to consider the Council's draft Annual Self-Assessment for 2021/22, taking into account the feedback from the Governance and Audit Committee at its meeting of [7 December 2022](#).

#### **2. RECOMMENDATIONS**

It is recommended that Members:

- 2.1 Review the draft Self-Assessment and consider whether it is an accurate and robust reflection of the position of the Council and its services and meets the requirements of the [Local Government and Elections \(Wales\) Act 2021 Part 6](#).
- 2.2 Consider the observations of the Governance and Audit Committee on 7 December 2022.
- 2.3 Subject to consideration of recommendations 2.1 and 2.2, if deemed appropriate, approve the Annual Self-Assessment 2021/22 incorporating the Council's Corporate Performance Report, and its publication within four weeks of approval.

#### **3 REASONS FOR RECOMMENDATIONS**

- 3.1 To continue to improve the Council's self-awareness through the range of self-assessment tools and approaches in place across the organisation.

3.2 To evidence how the Council is meeting the new duty set out in the Local Government and Elections (Wales) Act 2021, ‘for each Council in Wales to keep under review the extent to which it is meeting the ‘performance requirements’, that is the extent to which:-

- *it is exercising its functions effectively;*
- *it is using its resources economically, efficiently and effectively;*
- *its governance is effective for securing the above.’*

#### 4. **BACKGROUND**

4.1 For many years, the Council has prepared Annual Corporate Performance Reports in order to meet the requirements of the Local Government (Wales) Measure 2009. This Measure is now disapplied. The ‘freedom’ from the Measure has enabled the Council to reflect on the previous arrangements and to take a more proportionate, pragmatic and timely approach to planning and reporting the Council’s priorities, make better use of the plethora of information already made widely available and reduce the reporting burdens so far as possible.

4.2 Local Authorities in Wales are now required to meet the requirements of the Local Government and Elections (Wales) Act 2021. The Act requires an annual Self-Assessment to be undertaken of the Council, assessment of performance against priorities, identification of areas for improvement and plans in place to deliver those improvements. This is therefore, the first year of our new style annual Corporate Performance Report which provides a summary of our 2021/22 Self-Assessment and acts as a signpost to existing and new information we have used to keep our performance under review. Our annual Self-Assessment comprises information about:

1. **How we have delivered our Priorities** – reporting our progress and plans through the wide range of information already available to residents, communities and our stakeholders about how we are delivering our Priorities i.e. our Well-being Objectives, through our formal quarterly [Performance Reports](#) to Cabinet, specific reports to Council Committees and updates via the Council’s various Social Media channels.
2. **Our assessment of our corporate functions – including how we are meeting the Socioeconomic Duty.**
3. **The Self Evaluation of our services.**
4. **Our application of the Sustainable Development Principle** and information that shows how we are implementing the Well-being of Future Generations (Wales) Act 2015.



- 4.3 All organisations, whatever their size, the product or service they offer, public or private sector, need to know themselves well, identify their agenda for improvement, promote innovation and sector-leading practice and improve the quality of their products and services to meet the changing needs and demands of their customers or service users.
- 4.4 The basis of this process is called self-evaluation or self-assessment. Crucially, in the public sector, where the self-assessment process focuses on impact and outcomes of the services being delivered, it leads to improvements in the experiences and the outcomes for the service user, whether that is, for example, educational outcomes of learners or enabling more older people to live independently in their own homes.
- 4.5 Self-assessment is a continuous process, not a one-off event. It is the first, essential step in a cyclical process of bringing about change and improvement. It is based on professional reflection, challenge and support among practitioners and professionals. Effective self-assessment involves taking wide-ranging decisions about actions which result in clear benefits for all service users. Most of all, it is about striving for excellence within the resources available.
- 4.6 The Council introduced annual self-assessment processes in 2016 and has a good track record of open and honest self-assessment at corporate and service levels. This is evidenced in the latest Audit Wales 'Assurance and Risk Assessment Review', which was reported to the [7<sup>th</sup> December 2022](#) Governance and Audit Committee meeting, which recognised '*that the self-evaluation arrangements are well embedded and supported by robust corporate challenge*'.
- 4.7 The self-assessments, at both service and corporate levels, encourage and enable self-awareness across the Council, and are crucial to informing, supporting and challenging front line services, alongside the corporate support in place, to continually improve and giving assurance that we are delivering our priorities.
- 4.8 These processes use different sources of evidence to give assurance and provide information about where we are doing well and how we can do better to improve outcomes for the customer/resident/user etc.
- 4.9 Between early 2020 and Autumn 2021, many of the internal performance processes were held in abeyance to allow appropriate direct focus on the response to and recovery phases from the Covid pandemic. However, regular and comprehensive quarterly financial and performance management reports including monitoring reports continued to be provided to, and considered by, elected Members. This ensured that the business of the Council continued and information about the response and recovery phases of the pandemic was considered.

4.10 In April 2021 the Performance and Governance arrangements arising from the Local Government and Elections Act (Wales) 2021, Part 6, were enacted. Among other things, Part 6 of the Act seeks ‘to establish a more regularised performance and governance system which will place an onus on the principal council to take ‘ownership of its own improvement, and should seek to build reflection on performance and action to improve into its system’. Section 91 of the Act requires the Council to.....

*‘....produce a self-assessment report in respect of each financial year. The report must set out its conclusions on the extent to which it met the performance requirements during that financial year, and any actions it intends to take, or has already taken, to increase the extent to which it is meeting the performance requirements’.*

4.11 A position statement in respect of our readiness to meet the new statutory duty, particularly in the light of our earlier established performance culture, was considered by [Cabinet in March 2021](#).

4.12 In September 2021, the full self-assessment processes restarted. Over the past few months, Cabinet Members, officers and staff from across the Council have contributed to the corporate and service self-assessments alongside the continuing robust challenge of performance in the many and varied reports to Cabinet, Scrutiny and Governance and Audit Committees. There is no single formula or approach for self-assessment.

4.13 Given the disruption and refocus of the Council’s arrangements in 2020/21, the Council’s 2021/22 Self Assessment has sought to provide a ‘stock take’ of the service and corporate functions together with consideration of the robustness of the management and monitoring arrangements in place that evidence that we are delivering our priorities and enable the Council to be assured that:

- it is exercising its functions effectively;
- it is using its resources economically, efficiently and effectively; and
- its governance is effective for securing the above.’

4.14 At its meeting on 7 December 2022 the [Governance and Audit Committee](#) considered the draft Self-Assessment and considered the following recommendations.

- i. Review the draft Self-Assessment and consider whether it is an accurate and robust reflection of the position of the Council and its services and meets the requirements of the Local Government and Elections Act 2021 Part 6.

- ii. Make observations/recommendations for change, as deemed appropriate, prior to consideration by Council.
- iii. Require the Chief Executive to update the draft Self-Assessment in line with the Governance and Audit Committee's feedback, as appropriate, and for the Committee's feedback to be included in the report to Council.
- iv. Note that following approval of the self-assessment by Council, the document will be published within four weeks of it being finalised.

4.15 The Committee reviewed the draft Self Assessment and noted the significant volume of information that had been considered as part of its compilation and sought no changes in its content or the key themes identified.

4.16 For Members information, as part of the Governance and Audit Committee's review, assurance was sought in respect of the Council's ability/capacity to address the challenges described within the nine Key Themes emerging from the Self-Assessment and that these would be addressed through a cross-cutting partnership approach. The Committee was provided with appropriate assurance in that:

- a) the level of detail within the Self-Assessment was a reflection of the significant programmes of work and services being delivered across the Council, during a challenging period. The ongoing good governance and robust performance management arrangements enabled the Council to capture and report this information.
- b) the nine key themes identified as part of the self-assessment will provide focus and support the on-going delivery of Corporate Plan priorities during a very challenging period, with capacity and resource requirements being an integral part of the Council's robust medium term financial planning arrangements.
- c) working in partnership will continue to be a key feature in delivering the nine key themes, for example, through the Public Services Board, Regional Partnership Board and Community Safety Partnership which will also help strengthen the integration of joint work programmes.

## **5. THE COUNCIL'S 2021/22 SELF ASSESSMENT**

5.1 Performance and Governance arrangements arising from the Local Government and Elections Act (Wales) 2021 requires the Self-Assessment to be considered by the Governance and Audit Committee in advance of consideration by Council, as set out in paragraphs 4.14 to 4.16.

5.2 The information considered in assessing our performance for all our services, activities and functions runs into thousands of pages, and many

more hundreds of hyperlinked documents, policies, strategies, a small selection of which can be found [here](#). The available 'catalogue' of evidence includes updates contained in Cabinet Reports as part of the Cabinet work programme, and its Sub Committees and Steering Groups; Scrutiny and Pre-Scrutiny reports; Governance and Audit Committee considerations; Improvement and differing Regional Partnership Boards as well as Joint Committees. Much of this information is and has been publicly available for up to eighteen months. For this reason, it is not timely, nor is it of significant added value to the reader to reproduce the detail in the Self-Assessment. However, by providing high level summaries and signposts, we can demonstrate our open and transparent approach and provide the reader seeking more detail, with access to the information they need.

5.3 The Council's Self-Assessment is summarised in the Corporate Performance Report in Appendix 1 and comprises four sections

1. How we have delivered our Priorities
  - People;
  - Places; and
  - Prosperity.
2. Our assessment of our corporate functions.
3. The Self Evaluation of our services.
4. Our application of the Sustainable Development Principle.

#### **How we have delivered our priorities**

5.4 The Council's key strategic priorities for the period 2020-2024 were agreed by Council [on 4 March 2020](#) and are set out in its Corporate Plan '[Making a Difference](#)'. '[Making a Difference](#)' continues the positive work started in 2016 as part of the previous Corporate Plan, 'The Way Ahead', and is a key element of the Council's strategic and financial management arrangements to ensure it:

- is well placed to meet future ambitions, particularly in the context of challenging funding levels, changes in the demand for services, including the on-going impact of the Covid-19 pandemic and legislation changes;
- sets a clear strategy and set of priorities for future years;
- allocates resources to priority areas; and
- puts in place plans to deliver the agreed priorities.

5.5 The Corporate Plan sets a clear direction for the Council, which all staff and Managers can see, understand and work toward through their Service Delivery Plans. There are transparent, robust and regular reporting and scrutiny arrangements in place which also ensure that

residents and external stakeholders are able to hold the Council to account.

The Self-Assessment sets out our arrangements for monitoring and managing our priorities and associated budgets in our quarterly performance reports and sets out end of year summaries of each of our priorities demonstrating the progress made and where we need to improve.

### **Assessment of our corporate functions**

5.6 This sets out a 'stock take' of fourteen corporate functions and arrangements which support the delivery of services and our Priorities. In preparing the Assessment across the corporate functions, where possible, the Assessment has referred to existing processes, policies, reports etc., ensuring that no additional process is created in this work. The corporate functions considered are:

- 1 Strategic planning and Approach\*
- 2 Governance and Scrutiny
- 3 Performance Management\*/Finance\* and Risk Management
- 4 HR\*
- 5 Asset Management\*
- 6 IT/Information Management
- 7 Procurement\* and Commissioning
- 8 Partnerships
- 9 Involvement, Engagement and Customer Feedback
- 10 Welsh Language
- 11 Equalities and Socio-economic Duty
- 12 Regulators' Feedback
- 13 Net Zero
- 14 Well-being of Future Generations (Wales) Act

5.7 A summary of each of the fourteen completed assessment sections is set out in the Self-Assessment. The detailed assessments are available for further scrutiny/examination if required. Improvement Actions arising from the assessment of corporate actions are incorporated within the Delivery Plans of individual services.

5.8 Seven of these functions\* are described in [the Well-being of Future Generations Act Core Guidance](#) as *the core activities common to the corporate governance of public bodies... the application of which is likely to secure the change required by the Act*. An update of the Council's previous progress in the core activities was included in the [Council's Corporate Performance Report 2020/21 \(p 78-81\)](#).

## **The Self Evaluation (SSE) of our services**

- 5.9 Self Evaluations were completed by twenty-one areas of service. In completing the SSEs, Service Managers provide the evidence that enables them to answer three questions:
- a) how are they performing?
  - b) how do they know? and
  - c) what can they do to improve?
- 5.10 This also included the extent to which services implement key corporate and cross cutting functions. A copy of the SSE template can be seen [here](#) and is also contained within the Annual Self-Assessment.
- 5.11 The completed Service Self Evaluations were challenged and reviewed by the respective Cabinet Member, signed off by the Group Director and were subject to challenge by the Chief Executive in meetings with service managers.

The outcome of the Service Self Evaluation is a

- Set of key priority actions the service will deliver in 2022/23.
  - Set of performance measures and targets through which elected Members and officers can assess the performance of the service.
- 5.12 All completed SSEs are made available on the Council's Intranet site for internal reference/use. A list of the service areas that completed a Service Self Evaluation is can be found [here](#) and within the Annual Self-Assessment.
- 5.13 The key actions emerging from the SSEs informed Service Delivery Plans in 2022/23. Relevant key actions also informed the detailed plans that deliver the Corporate Priorities which are also our Well-being Objectives. The Corporate Priorities are monitored in [Performance Reports to Cabinet](#) and thereafter to Scrutiny Committees each quarter.

## **Well-being of Future Generations - Sustainable Development principle**

- 5.14 The Council's Improvement Priorities are our Well-being Objectives and discharge the requirements under the Well-being of Future Generations (Wales) Act 2015. This approach was supported by Council in endorsing the Corporate Plan 'Making a Difference' on [4 March 2020](#) when it agreed that the Council's Corporate Priorities would also serve as the

Council's Well-being Objectives and set out how it would contribute to the seven national Well-being Goals.

- 5.15 The Council's approach to the Well-being Future Generations Act was set in [November 2016](#) when Cabinet agreed a Policy Statement to apply the spirit of the Act, embedding processes into the work of the Council and avoiding any additional burden to the leadership, management and governance of the Council. The Act has been acknowledged by the Commissioner as the 'common sense Act'.
- 5.16 Our Assessment of progress in respect of the Well-being of Future Generations Act has been set out in the Corporate Assessment, see 5.8 above. This Assessment provides an appraisal of progress and plans to strengthen our approach following a refocus of priorities arising from the pandemic.
- 5.17 As indicated in the Self-Assessment, early feedback from Regulators in respect of our approach to implementing the Act was generally positive but we know there is more to do. With the recent new national approach by Audit Wales to test how all Public Bodies are applying the Sustainable Development principle in all its reviews, inevitably gaps in all Public Bodies approaches, including the support provided by the Commissioner, are being identified.

## **6. HOW CAN WE IMPROVE THINGS FURTHER?**

- 6.1 Of the areas for improvement that emerge from the different elements across the Self-Assessment, there are nine clear themes that the Council must tackle:
  1. **Financial Planning and Resilience** – managing our way through the current and future significant financial challenges, that include the on-going impacts from the pandemic and cost of living crisis. This will require the Council and its partners to prioritise services and make difficult decisions in respect of service delivery;
  2. **Workforce Planning** - Recruiting and retaining the best staff and ensuring key services such as social care have the staffing flexibility to respond to increasing demand for services;
  3. **Cost of Living Crisis** – working with partners, the Council provides a wide range of services and targeted support to children and their families as well as individuals living in poverty. However, in the aftermath of the pandemic we need to improve the way in which we engage with families to make them aware of the breadth of services available and how they can access them;
  4. **Making RCT Resilient to the challenges of Climate Change** – working with Welsh Government, Natural Resources Wales and

local businesses and communities, we need to continue to mitigate, wherever possible, the impact of climate change. This includes continuing to replace / repair the infrastructure damaged by Storm Dennis, tackling tip safety, upgrading the flood water infrastructure and supporting residents and businesses to put in place their mitigation and adaptation measures. The Council will also be seeking to reduce its own carbon footprint and become carbon neutral by 2030;

5. **Narrowing the Attainment gap for pupils living in poverty** - improving pupils' achievement and narrowing the attainment gap, which has widened during the course of the pandemic.
6. **School Attendance** – improving pupil attendance to at least the level pre-the pandemic, and in particular those children living in poverty where the levels of attendance are lowest;
- 7 **Modernising and integrating health and social care services and transforming the Council's residential services for children** – to ensure that vulnerable people who require care receive it promptly and within their own communities, with the minimum of time spent in acute hospital settings. To increase capacity and transform our services to move the Council to a not-for-profit model of provision of residential care that is close to home;
- 8 **Continuing to regenerate the town centres and supporting local businesses** – we have ambitious plans for our town centres and despite the difficult financial circumstances we need to ensure we maximise UK and Welsh Government funding to create thriving town centres and be able to offer a range of quality commercial accommodation to local businesses to start up and become successful organisations employing local people; and
- 9 **Supporting those in housing need** - continuing to focus on preventing homelessness and working with Welsh Government, private and registered social landlords to ensure we have the right accommodation, in the most appropriate location, and with suitable support to meet an individual's and a family's need when they are at risk of being homeless.

## 7. **EQUALITY AND DIVERSITY IMPLICATIONS AND SOCIOECONOMIC DUTY**

- 7.1 An Equality Impact Assessment is not required with regard to the annual Self-Assessment. However, the Self-Assessment contains an evaluation of how we are delivering Equality, Diversity and Inclusion in the Council's services, and our progress in integrating the socio economic duty into the work of the Council and where we need to do better.

## 8. **CONSULTATION, ENGAGEMENT AND INVOLVEMENT**



- 8.1 One of the key areas of challenge in the Self-Assessment is seeking and using residents/customers/service users and staff views on the services provided or ideas for improvement. This feedback can emerge through engagement, social media and other customer feedback channels. We have used the feedback we have in all parts of the Self-Assessment and the Corporate element of the Self-Assessment, in particular, explains how we are seeking to expand this work and ensure all feedback is being used across the Council to inform our planning and service delivery. This continues to be an area for improvement and will be developed further in 2023.

## **9. WELSH LANGUAGE IMPLICATIONS**

- 9.1 There are no Welsh language implications aligned to this report. However, Welsh Language is integral to the Service Self Evaluation and Corporate Assessments and is contained within the relevant sections.

## **10. FINANCIAL IMPLICATION(S)**

- 10.1 There are no financial implications aligned to this report. Any investment required to address any of the recommendations will be reported and considered separately.

## **11. LEGAL IMPLICATIONS**

- 11.1 The report aims to ensure that the Council complies with its legal duties in respect of Part 6, Chapter 1 of the Local Government and Elections (Wales) Act 2021.

## **12. LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT**

- 12.1 This report seeks to identify how well the Council is performing and what needs to improve in accordance with the aspirations set out within the Council's Corporate Plan and to establish its progress in meeting the requirements of the Well-being of Future Generations Act to improve the Economic, Social, Environmental and Cultural Well-being of the people and communities of Rhondda Cynon Taf and the six core activities identified in the Act as being '*common to the corporate governance of public bodies*'.

## **13. STRATEGIC OR RELEVANT TO ELECTORAL WARDS**

- 13.1 The Self- Assessment and the processes it comprises, identify strengths and opportunities for improvement across all services within the County Borough.

## 14. CONCLUSION

14.1 Each of the elements of the Self-Assessment seek to challenge the status quo and deliver an accurate appraisal of the Council. Within each section there are a number of potential areas for improvement which are developed in the relevant Delivery and Priority Plans.

14.2 The Council has in place comprehensive and well embedded assessment processes and robust monitoring, governance and scrutiny of its priorities. We are clear about our strengths and honest about where we need to do better. Our ability to compare with other Welsh Councils, continues to be limited due to the lack of robust national data. Within the Council the culture of constructive challenge, self awareness and pursuit of excellence, supports and challenges our arrangements and ensures we take all steps to deliver services efficiently and effectively. For these reasons, supported by the evidence throughout the Self Assessment, the Council can demonstrate it

- *is exercising its functions effectively;*
- *is using its resources economically, efficiently and effectively; and*
- *governance is effective for securing the above.'*

and in doing so it is meeting the requirements of [Part 6 of the Local Government and Elections \(Wales\) Act 2021](#).

**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

**THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**COUNCIL**

**18 JANUARY 2023**

**THE COUNCIL'S DRAFT ANNUAL SELF ASSESSMENT 2021/22  
INCORPORATING THE COUNCIL'S CORPORATE PERFORMANCE  
REPORT**

**REPORT OF THE CHIEF EXECUTIVE**

Author: **Lesley Lawson, Performance Manager**

**Background Papers:**

Governance and Audit Committee [7 December 2022](#)

Item 7 Draft Annual Self Assessment, incorporating the Council's Corporate Performance Report

Officer to contact: Lesley Lawson, Performance Manager

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APPENDIX 1

# **The Council's draft Corporate Performance Report Self Assessment Summary 2021-22**

*This document contains information about the planning and progress of the Council's priorities which are the Council's Well-being objectives as required by the Well-being of Future Generations Act 2015 and also the Council's summary Self Assessment as required by the Local Government and Elections (Wales) Act 2021.*

*This document is available in other languages and formats on request.*

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    - Places
    - Prosperity
  2. Our assessment of our corporate functions
  3. The Self Evaluation of our services
  4. Our application of the Sustainable Development Principle
- Appendix A Contributing to the Well-being Goals

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## **Introduction**

This is the first year of our new style annual Corporate Performance Report which provides a summary of our 2021/22 Self Assessment, and acts as a signpost to the new and existing information we have used to keep our performance under review. Our annual Self Assessment comprises information about

1. **How we have delivered our Priorities** – reporting our progress and plans through the wide range of information already available to residents, communities and our stakeholders about how we are delivering our Priorities i.e. our Well-being Objectives through our formal quarterly [Performance and Resources reports](#) to Cabinet and Council Committees and the Council's various Social Media channels.
2. **Our assessment of our corporate functions – including how we are meeting the Socioeconomic Duty**
3. **The Self Evaluation of our services**
4. **Our application of the Sustainable Development Principle** and information that shows how we are implementing the Well-being of Future Generations (Wales) Act 2015.

Our previous Corporate Performance Reports, the most recent report for 2021/22 is [here](#), was designed to meet requirements of the Local Government (Wales) Measure 2009. This Measure is now disappplied. The 'freedom' from the Measure, has enabled the Council to reflect on the previous arrangements and to take a more proportionate, pragmatic and timely approach to planning and reporting the Council's priorities, make better use of the plethora of information already made widely available and reduce the reporting burdens so far as possible. In doing so this has also provided the opportunity to include our new annual Self Assessment and in so doing, meet the requirements of the Local Government and Elections (Wales) Act 2021.

## The Self Assessment

The Local Government and Elections (Wales) Act 2021 put in place a wide range of new statutory duties. The Performance and Governance duties outlined in [Part 6, Chapter 1 of the Act](#) are about strengthening and empowering local government... *'defining principal councils as self-improving organisations through a system based on self-assessment and panel performance assessment'*. Among other things, the Act requires Public Bodies to

- keep performance under review
- consult on performance and
- report on performance, producing a self assessment report in respect of each financial year.

We have a strong track record of reviewing our performance through well embedded monitoring, support and challenge arrangements across all levels of the Council resulting in a positive performance culture in which the whole organisation continually strives for excellence. We also have wide ranging programmes of consultation and engagement activities with residents, staff and stakeholders that help to inform and shape our work and set our priorities.

The full 'catalogue' of available information to evidence how we achieve this is contained within the four areas described within this Self Assessment i.e.

1. **How we have delivered our Priorities**
2. **Our assessment of our corporate functions**
3. **The Self Evaluation of our services**
4. **Our application of the Sustainable Development Principle**

The information considered within the four areas that comprise our Self Assessment runs into thousands of pages, and many more hundreds of hyperlinked documents, policies, strategies and plans that provide more detailed supporting evidence and data, a selection of which can be found [here](#). This available 'catalogue' also includes updates contained in the quarterly Performance and Resources reports to [Cabinet](#), stand-alone reports as part of the Cabinet work programme and its Sub Committees and Steering Groups; Scrutiny and Pre Scrutiny reports; [Governance and Audit Committee](#) considerations; Improvement and differing Regional Partnership Boards as well as Joint Committees. Much of this information is and has been publicly available for up to eighteen months. For this reason, and also that we are already well into the 2022/23 reporting year, it is not timely, nor is it of significant added value to the reader to reproduce the detail of these assessments. However, by providing high level summaries and signposts, we can demonstrate our open and transparent approach and provide the reader seeking more detail with access the information they need.

This Council has a strong track record of performance review together with robust and regular performance monitoring by Senior Leadership Team and elected Members. It also has well embedded self-assessment processes in place at service and corporate levels as set out in our [Performance Management Framework](#). This means that we are able to support and challenge services and the corporate support areas to continually improve and set appropriate service



priorities for Delivery and Priority Planning, for consideration, monitoring and scrutiny by elected Members in meetings of Cabinet, Scrutiny and Governance and Audit Committees and Council. Our approach to responding to Regulators' reports is open and transparent and reports considered by Governance and Audit and Scrutiny Committees can be found [here](#).

A position statement in respect of our readiness to meet the new statutory duty of self assessment, particularly in the light of our earlier established performance culture, was considered by [Cabinet in March 2021](#).

Because of the unprecedented events of the last two years, between Spring 2020 and Autumn 2021, some of our self assessment processes were held in abeyance to allow appropriate direct focus on the response to and recovery phases from the Covid pandemic. However, quarterly reporting to elected Members experienced the least disruption. In late 2021 we resumed a full cycle of Service Self Evaluations and an assessment of our corporate functions.

Given the 'gap' in some aspects of our self-assessment knowledge and the value in providing the new administration a more comprehensive and timely suite of information, we have taken a pragmatic approach to meeting the new reporting requirements in this first year of the [Local Government and Elections \(Wales\) Act](#) and at the same time taken the opportunity to further strengthen how we meet existing reporting requirements to reduce reporting burdens and make best use of existing reporting streams.

The following sections set out the four areas in our 2021/22 Self Assessment 'suite' comprising high level summaries of progress in delivering the Council's Priority Plans, i.e. Well-being Objectives; Assessments for fourteen Corporate/cross cutting areas of work, information about our Service Self Evaluations for twenty-one areas of service and our application of the Sustainable Development Principle.

Throughout the Assessment the Council can evidence consistent improvement over the past few years, which continued during the unprecedented global pandemic, when we continued to deliver our priorities, providing a solid foundation to build and accelerate progress following recovery.

The continued improvement continues to be driven by the strong and focused leadership from the Leader and Cabinet. In the coming months, work will start on the involvement and preparations for our new Corporate Plan, setting out our plans and ambitions beyond 2024.

Political leadership of the Council has been stable for a number of years, and remains constant following the 2022 Local Government elections. The stability and strength of leadership was recognised by staff in a staff survey considered by Senior Leadership Team in February 2022. Of the staff that responded,

- 75% agreed or strongly agreed that RCT is a strong Council that leads the way in many services.
- 19% neither agreed nor disagreed.
- 5% in total, were unsure, disagreed or strongly disagreed.

These findings provide assurance that staff saw and felt strong leadership during the most challenging period in the existence of RCTCBC and we will continue to develop and deliver this strong and visible leadership.

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### How we have delivered our Priorities

The Council's Corporate Plan 2020-2024 '[Making A Difference](#)' sets out our Vision, sets our three priorities PEOPLE, PLACES and PROSPERITY and our approach. Together, these strategic aspects, direct everything we do and are well embedded into other Council's strategies and planning arrangements, including for Work Force and Financial planning and Risk Management. Each of the priorities contribute to the achieving the Economic, Social, Environmental and Cultural well-being of RCT, and of Wales.

The detailed plans to deliver our three priorities PEOPLE, PLACES and PROSPERITY are currently agreed by Council and subsequently monitored and scrutinised by elected Members in [Cabinet](#), [Scrutiny](#) and [Governance and Audit Committees](#) is part of the [quarterly Performance and Resources Reports](#).

The quarterly Performance and Resources Reports to Cabinet, currently comprises

- **Executive Summary** of Performance by quarter.
- **Revenue Budget Monitoring** - setting out the detailed financial spend against budget across our Revenue Budget with exceptions highlighted.
- **Capital Budget Monitoring** – setting out spend across our Capital Programme with exceptions highlighted and a section covering Prudential Indicators.
- **Organisational Health data**– includes staff turnover, sickness absence, organisational health related investment areas and an update on the Council's Strategic Risk Register.
- **Delivering our Corporate Plan:** Progress in delivering our Corporate Priorities; People, Places and Prosperity.
- **Our response to extreme weather events** - progress made to implement the recommendations agreed by [Cabinet on 18th December 2020](#).

In respect of delivering our Corporate Plan and in particular the priorities it sets out, the quarterly reports provide an overview of our progress, with hyperlinks to further and more detailed reports, case studies and relevant 'comms', and also presents more detailed progress reporting through updates to each of the three Action Plans. The 2021/22 end of year report was considered by Cabinet on [18 July 2022](#).

We can see from this information that overall, we are making good progress in delivering our priorities but we also know those areas we need to improve.

There is no single report that can provide a complete, timely and comprehensive picture of the work undertaken across the Council that contributes to the delivering our priorities. For example, the Annual Governance Statement contained within the Statement of Accounts provides an assessment of the Council's Governance arrangements and the extent to which it effectively manages the delivery of its services and priorities and its resources. [The 2020/21 Statement](#) indicated that these governance arrangements are in place.

However, the information contained within the quarterly reports provide a helpful overview from which the reader can seek further detailed information.

The following three sections, provide a summary of the progress of each of our priorities as described the end of year report, together with a link to each of the three 2022/23 Priority Plans that will form the basis of monitoring and scrutiny of our progress, up to and including 31 March 2023.

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## PEOPLE - Are independent, healthy and successful

### Introduction

We put in place plans to help PEOPLE to be independent, healthy and successful because we want to give people of all ages, abilities and backgrounds the best chance to live a good quality of life, both now and in the future. We believe that by working with partners to help people to stay healthy and active and involved in communities, preventing many long-term issues from arising, people can stay well for longer. Where people do need help, we need to make this help easier for them to find. Residents told us this is important to them and their families.

### General Statement of progress

Despite the challenges that remain from the Covid-19 pandemic, we continued to make good progress as a Council and in partnerships. We continued our work to support our residents who are older, vulnerable or who have disabilities, to remain independent and have a good quality of life and have continued the planned building work on new residential accommodation. We continued to encourage all residents to lead active and healthy lifestyles and maintain their mental wellbeing and re-opened our leisure facilities including the new [Llys Cadwyn](#) centre in Pontypridd. We continued to work with partners to support older people to stay in their homes longer, prevent unnecessary stays in hospital and to help get people home from hospital safely and more quickly when they are well enough, although we recognise that there is more to do. We remained focused on supporting our most vulnerable residents and families. We know that there is much to do help keep our residents of all ages and backgrounds safe and well.

More detail can be found in our end of year [quarterly performance report](#) to Cabinet 18 July 2022. This includes a financial update on our investment priority areas and information about how we have .....

- opened [Cwrt Orsaf](#) Pontypridd, our third extra care facility in RCT, alongside Ty Heulog in Talbot Green and Maesyffynnon in Aberaman, with other facilities in progress in Porth and Treorchy.
- put in place [school holiday fun and activities](#) in 15 of our schools, around 400 children took part.
- opened a supported Accommodation Scheme for adults with a learning disability with plans being developed to provide a range of supported housing options that meet the needs of vulnerable people.
- reopened [Lido Ponty](#) and [Hawthorn Swimming Pool](#).
- introduced a new range of targeted leisure activities to keep people active, including [‘Made for Mams’](#) and [videos](#) featuring walking routes
- delivered a programme of Targeted Play provision for vulnerable 5-14 year olds with care and support needs.
- launched the new [‘YEPs’ App](#) to provide more and better information as support for young people.

and .....

- continued our review of residential care for older people.
- continued to develop our work to support recovery and independence and working with UHB to avoid hospital admission and support hospital discharge.
- continued to develop digital solutions to support people and their families.
- continued to strengthen our arrangements to train our Adult Services staff in different ways of working with individual and families.
- started to put in place a different way to help people to manage their care needs through direct payments through the new 'Community Catalyst' model.
- talked to people about new day services for people with a learning disability that provide meaningful activity and opportunities for them to achieve their personal goals.
- continued to develop our Community Hubs as places that people can meet and socialise, strengthening relationships with residents and community groups.
- involved people in the development of a new inclusive and accessible plan for our theatres.
- Prevented more homelessness in the County Borough, from 48% in Quarter 1 of 2021/22 to 69% at year end. Stand alone data for the final quarter performance was 77%.
- provided information and assistance to those people supporting Ukrainians fleeing conflict and also the Ukrainian families who have arrived in Rhondda Cynon Taf.
- continued to work with partners to help people to stay in their own homes for longer, manage transfers of care and improve end of life care in the community.
- continued to review and Mental Health services.
- continued to our work to make sure that those children that cannot stay with their families are looked after closer to home and those young people leaving care have the right support.
- continued to transform early years support so that people can access help no matter where they live
- continued to develop the Social Prescribing model.

You can also find out more about our services in the [Director of Social Services Annual Report 2021/22](#)

The detailed plans to deliver our **PEOPLE priority in 2022/23** can be found [here](#).

## PLACES - Where people are proud to live, work and play

### Introduction

We put in place plans for PLACES because we know that having a clean, pleasant and well-maintained environment is important to residents. Having efficient recycling and waste collections, welcoming green spaces, clean streets and well-maintained roads are some of the ways we can make residents' daily lives more pleasant as well as for our visitors who come to enjoy all that Rhondda Cynon Taf has to offer. However, our greatest challenge is to play our part in tackling Climate Change and we have a new '[Tackling Climate Change](#)' Strategy in place to direct the work to meet the carbon reduction goals we have set out ourselves.

### General Statement

Over the last year, we have continued to make good progress as a Council and as part of wider partnerships, to make PLACES where people are proud to live, work and play. By supporting and working with residents we recycled 67.18% of the waste we collected and we also continued to enforce the zero tolerance messages for environmental crimes. We progressed our carbon reduction plans by developing the EV Charging Infrastructure, changing the system of collection and recycling of our 'green waste' and widening opportunities to develop Active Travel. We took steps to keep residents safe e.g. responding to residents feedback to continue 'No Alcohol Zones' in Pontypridd and Aberdare, supporting people experiencing domestic and sexual violence to get the help they need when they present in a hospital setting and working on all Wales operations to tackle illegal trading. We also improved services to those residents in need of help and support with substance misuse. We have continued to create and support new biodiversity and climate related projects including establishing a Sustainable Food Partnership. However, we know we have more to do to continue to improve PLACES and to achieve our short and long term climate ambitions, including achieving our ambitious recycling and reuse targets, embracing the circular economy, putting in place adaptation and mitigation solutions to help tackle the impact of climate change to minimise the effect on our residents and in doing so, helping to improve air quality across the County Borough.

More detail about how we did this can be found in our end of year [quarterly performance report](#) to Cabinet 18 July 2022. This includes a financial update on our investment priority areas about how we have

- completed a comprehensive £27M Investment Programme on our highways and structures improvements, drainage improvements and storm recovery across Rhondda Cynon Taf.
- published twelve [Section 19](#) Flood Reports.
- put in place an [Electric Vehicle Charging Strategy](#) and provided [EV Charging Points installation progress](#) information on the Council's website
- recycled 67.18% the waste we collected.
- taken enforcement action against 997 fly tipping incidents, and

- saw [South Wales Parking Group](#) process 20,000 Penalty Charge Notices for incidents within RCT
- talked to residents about [Food Waste Recycling](#) and about why some choose not to.
- launched a new sustainable [Green Waste Collection](#) system with almost 45,000 households signing up, the majority of which did so on line.
- launched our new [Biodiversity web page](#) providing information about what RCT has to offer.
- put in place '[Try before you buy](#)' EV taxi trial as part of Cardiff Capital Region City Deal, which included preparations to make live three dedicated 65kw electric taxi charging points at Pontypridd, Porth and Aberdare.
- established the [RCT Sustainable Food Partnership](#) to ensure that residents have access to healthy, tasty, affordable food that's good for the environment and for the local economy.
- worked with the Health Board and the Police and Crime Commissioner to provide specialist independent advice and support to domestic abuse victims who make a disclosure of abuse whilst attending A & E for treatment and/or hospital appointments at Royal Glamorgan.
- re launched '[Ask for Angela](#)' campaign to support people feeling vulnerable or unsafe and in need of access to a safe spaces in premises signed up to the [Pubwatch](#) scheme.
- opened the [Gravity Family Bike Park](#) at Dare Valley Country Park.

and

- trialled Low Carbon Vehicles and fuel alternatives in our fleet.
- continued to develop our arrangements to manage and install further publicly accessible charging points and seeking additional funding to expand further.
- continued to develop ways to generate renewable energy and reuse hard plastics.
- continued to continue to develop Bryn Pica Eco Park and seek funding opportunities to go develop further.
- continued to prepare to support businesses and social landlords to implement the planned changes to trade waste recycling.
- continued our work to reduce our use of single use plastics in the Council through the changes to our procurement processes.
- continued to dispose/recycle our office equipment and technology more sustainably
- continued to work with partners to reduce waste through blitz programmes and improving recycling habits in community bin collection points.
- through the [RCT Food Support Fund](#) and the [Sustainable Food Places](#) Network, continued to support residents to access food parcels, fresh fruit and vegetables
- continued to prosecute fraudulent activity, including through [Operation CeCe](#) which seized 1 Million illegal cigarettes.

The detailed plans to deliver our **PLACES priority in 2022/23** can be found [here](#).



## **PROSPERITY - Creating the opportunity for people and businesses to - be innovative; be entrepreneurial; and fulfil their potential and prosper**

### **Introduction**

We put in place plans for PROSPERITY because we want to create opportunities for people to reach their potential through education and training and for businesses across the County Borough to flourish both now and in the future. We are continuing to invest in our schools, early years settings and also our Town Centres, bringing in more jobs and creating new homes, along with opportunities for leisure and social activities. We believe that RCT has much to offer, and we want to make sure that we make best use of our work with partners including to improve the availability of low carbon public and accessible transport, strengthen tourism and create new jobs, especially in the 'green' economy.

### **General Statement of progress**

We continued to make positive progress both as a Council and working in partnership despite challenges remaining from the Covid-19 pandemic, particularly for our schools and businesses. We continued to support businesses and lead in ambitious plans to transform our town centres to unlock their economic, social and cultural potential whilst balancing environmental considerations. We also worked closely with partners to deliver quality, affordable and energy efficient homes and continued the development of a strong local development plan for the long-term future of the County Borough. Our new Education Strategic Plan will drive ongoing support and improvement for our schools, ensuring wellbeing and inclusion are at the heart of our approach, and we supported adults of all ages to develop their skills, find employment or develop their careers.

More detail about how we did this can be found in our end of year [quarterly performance report](#) to Cabinet 18 July 2022. This includes a financial update on our investment priorities areas and information about how we have

- completed a range of property and site redevelopment projects in our town centres, including the redevelopment of Rhos (Guto) Square in Mountain Ash and the [Porth Transport Hub](#).
- set out a [Pontypridd Town Centre draft Placemaking Plan](#) to provide a vision for the regeneration of the town to unlock the town's economic, social and cultural potential and supported redevelopment of disused sites including the former Bingo Hall and Marks & Spencer building.
- supported Active Travel and public transport in our town centres by obtaining planning permission for expanding Park and Ride schemes at Porth, Treorchy and Llwynypia and completing Active Travel studies in Pontypridd, Aberdare and Porth Town Centres.
- put in place our new [Tourism Strategy](#) and how we plan to promote our landscape, culture and heritage to support the local economy.
- agreed a new Education Strategic Plan outlining priorities for the next three years and also submitted our new [Welsh in Education Strategic Plan](#) to Welsh Government

- put in place new systems to identify where our schools and learners most need support, including those most affected by the Covid-19 pandemic, and put in place help and guidance to improve standards and deliver the new curriculum
- completed schemes to improve Early Years facilities at Dolau Primary school, Gwauncelyn Primary school and YGG Llantrisant, funded by Welsh Government's Early Years Grant.
- worked with housing associations and landlords to support people with a range of needs, including young people leaving care, to find and stay in suitable homes

and continued to

- lead on the £15M [Transforming Towns](#) grant across the Cardiff City Region and a strong pipeline of potential projects is in development, including review of currently disused sites.
- support our local businesses, including enabling smaller businesses to compete for Council contracts by improving communication and completing the roll out of wifi to 7 town centres
- develop a Revised Local Development Plan with an amended and extended plan period 2022 – 2037, to fully respond to the key issues we now face, including Climate Change and the impacts of Brexit and the Covid-19 pandemic.
- develop the Masterplan for the [Llanilid Strategic opportunity area](#) and town centre placemaking plans. This includes dialogue with developers and Cardiff Capital Region City deal to support the development of new housing on brownfield sites.
- deliver major transport schemes including dualling the A4119; the Llanharran bypass scheme and the Cynon Gateway North project.
- review and extend our pilot of Family Engagement Officers to support children and families to improve their wellbeing and school attendance.
- ensure effective arrangements are in place to meet the requirements of the [ALNET Act](#), a new statutory framework for supporting children and young people with Additional Learning Needs (ALN).
- [invest in our school buildings](#) to develop high quality learning environments and community facilities to meet long-term needs, including Net Zero carbon buildings.
- support an increase in the number of energy efficient, low carbon homes in RCT, including working with Rhondda Housing Association to develop a Zero Carbon home using local timber as part of the [Skyline project](#).
- support retrofitting existing homes to make them more energy efficient
- provide a [range of support](#) for people to gain skills, find employment and develop their careers through our employment support programmes, graduate and apprenticeship programme. This also includes specialist support for those with particular needs including young people, those leaving care and people with learning disabilities.

The detailed plans to deliver our **PROSPERITY priority in 2022/23** can be found [here](#).

## **Our assessment of corporate functions – including how we are meeting the Socioeconomic Duties**

We have identified fourteen corporate/cross cutting areas of work that underpins everything we do. These cross cutting areas of work also comprise the set of seven core activities ‘*that are common to the corporate governance of public bodies.....likely to most effectively secure the type of change required*’ as set out in the [core guidance](#) of the Well-being of Future Generations (Wales) Act 2015. Where this is case, in preparing our assessments we can also demonstrate how we are applying the core activities of the Act.

<b>Corporate/Cross Cutting</b>	<b>Core Activities (WFG)</b>
1. Strategic planning and Approach	1. Corporate planning
2. Governance and Scrutiny	2. Financial planning
3. Finance Performance and Risk Management	3. Performance Management
4. Human Resources	4. Risk management
5. Asset Management	5. Workforce planning
6. IT/Information Management	6. Assets
7. Procurement and Commissioning	7. Procurement
8. Partnerships	
9. Involvement, Engagement and Customer Feedback	
10. Welsh Language	
11. Equalities and Socio-economic Duty	
12. Regulators’ Feedback	
13. Net Zero	
14. Well-being of Future Generations	

The performance of each of these fourteen areas has been assessed to consider how they are supporting the delivery of the Council’s services and priorities and enabling the Council to meet relevant statutory requirements. A summary of each of these assessments can be found below.

### **1. Strategic planning and Approach/Corporate Planning’**

Despite the unprecedented challenges arising from the Covid-19 pandemic and the essential response and refocus required to support our residents, the Council’s strategic vision, priorities and approach directed the Council’s resources to where they made the most difference to the people and communities in Rhondda Cynon Taf. This has remained the case beyond the pandemic as we return to business as usual.

However, we know we have more to do to make sure that the Council’s priorities are fully reflected in all Council strategies/policies etc. We will ensure that that our

leadership, challenge, support and ambition remain strong and transparent so that we continue to uphold the strong ethos of self-awareness and continual improvement that has become embedded across the Council's services over recent years. We will continue to make best use of all our resources and to strengthen our knowledge of our communities so that we can ensure that our focus on their needs remains clear and priorities are relevant, particularly as we start to consider our corporate planning beyond 2024.

## 2. **Governance and Scrutiny**

The Council continues to strengthen its governance, scrutiny and accountability arrangements to more effectively inform and robustly challenge itself and its policies to drive forward change. We are also continuing to improve access to the democratic process and demonstrate improved outcomes for residents and communities through our decision-making arrangements. The areas of focus in the last year included continuing to develop capacity and support to enable elected Members to effectively discharge their responsibilities. The Council has continued to enhance its diversity of representation, aided by greater use of technology in virtual and hybrid meetings also meeting the requirements of the Local Government and Elections (Wales) Act 2021. There remains much to do to fully meet and embed these requirements. Building the progress made to support the previous administration we are ensuring that the new 'Council' arising from the 2022 Local Government elections, has the information, equipment and relevant support in place to enable all members to conduct the business of the Council in person and through virtual meetings in the language of their choice. The new Participation Strategy will be finalised and implemented in the Autumn, widening access to democracy for people of all ages and abilities. The work to create and develop a regional South-East Wales Corporate Joint Committee (CJC) continues, with the aim of transitioning the Cardiff Capital Region's existing operational and delivery model into a single corporate body with the CJC adopting the existing decision-making and oversight role of the Joint Committee but progress has been slowed by the need to address a number of taxation status issues and associated risks at national level. The Council's part in scrutinising the delivery of the Cwm Taf Morgannwg Public Service Board, continues to ensure all public sector organisations in the region, work to deliver the Well-being Goals and apply the requirements of the Well-being of Future Generations Act.

## 3. **Financial Planning, Performance and Risk Management**

Strong and visible leadership and a clear strategic direction continues to provide a solid platform to prioritise resource and deliver an ambitious improvement programme for the benefit of residents, this underpinned by robust service and financial management arrangements. We have made positive progress in delivering our priorities in the context of the prolonged challenges arising from austerity and more recently the pandemic, and feedback from our external regulators confirms that the arrangements we have in place demonstrate the Council is using its resources economically, efficiently and effectively.

The Council's resources are directed to the delivery of its priorities through our Performance Management arrangements which contribute to a strong performance culture built on openness and transparency, and support and challenge at an Officer and elected Member levels, and the organisation's financial planning and risk management arrangements effectively support the delivery of the Council's corporate priorities, as evidenced via the in-year and year-end [Performance Reporting](#) arrangements.

The Council has a sound approach to medium term financial planning, with these arrangements being key to support the on-going financial stability of the Council through the forecasted very challenging period ahead.

#### 4. **Human Resources/Workforce Planning**

In the last year, the Council focused its HR resources to continue to support Managers, Headteachers and staff across the Council as they emerged from various stages of the pandemic and tackled the ongoing and changing national and local challenges within their services. This has meant redeploying HR staff, recruiting and resourcing new services such as TTP, supporting the co-ordination and delivery of Covid testing and Vaccine programme, putting in place shielding arrangements for 'at risk' staff and facilitating risk assessments for all staff to safely return to work together with supporting their well-being. At the same time, the Council has been introducing a new HR/Payroll system, 'iTrent' which is currently being rolled out incrementally following a period of 'parallel running' with the existing HR Vision system.

With a different HR focus over the last two years, during 2022-23 we will embed and develop the positive HR processes learned during this time and reflect these in the planned revisions to our HR strategy and Workforce Plan. We will also use the findings of the Audit Wales ['Springing Forward'](#) review of HR to challenge how we manage the new HR arrangements, policies and procedures to better support services as they emerge from the pandemic and meet the new challenges and opportunities ahead and strengthen our data and benchmarking arrangements. We are also taking steps to digitise, modernise and strengthen our recruitment processes and widen our pool of candidates. We will work to maximise the functionality of the new HR/Payroll system to enable the Council to better inform and manage its workforce processes and associated data and benchmarking.

#### 5. **Asset Management**

Pre pandemic, the Council made an early positive start to reduce the occupied office accommodation space and exceeded the target reduction of 20% set out in the [2016 Corporate Plan](#). During the pandemic, to enable services to meet their needs and to facilitate social distancing arising from Covid restrictions, previously unoccupied space was, of necessity, reoccupied. As a result, the use and occupation levels of our buildings have changed significantly over the last year or so, they align with other aspects of Agile Working i.e. Workforce and Digitisation. The Council's 'Built Asset Review' will inform an Office Accommodation Strategy where further targets for reducing occupied space will be agreed. The office accommodation portfolio in use

during 2021/22 will form the new baseline for setting targets and monitoring results in future years.

We regularly review our Corporate Asset Management Plan 2018-23, (CAMP) for our property assets. A new CAMP will be considered and implemented in April 2023. The new CAMP will reflect the changing needs and purpose of our built assets and the need to fully reflect the changing energy needs and usage so that they minimise energy use and carbon emissions. Similar energy saving work is ongoing across existing and proposed projects in our School Investment Programme and other Council Investment Programmes.

The Office Accommodation Strategy will inform the future development of the CAMP and Corporate Estates will continue to be pivotal in managing the Council's Climate Change aspirations through the new Decarbonisation Plan. The Decarbonisation plan is a key component of the [Council's Climate Change Strategy](#) and is currently being developed. Community Asset Transfer will continue to be considered as an option for surplus Council properties, particularly as Agile Working becomes embedded and more Council properties become vacant.

## 6. IT/Information Management

Building on the positive achievement of its first Digital Strategy [Digital RCT – Our 2020 Digital Vision](#) and the further rapid progress in digitalisation necessitated by Covid pandemic, the Council continues to make strong progress in supporting organisational and service changes through its new [Digital Strategy 2022 – 2026](#).

The new Strategy, agreed by [Cabinet in June 2022](#), sets out the Council's vision of being a 'Digitally Driven Council', to maximise the benefits of digital for our Communities, Customers i.e. residents, businesses, staff, learners, elected Members and visitors; and for the Council, with an emphasis on digital inclusion to ensure individuals and communities are not 'left behind'. A central part of this work is strengthening our data insight and intelligence through the provision of timely and accessible data. Integral to this vision, the strategy also sets out how the Council will further improve Cyber resilience and enhance the protection of our data and assets.

Key ICT and Digital requirements supported across the Council include the introduction of a new HR/Payroll system, Hybrid Working, Corporate Data Dashboards, supporting ICT needs of elected Members arising from the Local Government Election and the Emergency Control Centre for managing major incidents.

Our approach supports the delivery of the Council's [Corporate Plan 2020 – 2024 'Making a Difference'](#) and the National Digital Strategy for Wales and also seeks to contribute to the National Well-being goals set out in the Well-being of Future Generations Act. We are also developing our work with others to maximise the benefits of regional working, including through the digital work stream of the Northern Valleys Transformation Fund. Through the strategy we continue to develop and strengthen the integration between our digital work and other Corporate areas to support service delivery and our ambition to become a carbon

neutral Council by 2030. Effective governance arrangements for monitoring progress are currently being developed to ensure effective support and challenge of the delivery of the strategy.

#### **7. Procurement and Commissioning**

The Council made significant achievements through our procurement arrangements both as a Council and in partnerships with other public bodies, during the Covid pandemic. For example, purchasing Personal Protective Equipment at speed to keep residents and staff safe and services operating as effectively as possible during repeated and irregular Covid restrictions. As we returned to 'normal', the Procurement focus has been on supporting the Council's recovery plans and developing and implementing the new [Commissioning, Socially Responsible Procurement & Contract Management Strategy 2021-2024](#) and also to put in place early preparations to meet the requirements of the [Draft Social Partnership and Public Procurement \(Wales\) Bill](#).

The Council is also focussed on meeting its Carbon reduction targets. Within Procurement and Commissioning arrangements, early work to ensure we meet these targets in respect of 'local' procurement and single use plastic, are being widened and accelerated to encompass the wider Scope 3 emissions arising from procured goods and services and built assets, which are a significant proportion of the Council's Carbon Footprint.

Despite our positive progress to date, we know we have more to do to further strengthen and embed our procurement arrangements and to further maximise our spending power and contribute the prosperity of County Borough. Our plans also include introducing formal performance management and scrutiny of our arrangements and putting in place improved communication with businesses.

#### **8. Partnerships**

The Council has a positive track record of partnership working and collaborating with others. Examples range from formal Regional Partnerships like the Cardiff Capital Region City Deal to working with community groups to meet a particular and immediate need, or to bid for and deliver specific time limited grant funded projects. There also continues to be positive examples of collaborative arrangements in place within the Council. Our plans to review our partnerships to ensure that they effectively deliver outcomes that benefit people and communities in RCT, were affected by the need to refocus our work during the pandemic. However, this will remain on our work programme 2022 and beyond and we will use the findings from relevant Welsh Government and Audit Wales Reports to challenge our Regional Partnership arrangements. We will also ensure that we continue to maximise partnership opportunities including those afforded by the Corporate Joint Committees.

#### **9. Involvement, Engagement and Customer Feedback.**

We know we need to keep widening and strengthening our engagement and involvement and make better use of the information we receive from the various feedback channels.

The Council has a good track record of talking to residents and communities and finding out what matters to them. We are always looking for better and easier ways for people to get involved and to give their views and opinions on the decisions that affect them. These mechanisms will be developed further in the Council's new Participation Strategy. In 2021-22 we restarted some of our face to face conversations with people, as well as using our new online engagement platform '[Let's Talk](#)' which we launched in April 2021 using [Climate Change](#) as our 'pilot'. We have also put in place additional resource to manage and coordinate data insights in respect of the County Borough which also supports the Welsh language and Socio-economic Impact Assessments and better informs our engagement and community data arrangements.

Feedback from our customers who are residents, businesses and stakeholders as well as our visitors is also valuable to us as we strive to continually improve the services we provide. We have good evidence of using individual feedback to inform service change. However, we also recognise that we need to effectively maximise the strategic value of the data/information available to us. In the last year, have started preparatory work in advance of the implementation of a new Customer Relationship Management by April 2023. This preparation includes data cleansing and the service user engagement that in turn, will inform data requirements and the shape, content and timeliness of reports. This work will be key to ensuring that strategic and service needs are met by the new system.

#### 10. **Welsh Language**

The Council continues to make positive progress in implementing the Welsh Language Standards, treating the Welsh language no less favourably than the English Language and enabling people live their lives through the medium of the Welsh language if they choose. In doing so, we are reducing the Council's risk of non-compliance with the Welsh Language standards. Over the last year our work includes widening our use of digital technology to increase bilingual service options and support Welsh language compliance, investment in Welsh language training to facilitate simultaneous translation and staff training more generally. We have also strengthened our Welsh Language Impact Assessment processes and compliance processes and have led other Welsh Councils to develop and implement a new Grants Policy. However, there is more to do to make sure that the Welsh language Impact Assessments achieve the intended outcomes. We also need to increase the Welsh Language capacity within our services, better facilitate the use of the Welsh Language more widely across the County Borough and ensure that the proportion of Welsh speaking staff is representative of the population of RCT as identified by the 2011 census. i.e. 12.5%.

#### 11. **Equalities and Socio-economic Duty**



The Council continues to have a strong commitment to fairness and equalities as evidenced in the strategic approach and implementation of our Strategic Equality Plan, our most recent report published [in March 2022](#). Progressing our work set out in the [Strategic Equality Plan](#) was challenging due to the pandemic and resource issues arising. However, we have delivered in the majority of the objectives. The Council and its services also demonstrated a flexible approach outside the Plan, by responding to unexpected matters e.g. responding to the racial equality issues arising from the impact of the death of George Floyd

Despite our progress, we know we have more to do to embed understanding and the practical application of the wide range of Equality, Diversity and Inclusion issues across the Council's services. At a Service level, Equalities and Diversity has continued to feature in the Council's Service Self Evaluation processes which continues to provide a timely and transparent vehicle for strategic challenge and support of our services, helps to inform our statutory reporting requirements and reinforces the wider understanding and implementation of related Equalities strategies across the Council's services.

We also need to respond to the needs of our communities and further demonstrate that we are meeting new statutory requirements, arising from the Socio-economic Duty. At a community level, we are continuing to engage with residents to gain a better understanding of the barriers they face.

A full evaluation of the [Strategic Equality Plan](#) will be completed later in 2022, as part of the work to develop our new Plan, scheduled for Cabinet consideration in 2023.

#### **12. Regulators' Feedback**

The Council has a strong track record of constructive and productive relationships with its Regulators. Evidence shows that the Council responds well to feedback within Regulatory reports specific to RCT, and also uses National Reports and Studies to challenge how it delivers and commissions services.

However, as we emerge from the pandemic and as full Regulatory programmes resume, we need to revisit our processes including continuing to strengthen the arrangements for embedding the Sustainable Development Principle/Well - being of Future Generations Act into our arrangements, working with the Welsh language and Equalities and Human Rights Commissioners to make their feedback more transparent. We will also continue to align Regulators' feedback with Delivery Planning as well as Scrutiny and Governance and Audit Committees in the new administration to provide additional internal assurance to elected Members and communities.

#### **13. Net Zero**

The Council has made positive progress towards setting and meeting its early Carbon Reduction targets and implementing a wide ranging, flexible and ambitious initial work programme. To date, our direction has been set and our progress has been monitored by agreed political and officer governance and project management

arrangements, directed by the Climate Change Cabinet Steering Group and latterly, Sub Committee. However, there is still much to do to increase the scale and pace of our work and to better inform and support both our staff and residents so that they can contribute fully to helping the Council to meet the climate challenges across all Council services and the County Borough and to contribute to the national and global targets.

Cabinet's agreement to a comprehensive and ambitious Climate Change Strategy [in June 2022](#) and the continuing work to develop the Council's Decarbonisation Plan will provide a focus and framework that will both strengthen and accelerate our work to date. Progress in relation to the Decarbonisation Plan will accompany updates in respect of the Climate Change Strategy as part of the Quarterly Performance Reports to Cabinet.

#### **14. Well-being of Future Generations**

Given the Council's ambitions, the pace of change required to deliver its priorities, and the impact of the pandemic on the services to respond to immediate need, the level of progress in implementing the Act is generally positive. However, work in some service and corporate areas are more advanced than others. The knowledge and experience of all the public bodies subject to Act, including the need for more focused support from national bodies, continues to grow and mature. Previous feedback from Regulators in respect of the Council's approach to implementing the Act was generally positive but we know there is more to do. With the recent new national approach by Audit Wales to test how Public Bodies are applying the SD principle in all its reviews, inevitably gaps in our approaches, including the support provided by the Commissioner are being exposed.

### The Self Evaluation of our services

Our annual Service Self Evaluation (SSE) has been in place since 2016. In completing the SSE, services are encouraged and require honesty and self-awareness and to continually strive for excellence within the resources we have available.

The SSE asks services

1. how they are performing
2. evidence how they know, and
3. identify what they can do to improve

The process enables services to reflect and evaluate performance and identify their strengths, priorities and areas for improvement which in turn inform annual Service Delivery Plans and also the [Council's Priority Plans](#).

The SSEs also

- help elected Members to support, challenge and scrutinise performance, progress and planning.
- assist services in providing evidence for audit or inspection and deliver the requirements of relevant legislation.
- help services make better decisions and manage risks.
- demonstrate value for money, potential for service change, spend or efficiencies and identify the impact of new or amended service provision.
- enable corporate services to priorities service support.
- provide mechanism/information for 'corporate' monitoring and 'cross-cutting' services with the information they require to compile strategic action plans and statutory reports for the Council e.g. \*Climate Change; [Welsh Language Standards](#), Biodiversity; [Equalities](#) and [Socio-economic Duty](#).

The SSE model is refreshed annually to ensure it takes account of feedback from services and remains relevant and fit for purpose. Over the years it has been developed so that services can provide information about Sustainable Development Principle through the five Ways of Working and other cross cutting themes that inform statutory reports, such as those set out above\*. The [2021 SSE model](#) and the [judgement criteria](#) applied in Autumn 2021 is available.

The [suite of twenty-one SSEs](#) were completed within services in late 2021. They were reviewed by the respective Cabinet Member, signed off by the Group Director and have also been subject to an independent challenge by the Chief Executive in meetings with Service Heads. These Evaluations are also made available on the Council's Intranet site for internal reference/use.

The information contained within the SSEs, and the service priorities emerging, informed the Delivery Plan for each service for 2022/23. The Delivery Plans are subject to 'in service' monitoring. Relevant actions are also included in the Council's Priority Plans, monitored by

and reported in the quarterly [Performance Reports to Cabinet](#) and thereafter to various Scrutiny Committees. The Priority Plans are referenced in Section 1 above.

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### **How we are applying the Sustainable Development principle and contributing to the seven national Well-being goals**

Sustainable Development is defined as a process of improving the Economic, Social, Environmental and Cultural well-being of Wales.

The Well-being of Future Generations Act develops this further by requiring Public Bodies to meet the principle by applying 5 Ways of Working and contributing to seven national Well-being goals. The Act also indicates [seven core activities](#) that are most likely to secure change, see section 2 above. The Council's approach to the Well-being of Future Generations agreed by [Cabinet in 2016](#) is to embed its requirements into the Council's business. The necessary refocus of our work to deal with the pandemic has resulted in slower than anticipated progress to develop this further. However, we can point to many case examples of how we are applying the Act and are contributing to the seven national Well-being goals in our Priority Plans. A selection of our contributions to the goals have been summarised for illustrative purposes in Appendix A.

The Act requires the Council to set well-being objectives that maximise its contribution to achieving the well-being goals. In doing so, the Council will be expected to take all reasonable steps to meet those well-being objectives. It is proposed that the Wellbeing objectives will be the three priorities set out in the draft Corporate Plan 2020-2024.

The Council's Corporate Plan agreed [by Cabinet in March 2020](#), sets out a vision, principles and our priorities that will maximise our contribution to the seven national Well-being goals. The national goals, together with the five Ways of Working, have been incorporated into the detailed action plans that have delivered the Council's three priorities and have been summarised in our annual [Corporate Performance Reports](#) (CPRs).

Our CPRs have also previously set out our progress in meeting the requirements of the Well-being of Future Generations Act, mostly recently in [2021/22](#). This year, as we have changed our approach to annual corporate reporting, our progress in implementing the Sustainable Development Principle and the Well-being of Future Generations (Wales) Act 2015 is included at Section 14 of the assessment of corporate/cross cutting functions.

## Some of the ways we are contributing to the 7 National Well-being Goals

National Well-being Goal	PEOPLE Ensuring people are independent, healthy and successful	PLACES Where people are proud to live, work and play	PROSPERITY Creating the opportunity for people and businesses to be innovative, be entrepreneurial and fulfil their potential and prosper
<b>Prosperous</b>	<ul style="list-style-type: none"> <li>Supporting Children and Young People by giving them a great start in life through our <a href="#">Resilient Families programme</a></li> <li><a href="#">Redeveloping vacant</a> properties in line with regeneration strategies to bring prominent town centre buildings back into use and improve our housing offer e.g. <a href="#">new Oxford Buildings Supported Housing Scheme</a> in Mountain Ash and <a href="#">The Big Shed development</a> in Tonypanydy.</li> </ul>	<ul style="list-style-type: none"> <li>Keeping people and traffic moving on well-maintained roads and pavements including the work we do to <a href="#">keep our roads open in the winter months</a></li> <li>Providing <a href="#">new business facilities</a> that will support the long term economic future of the region</li> <li>Progressing schemes that will benefit communities now and in the future including the <a href="#">A4119 duelling and active travel scheme</a> from Coed Ely Roundabout to Llantrisant Business Park .</li> </ul>	<ul style="list-style-type: none"> <li>Supporting businesses to adapt and diversify</li> <li>Developing placemaking plans in <a href="#">Pontypridd</a>, <a href="#">Porth</a> and Tonypanydy and supporting a range of redevelopment to revitalise our town centres</li> <li>Building new homes and working with developers to facilitate building homes on brownfield sites where appropriate</li> <li>Supporting people to develop new skills</li> <li><a href="#">Providing schools</a> where children can achieve the best they can</li> </ul>
<b>Resilient</b>	<ul style="list-style-type: none"> <li>Reducing site disturbance and material waste with shorter construction schedules by using modular construction methods in the construction of our Extra Care facilities.</li> <li>Producing <a href="#">online videos</a> of our most popular walking routes across the County Borough, which provide a visual walk through and directions for the route to encourage people to explore our natural green spaces. Some of the videos have been targeted at new mums via our <a href="#">‘Made For Mams’</a> programme to encourage new mums to exercise in the outdoors alongside other mums.</li> </ul>	<ul style="list-style-type: none"> <li>Investing, valuing and <a href="#">celebrating our Green Spaces</a></li> <li>Launching our new <a href="#">Biodiversity web page</a></li> <li>Involving and engaging residents in our <a href="#">Let’s Talk Wildflowers</a> and new Draft <a href="#">‘Action for Nature’</a> recovery action plan <a href="#">conversations</a></li> <li>Increasing <a href="#">flood alleviation</a> measures including work at <a href="#">Aberdare</a> and <a href="#">Ynyshir</a>.</li> </ul>	<ul style="list-style-type: none"> <li>Promoting <a href="#">biodiversity</a> by protecting existing habitats where possible and creating new areas for wildlife on our school sites</li> <li>Integrating biodiversity into planning and <a href="#">Local Development Plan</a> arrangements</li> </ul>

National Well-being Goal	PEOPLE Ensuring people are independent, healthy and successful	PLACES Where people are proud to live, work and play	PROSPERITY Creating the opportunity for people and businesses to be innovative, be entrepreneurial and fulfil their potential and prosper
Healthier	<ul style="list-style-type: none"> <li>Helping people to stay as well as they can by encouraging increased activity in a setting that is right for the individual e.g. <a href="#">at home</a>, in our <a href="#">leisure centres</a>, in our outdoor green spaces and in community facilities in schools</li> <li>Providing reablement support and <a href="#">Assistive Technologies</a> to ensure our older, vulnerable or those who have a disability can remain independent within their communities</li> </ul>	<ul style="list-style-type: none"> <li>Progressing and maintaining <a href="#">Green Flag</a> standards in <a href="#">our parks</a> to ensure they provide a sanctuary for residents, contribute to improved physical and mental well-being, engage with nature, encourage play and opportunities to come together.</li> <li>Continuing to tackle environmental crime and holding those who <a href="#">commit the offences</a> accountable</li> <li><a href="#">Engaging with residents</a> on <a href="#">Active Travel</a> routes including schemes between Pontygwaith and Maerdy, links with Treforest Industrial Estate and the Church Village Community Route.</li> </ul>	<ul style="list-style-type: none"> <li>Expanding the number of family engagement officers in schools following a successful <a href="#">pilot</a>, providing support to children and families for wellbeing and engagement in education</li> <li>Providing enhanced counselling support to young people, including those most impacted by the Covid 19 pandemic</li> <li>Finding ways to protect air quality and promote health through <a href="#">active travel</a> and local amenities when planning new developments, including completing studies into active travel in Pontypridd, Porth and Aberdare town centres</li> </ul>
More Equal	<ul style="list-style-type: none"> <li>Continuing to develop our housing offers so residents can enjoy the benefits of independent living e.g. Extra Care facilities and Supported Housing Schemes.</li> <li>Setting up a Sustainable Food Network as part of our Sustainable Food Places project to tackle food poverty in our communities</li> <li>Providing sanitary products to our communities via the WG Period Dignity in Communities Grant</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Raising awareness</a> of Hate Crime</li> <li>Ensuring <a href="#">domestic abuse support</a> is available to all in need including specialist IDVA support for children and young people, an IDVA in Health and another with Housing First.</li> <li>Providing support to those in need of help with substance misuse through increased outreach work undertaken by <a href="#">Barod</a> and <a href="#">promoting</a> the support we provide</li> </ul>	<ul style="list-style-type: none"> <li>Providing alternative learning, career planning and work experience for those young people who struggle to engage in classroom-based learning</li> <li><a href="#">Providing sanitary products</a> to help tackle period poverty for girls and women in our communities</li> <li>loaning devices and mifi to children, young people and job seekers to help them continue education and training online</li> </ul>

National Well-being Goal	PEOPLE Ensuring people are independent, healthy and successful	PLACES Where people are proud to live, work and play	PROSPERITY Creating the opportunity for people and businesses to be innovative, be entrepreneurial and fulfil their potential and prosper
Cohesive Communities	<ul style="list-style-type: none"> <li>• Helping people to stay in their own homes for longer and enabling them to contribute to communities and strengthen social relationships</li> <li>• Supporting and promoting volunteering opportunities within our communities via our Community Hubs</li> <li>• Supporting communities to be well connected through our Neighbourhood Networks.</li> </ul>	<p>Keeping people safe and helping them to feel safe by:</p> <ul style="list-style-type: none"> <li>• responding to community requests for action</li> <li>• tackling anti- social behaviour</li> <li>• Protecting those <a href="#">vulnerable to doorstep crime</a></li> </ul>	<ul style="list-style-type: none"> <li>• Improving housing for all our residents and creating pleasant neighbourhoods in which communities can thrive.</li> </ul>
Vibrant Culture & Welsh Language	<ul style="list-style-type: none"> <li>• Continuing to provide online and face to face cultural and arts opportunities including a free online production of <a href="#">Aladdin</a> and events like the <a href="#">People’s Library Wales</a> in Pontypridd Library</li> <li>• Providing a varied <a href="#">Adult Education programme</a>, including local history and basic Welsh language skills to help parents support their child’s development, that can be accessed face to face and online, therefore removing some identified barriers to learning.</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Planning, involving</a> and <a href="#">preparing</a> for Rhondda Cynon Taf to host the National Eisteddfod for Wales in 2024.</li> </ul>	<ul style="list-style-type: none"> <li>• Celebrating the culture and history of the area in our theatres and parks and developing the <a href="#">Valleys Regional Park</a></li> <li>• <a href="#">Supporting the redevelopment of the YMCA building and the Muni Arts Centre in Pontypridd to develop a cultural hub</a></li> <li>• <a href="#">Promoting RCT as a visitor destination</a>, including the Eisteddfod</li> </ul>



National Well-being Goal	PEOPLE Ensuring people are independent, healthy and successful	PLACES Where people are proud to live, work and play	PROSPERITY Creating the opportunity for people and businesses to be innovative, be entrepreneurial and fulfil their potential and prosper
<b>Globally Responsible</b>	<ul style="list-style-type: none"> <li>• Coordinating the County Borough response to the Ukrainian Refugee Crisis.</li> <li>• Our work with <a href="#">PONT</a>, a volunteer-based charity organisation in RCT which is making a difference to lives in Mbale, Eastern Uganda and which aims to support Ugandan organisations who have the potential to tackle poverty in their towns and villages.</li> </ul>	<ul style="list-style-type: none"> <li>• Continuing to encourage recycling and reuse and implementing a new <a href="#">Green Waste Collection Service</a></li> <li>• Progressing <a href="#">our plans to tackle and reduce the impact of Climate Change</a> through Council services and the County Borough and to meet of 2030 targets, including the publication of the Council's <a href="#">Electric Vehicle Charging Strategy 2021-2030</a> and <a href="#">Climate Change Strategy 'Think Climate RCT' (2022-2025)</a></li> </ul>	<ul style="list-style-type: none"> <li>• Supporting Fair Trade Initiatives</li> <li>• Developing renewable energy projects like Taffs Well Thermal Spring</li> <li>• Working with Rhondda Housing Association to develop a zero-carbon home using local timber as part of the <a href="#">Skyline project</a></li> </ul>

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## RHONDDA CYNON TAF COUNCIL

MUNICIPAL YEAR 2022-2023

COUNCIL

18<sup>TH</sup> JANUARY 2023

### CHIEF OFFICER VER & REDUNDANCY PACKAGE

#### JOINT REPORT OF THE CHIEF EXECUTIVE AND DIRECTOR OF HUMAN RESOURCES

Author: Richard Evans, Director of Human Resources

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

Following a recommendation from the Council's Voluntary Early Retirement (VER) Panel to obtain Council approval for a Chief Officer severance package (as detailed in the report) in accordance with the Council's approved 2022/23 Pay Policy statement.

#### 2. **RECOMMENDATION**

It is recommended that Council:-

- 2.1 Following a recommendation from the Council's VER Panel, to approve a Chief Officer severance package (as detailed at Appendix 1 of the report) in accordance with the Council's approved 2022/23 Pay Policy statement.

#### 3. **BACKGROUND**

- 3.1 Statutory guidance issued by the Welsh Government under Section 40 of the Localism Act 2011 recommends that full Council approve severance packages over £100,000. The Guidance aims to promote openness and transparency in relation to severance packages above £100,000.
- 3.2 This guidance was clarified by Welsh Government via the Welsh Local Government Association (WLGA) who have advised that the guidance on severance packages above £100,000 related to chief officers. This guidance was previously incorporated into the Council's Pay Policy statement.

- 3.3. Within the Guidance the definition of the elements which make up the £100,000 and above severance package includes:
- i. Salary paid in lieu of notice;
  - ii. Lump sum redundancy payment; and
  - iii. Cost to the authority of any pension enhancement or strain on the pension fund.

#### **4. CURRENT POSITION**

- 4.1 Salary paid in lieu of notice is a legal obligation of the Council when it gives the employee less than the contractual period of notice to terminate their employment. Under the Council's VER process an early termination date is usually mutually agreed rather than giving the employee the contractual length of notice that they are entitled to receive and therefore no salary in lieu of notice is paid.
- 4.2 The lump sum redundancy payment is calculated based on the Council's discretionary scheme which full Council agrees through the annual Pay Policy each year. The lump sum redundancy payment is calculated using the Council agreed formula, together with a capped 'weekly wage', in accordance with its Voluntary Early Retirement and Voluntary Redundancy Scheme. It should be noted that an element of this lump sum is the statutory redundancy payment which the Council is legally obliged to pay under the Employment Rights Act and the statutory redundancy scheme. It has also been advised that for as long as a particular pay policy is in force, the Council would have little scope not to honour any discretionary element for an employee facing a redundancy situation.
- 4.3 Therefore, even when a total severance package amounts to £100,000 or more, the amount of the actual redundancy payment received by the employee, is a relatively smaller part of the whole package. The Council has no agreement in place with regard to pension enhancements or 'added years' and therefore there are no elements of the overall payment which would fall into this category.
- 4.4 The 'strain' or capitalised cost on the pension fund is a payment which is included in the definition of the severance package for employees aged 55 or over at their leaving date. It is not paid to the employee but from the Council into the overall pension fund itself. It should be noted that the Council has absolutely no discretion over this cost as it is a payment that the Council is required to make pursuant to the Local Government Pension Scheme (LGPS) Regulations 2013 (30(7) and 68(2)) into the pension fund itself. Indeed, the amount paid under this element is entirely dependent on, and determined by, the application of the Local Government Pension Scheme Regulations 2013, Regulation 30(7), which prescribes that any employee aged 55 and over who leaves employment by reason of redundancy, shall be entitled to immediate access to the LGPS without actuarial reduction for early payment.

## **5. CONTRACTUAL EMPLOYMENT MATTERS**

- 5.1 The failure by the Council to make payments in accordance with the statutory and/or contractual obligations set out above would give rise to potential liability to claims for bad faith / breach of contract and / or constructive unfair dismissal.
- 5.2 As part of the recent review of the Council's Senior Management positions on the 12<sup>th</sup> December 2022 agreed by Cabinet, it was identified that the overall reduction in management costs to be realised from the revised structure supports the release of this post.
- 5.3 As a result of the restructure and through the Council's VER process there is one Chief Officer to whom this application of the process for severance packages now needs to be applied.
- 5.4 The details of the individual's application is outlined at Appendix 1 to this report.

## **6. VOLUNTARY EARLY RETIREMENT (VER) PANEL**

- 6.1 In line with the Council's Constitution, requests for Voluntary Early Retirement with Redundancy (VER) and Voluntary Redundancy (VR) are approved by the VER Panel which consists of five elected Members.
- 6.2 The VER Panel considered the application at Appendix 1, along with a number of other requests at its meeting on the 11<sup>th</sup> January 2023.
- 6.3 Whilst the VER Panel was able to formally agree all other requests at meeting, as the costs associated with one of these applications and severance packages were over £100,000, it could not be formally approved by the Panel in view of the Welsh Government Guidance noted above. The Panel therefore resolved to recommend to full Council that the application at Appendix 1 be approved by full Council.

## **7. PEOPLE IMPLICATIONS**

Details of the Council's statutory and contractual obligations are detailed within the body of the report.

**DETAILS OF SEVERANCE PACKAGE OVER £100,000**

Employee	Estimated Annual Salary Savings (including on-costs)	Salary in lieu of notice (see note 1)	Estimated Statutory Redundancy payment (see note 2)	Estimated Discretionary Redundancy (see note 3)	Estimated Statutory Pension Strain (see note 4)	Estimated Total severance cost (Sum of notes 1, 2, 3 & 4)	Estimated Total redundancy received by individual
A	£143,893	£0	£16,841	£28,063	£96,461	£141,365	£44,904

**Notes**

1. Salary in lieu of notice is a legal obligation of the Council when it gives the employee less than the contractual period of notice to terminate their employment.
2. This element is the statutory redundancy payment which the Council is legally obliged to pay under the Employment Rights Act and the statutory redundancy scheme.
3. This element is the discretionary part of the lump sum redundancy payment. It is advised that for as long as a particular pay policy is in force, the Council would have little scope not to honour this discretionary payment for an employee facing a redundancy situation.
4. The Pension Strain on the fund, is a payment which is included in the definition of Severance Package for employees aged 55 or over at their leaving date. It is not paid to the employee but from the Council into the overall pension fund itself.

## RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

### COUNCIL

18 JANUARY 2023

### CHANGES TO MEMBERSHIP

#### REPORT OF THE SERVICE DIRECTOR DEMOCRATIC SERVICES & COMMUNICATIONS.

#### 1. PURPOSE OF THE REPORT

- 1.1 To advise Members of the change to the Independent Group's representation on both the Planning & Development Committee and the Overview & Scrutiny Committee for the remainder of the 2022/23 Municipal Year.

#### 2. RECOMMENDATIONS

- 2.1 To note that County Borough Councillor M. Powell is to be nominated in place of County Borough Councillor W. Owen on the Planning & Development Committee; and
- 2.2 To note that County Borough Councillor W. Owen is to be nominated in place of County Borough Councillor M. Powell on the Overview & Scrutiny Committee;

#### 3. REASONS FOR RECOMMENDATIONS

- 3.1 The need to advise Members of the changes put forward by the Independent group in respect of the above-mentioned membership.

#### 4. CHANGES TO MEMBERSHIP

- 4.1 In accordance with the decision taken (Minute No.162 of the Council meeting held on the [25<sup>th</sup> May 2022](#) refers), I have received notification from the Independent Group of the following change to its membership:

- A change to its membership for the Planning & Development Committee, in that County Borough Councillor M. Powell is to be nominated in place of County Borough Councillor W. Owen;
- A change to its membership on the Overview & Scrutiny Committee, in that County Borough Councillor W. Owen is to be nominated in place of County Borough Councillor M. Powell.

**5. EQUALITY AND DIVERSITY IMPLICATIONS**

- 5.1 Members are encouraged as part of the Local Government & Elections Act Wales, to promote diversity in representations, particularly when determining senior roles.

**6. CONSULTATION/INVOLVEMENT**

- 6.1 There are no consultation implications aligned to this report.

**7. FINANCIAL IMPLICATIONS**

- 7.1 There are no financial implications aligned to this report.

**8. LEGAL IMPLICATIONS**

- 8.1 As in accordance with the Council's membership requirements – Council Constitution.

**9. LINKS TO THE COUNCILS CORPORATE PLAN / OTHER CORPORATE PRIORITIES.**

- 9.1 The Council's Committees contribute to the Council's Corporate Plan objectives, therefore it is important to ensure the Committee membership is complete and accurate.

**10 CONCLUSION**

- 10.1 To provide Members with information in respect of the Committee membership.

**Other Information:-**

*Relevant Scrutiny Committee – Not applicable*



**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

**THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**COUNCIL**

**18 JANUARY 2023**

**REPORT OF THE SERVICE DIRECTOR DEMOCRATIC SERVICES &  
COMMUNICATIONS**

**CHANGE OF MEMBERSHIP**

**Background Papers**

Freestanding Matter

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Ar gyfrif paragraff(au) 12, 13 Rhan 1 o Atodlen 12A  
o Deddf Llywodraeth Leol 1972.

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