

Statement of Accounts

2023 - 2024

Published Subject to Audit



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1 NARRATIVE REPORT

The following Statement of Accounts brings together in summary form the financial transactions of the Authority for the year 2023/24.

The Authority's Accounts for the year 2023/24 are set out on the following pages of this report and have been produced in line with the 2023/24 Code of Practice on Local Authority Accounting (the Code).

1.1 The accounts consist of the following financial statements:

Expenditure and Funding Analysis

Comprehensive Income and Expenditure Statement (CIES)

Movement in Reserves Statement

Balance Sheet

Cash Flow Statement

Detail on each of these financial statements can be found in Section 5.

Housing Revenue Account Income and Expenditure Statement and Movement on the Housing Revenue Account Statement

Detail on these financial statements can be found in Sections 7 and 8.

Dyfed Welsh Church Fund and Other Trust Funds

Detail on these Funds can be found in Sections 9 to 11.

The accounts are supported by the Statement of Accounting Policies (Note 6.1 - Notes to the Accounts).

1.2.1 Revenue Budget

The following table shows how the actual spend on services during 2023/24 compared with the budget set for the year.

Service	Working Budget				Actual				Variance For Year
	Expenditure	Income	Net Non Controllable	Net	Expenditure	Income	Net Non Controllable	Net	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive	59,381	(35,759)	5,151	28,773	58,703	(36,113)	5,151	27,741	(1,032)
Communities	220,488	(102,291)	20,963	139,160	242,070	(120,799)	20,963	142,234	3,074
Corporate Services	73,414	(39,833)	(3,580)	30,001	69,687	(38,964)	(3,580)	27,143	(2,858)
Education & Children	227,105	(48,370)	22,584	201,319	256,988	(73,301)	22,584	206,271	4,952
Place & Infrastructure	99,237	(42,453)	16,634	73,418	110,628	(53,319)	16,634	73,943	525
Departmental Expenditure	679,625	(268,706)	61,752	472,671	738,076	(322,496)	61,752	477,332	4,661
Net Interest & Capital Accounting Adjustments				(35,513)				(40,126)	(4,613)
Pension Reserve Adjustment				(656)				(656)	0
Accumulated Leave				505				505	0
Levies and Contributions:									
Brecon Beacon Nat Parks				152				152	0
Fire Authority				13,014				13,014	0
Corporate Joint Committee				168				168	0
Net Expenditure				450,341				450,389	48
Contribution to/(from) General Balances				0				(755)	(755)
To/(from) Earmarked/Departmental Reserves				0				957	957
Net Budget				450,341				450,591	250
Revenue Support Grant				(276,430)				(276,430)	0
Non Domestic Rates				(61,981)				(61,981)	0
Council Tax				(111,930)				(112,180)	(250)
				0				0	0

The 2023/24 revenue budget was approved by County Council on 1st March 2023. The budget endeavoured to meet the aspirations of the Authority, whilst recognising the extraordinary financial risks facing local authorities. The budget addressed specific demands in certain service areas whilst seeking to balance the impact on service delivery and local taxpayers.

The financial position at year-end showed an overspend at department level of £4,661k. This does not include the overspend on schools as this is captured in the LMS reserve movement (see note 6.22).

The Chief Executive Department is underspent by £1,032k for the year. The main variance is salary savings due to vacant posts, reduced hours and maternity leave. There is also additional income in various areas such as Property Maintenance & Design, Industrial premises and commercial properties and underspends on supplies & services and Members pay and travelling. There were however overspends as a result of unachieved income targets, a reduction in Land Charges income, plus new software costs for the Registration of Electors.

The Department for Communities is overspent by £3,074k for the year. Social Care ended the year with an overspend of £2,570k. This is largely due to increased demand for residential placements and the utilisation of agency staff within the LA Homes, increased demand and complexity for Group Homes/Supported Living packages, an increased volume of care packages due to increased demand for Home Care and also an increased demand for Direct Payments. These are offset by staff vacancies and reduced demand for Day Services and Community Support. Leisure and Culture finished the year with an overspend of £369k due in part to set up costs and delayed opening of the new Attractor site along with unforeseen costs associated with the operators at Burry Port Harbour going into administration. Council Funded Housing and Public Protection Services are £135k overspent mainly due to an underachievement of income in licensable properties.

The Corporate Services Department is underspent by £2,858k for the year. There is a £448k underspend on pre LGR pension costs, an £864k underspend on the corporate retirement fund and a £664k underspend on budgets held centrally. The Council Tax Reduction Scheme is underspent by £253k and a £95k underspend on Rates Relief due to lower than budgeted take up of both schemes. There are also underspends on salaries due to vacancies across the department.

The Department for Education & Children is overspent by £4,952k at year end. While the Education Services division is reporting a net underspend of £619k there are significant pressures in other areas. This is due to a combination of factors such as pressures within Commissioning and Social Work being £890k overspent due to a mix of increased agency cover costs and increased demand for assistance for clients. Additionally, there are a number of highly complex placements creating an overspend of £3,326k within Commissioned Residential services. There are also significant overspends in Fostering and Other Looked After Services due to an increased number of foster placements and specialist support packages. Short breaks and direct payments continue to experience an increase in demand generating an overspend of £677k.

The Place & Infrastructure Department is overspent by £525k. Pressures within the department included a higher than expected pay award. Other pressures are included within the Waste and Environmental Services division which is overspent due to the delivery of the interim phase of the waste strategy having increased costs. In addition, School Transport is also overspent due to increased transport costs for operators of the home to school transport service. Transport operators are continuing to experience driver shortages, global supply chain shortages for vehicles and parts and a period of very high fuel prices which make for a challenging operating environment. However, these overspends are off-set by underspends in other areas such as the Traffic Management, Civil Design and the Place and Sustainability Division which has carried vacant posts within the team.

After taking account of savings on capital financing costs, increased interest income and a higher than estimated collection level on Council Tax, plus the movement in Earmarked and Departmental reserves, the Authority drew £755k from general reserves for the 2023/24 financial year.

HOUSING REVENUE ACCOUNT	Working Budget			Actual			Variance For Year
	Expenditure	Income	Net	Expenditure	Income	Net	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Housing Revenue Account	52,549	(47,951)	4,598	57,936	(52,934)	5,002	404
Transfers to/(from) HRA balances	0	0	(4,598)	0	0	(5,002)	(404)

The Housing Revenue Account (HRA) reported an overspend of £404k for the year.

The main variances were:

- Overspends in Repairs and Maintenance costs £2,635k reflect the increased number of responsive jobs to deal with the backlog of housing repairs.
- Overspends on Supervision and Management such as insurance premiums £249k, investment in estates £470k, increased energy costs £610k, projects and activities £182k, legal costs £88k, compensation payments £156k and the costs associated with providing Temporary Accommodation £874k, which is partially offset by increased rental income £401k.
- The revised funding of the capital programme and delivery of some services directly within communities increased for direct revenue funding by £1m.
- Reduced expenditure on the capital programme for HRA and the weighted average debt rate resulted in a decrease in capital charges -£447k.
- Rental/service charge income will be -£766k better off due to a reduction in void loss. Plus, the rental income of -£401k from temporary accommodation.
- Additional Housing Support Grant will provide savings of -£306k.
- HRA balances/reserves benefited from significantly higher interest rates than predicted resulting in additional income of -£537k.

1.2.2 **Principal vs Agency Grants**

During recent years, Welsh Government have provided a range of support payments, across a range of different purposes including ongoing COVID19 payments, the Ukraine resettlement scheme and a range of different cost of living measures to support households.

The value of these additional funding streams is significant and is summarised in the Grant Income Note 6.35.

The authority is deemed to be an agent where it is acting as an intermediary. The authority is principal where it is acting on its own behalf. Where the authority is acting as principal, the transactions are required by the Code to be included in its Comprehensive Income and Expenditure Statement.

1.3 **Reserves**

In the changeable and challenging environment facing Local Government the Authority is committed to maintaining a reasonable level of reserves. At the year-end the general reserves amounted to the following:

	£'000	£'000
Council Fund:		
Held by Schools under Local Management of Schools Regulations (LMS)	5,175	
Generally available for new expenditure	14,001	19,176
Housing Revenue Account		11,996
		<u>31,172</u>

In addition to general reserves the Authority holds earmarked reserves of £130.306m for specific purposes.

1.4 Borrowing

£10m new borrowing was taken from the Public Works Loans Board (PWLB) in 2023/24.

As at the 31st March 2024 the Authority's total borrowing stood at £410m, which was within the Authority's authorised limit of £591m. Further detail is included in Note 6.44 to the Accounts.

The Authority's borrowing procedures and limits are outlined in the Treasury Management Policy and Strategy, which is approved annually.

1.5 Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The credit balance on the Pensions Reserve of £176m shows a surplus on an accounting basis in the resources the Authority has set aside to meet the benefits earned by past and current employees.

1.6 Current Economic Climate

The accounting statements are required to reflect the conditions applying at the end of the financial year.

All the assets of the Authority are re-valued on a cyclical basis and in many instances therefore the current valuation (last undertaken in past years) is likely to reflect current market value or a fair reflection thereof. The majority of assets are held for service delivery and therefore any changes in commercial sales market conditions do not affect values in these accounts. Where a full valuation has not been carried out at the balance sheet date, property valuations have been updated to reflect current building indices or market comparators (depending on valuation method). The accounting statements are required to reflect the conditions applying at the end of the year.

Whilst inflation has fallen back significantly during the year, the Bank of England Base Rate has remained at 5.25% since August 2023. Although the Monetary Policy Committee is expected to reduce this gradually over the coming months, it remains the case that as existing mortgage holders reach the end of fixed rate deals, they will need to remortgage at much higher rates, putting pressure on more households' finances.

These wider economic factors have been considered when reviewing bad debt provisions. The current UK Government has used available fiscal headroom to reduce national insurance contributions in recent budget rounds. The next UK government will have limited room for manoeuvre, with taxation levels at an all time high, and indicative Westminster departmental budgets currently set at 1% growth a year. At the time of writing, neither major political party have signalled any significant increase in public spending if successful, indicating a very challenging outlook for public finances in the short-medium term.

Against this backdrop, our overall financial standing has been maintained at a prudent level, with a small reduction in the level of general balances at the year-end. The Authority also holds earmarked reserves which are held for specific purposes, whether this is to address liabilities now or in the future e.g. insurance reserves or for financing specific capital schemes. There has been a reduction in these balances at the year-end, primarily to support the delivery of one off capital projects.

1.7 Capital

In 2023/24 the Authority spent some £131.8m on capital projects. This expenditure was financed by a combination of borrowing, useable capital receipts, government grants, contributions, reserves and direct revenue financing.

£37m was spent on Housing with the areas of spend being as follows:

Public Sector

Refurbishment & redevelopment of housing stock and the purchase of additional housing stock	£33.3m
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Private Sector

Disability Facility Grants	£2.8m
Other Improvements	£0.9m

The major areas of expenditure on non-housing services were as follows:

	£'m	
Education & Children's Services	18.8	New Schools, Renovations and Improvements to existing Schools and Children & Family Services Projects
Leisure	3.2	Sports & Leisure, Arts & Culture and Libraries
Infrastructure & Recycling and Fleet Replacement	19.7	Roads, Bridges, Cycle Paths, Road Safety, Car Parks, Rights of Way, Coast & Flood Defence, Depots, Waste Management & Recycling including new vehicles & new electric buses
Economic Development	47.0	Physical Regeneration Projects County Wide, Community Development, Joint Ventures, Swansea Bay City/Regional Deal projects and Levelling-up projects
Social Services	2.0	Care Homes and Learning Disability Developments
Corporate	4.1	Capital Minor Works and ICT Strategy Developments

1.8 Further Information

Further information about the accounts is available from the Head of Financial Services, Corporate Services Department, County Hall, Carmarthen, SA31 1JP.

2 STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority's Responsibilities

The Authority is required:

- To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of these affairs. In this Authority, that officer is the Director of Corporate Services.
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- To approve the Statement of Accounts.

The Director of Corporate Services' Responsibilities

The Director of Corporate Services is responsible for the preparation of the Authority's Statement of Accounts, in accordance with proper accounting practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Director of Corporate Services has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code;
- Kept proper and timely accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certification of Accounts

I certify that the Statement of Accounts on pages 57 to 150 gives a true and fair view of the financial position of Carmarthenshire County Council at 31st March 2024 and its income and expenditure for the year ended 31st March 2024.

Chris Moore FCCA
Director of Corporate Services

Dated: 3 July 2024

3 ANNUAL GOVERNANCE STATEMENT

Assurance Executive Summary

The Corporate Governance arrangements of the Council are acceptable.

It is important that a Governance Statement includes an evaluation and conclusion and provides a clear judgement on whether the governance arrangements outlined are fit for purpose.

To enable this judgement the Council's Internal Audit service conducted a review of our arrangements against the adopted standards. (see 3.3 below).

Table - Internal Audit Report extract:

Findings of Carmarthenshire County Council Internal Audit review of AGS and Corporate Governance	
Post Review Assurance Level	Description for Assurance Level
Acceptable	Moderate controls, some areas of non-compliance to agreed controls Medium/Low risk of not meeting objectives Medium/Low risk of fraud, negligence, loss, damage to reputation
Internal Audit found no fundamental control issues to be addressed as a high priority.	

The Statutory Guidance on Performance and governance of principal councils (for Part 6, Chapter 1 of the Local Government and Elections (Wales) Act 2021) expects the Council to have regard to these principles when considering the effectiveness of its governance arrangements.

Section 89 of the Act requires a council to keep under review the extent to which it is fulfilling the 'performance requirements' that is, the extent to which:

- it is exercising its functions effectively;
- it is using its resources economically, efficiently, and effectively; and
- its governance is effective for securing the above.

3.1 Scope of Responsibility

Carmarthenshire County Council (the Authority) is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It must also ensure that public money is safeguarded and properly accounted for and used economically, efficiently, and effectively and to secure continuous improvement in this regard.

The Authority is responsible for putting in place proper arrangements for the Governance of its affairs and facilitating the effective exercise of its functions including having appropriate arrangements for the management of risk.

The Authority details how it deals with all aspects of Governance through its Constitution which defines the standards, roles and responsibilities of the Executive, its Members, Committees and its Officers. The Constitution includes a Scheme of Delegation outlining the decision-making process, taking into account the relevant legislation.

A **Corporate Governance Group** comprising key Officers and 2 Cabinet Members is in place to inform and monitor progress on issues affecting Governance, including the **Code of Corporate Governance**, approved by Council in June 2012 and updated by the Governance and Audit Committee in March 2016, and revisited and presented to Governance and Audit Committee in July 2021. The Chair of the Governance and Audit Committee is invited to the Corporate Governance Group meetings in an observer capacity.

The Code of Corporate Governance recognises policies and processes that are consistent with the principles of the CIPFA/SOLACE Framework '**Delivering Good Governance in Local Government**' (Guidance Notes for Welsh Authorities 2016 Edition – Published September 2016). This framework identifies 7 key principles of good governance which complement the Well-being of Future Generations Act requirements.

This Statement explains how the Authority has complied with the various elements of the Governance Framework.

3.2 **The Governance Framework**

The Council sees Corporate Governance as “doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner.” The Governance Framework comprises the systems, processes, cultures and values by which the Authority is directed and controlled and the way it accounts to, engages with and leads the Community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of Internal Control is a significant part of that framework and is designed to manage risk to a reasonable level. It aims to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives. It evaluates the likelihood and impact of identified risks being realised and to manage individual risks appropriately. Our duty under the Local Government and Elections Wales Act 2021 is to ensure that governance is effective for ensuring that:

- we are using our resources economically, efficiently, and effectively.
- our governance is effective for securing the above.

3.3 **The Governance Environment**

The CIPFA/SOLACE Governance Framework sets out 7 fundamental principles of Corporate Governance. The 'CIPFA Seven' are:

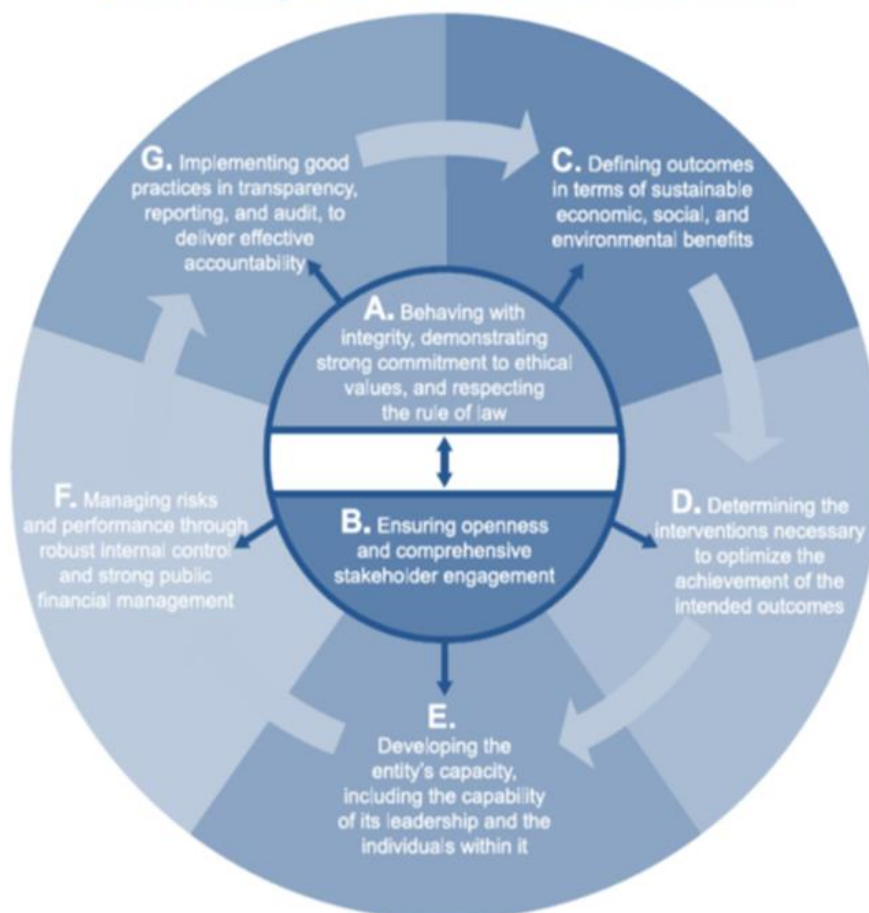
1. **Integrity and Values** - *Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.*
2. **Openness and engagement** - *Ensuring openness and comprehensive stakeholder engagement.*
3. **Making a difference** - *Defining outcomes in terms of sustainable economic, social, and environmental benefits.*

4. **Making sure we achieve what we set out to do** - *Determining the interventions necessary to optimise the achievement of the intended outcomes.*
5. **Valuing our people; engaging, leading and supporting** - *Developing capacity and the capability of leadership and individuals.*
6. **Managing risks, performance and finance** - *Managing risks and performance through robust internal control and strong public financial management.*
7. **Good transparency and accountability** - *Implementing good practices in transparency, reporting, and audit to deliver effective accountability.*

Since 2018/19 the Council has had a Well-being Objective on Building a Better Council and Making Better Use of Resources and the steps taken to achieve this objective are sub headed by the above 7 principles.

The Corporate Strategy 2022-27 ensures these principles are adhered to under Well-being Objective 4 - To further modernise and develop as a resilient and efficient Council. Furthermore, the Strategy identifies a set of Core Business Enablers that are essential to enable us to make progress against our well-being objectives. Sitting behind these principles are 91 behaviours which guide our work.

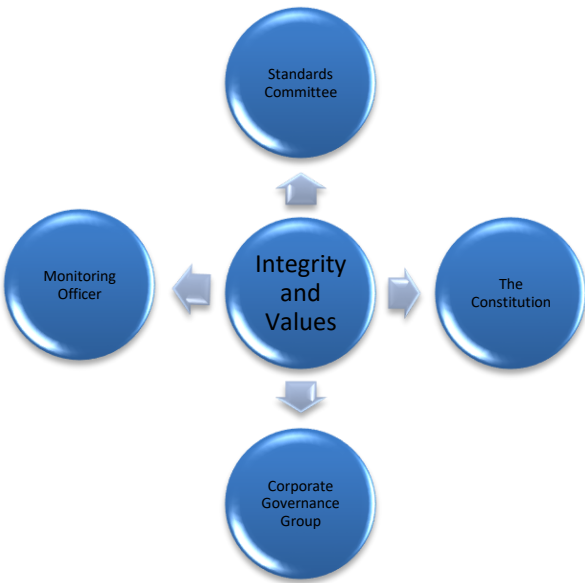
Achieving the Intended Outcomes While Acting in the Public Interest at all Times



The Authority addresses the 7 Fundamental Principles through the following:



Integrity and Values - *Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.*



3.3.1.1 Standards Committee

❖ How we do it

Standards Committee, chaired by a lay member, promotes and oversees standards of members conduct and arranges for the Monitoring Officer to deliver training to members of the Council on the Code of Conduct, as well as to Town and Community Councils who request it.

Where members have a personal and prejudicial interest in an item of Council business the Committee considers applications for dispensations to participate in meetings.

The Standards Committee, as well as the Governance and Audit Committee receive an annual report on the operation of the council's complaints procedure.

The Chair of Standards Committee presents an annual report to full Council on the Standards Committee's activities. This annual report must **by law** describe how the committee's functions have been discharged during the financial year, and in particular include a summary of:

- (a) what has been done to discharge the general and specific functions conferred on it;
- (b) reports and recommendations made or referred to the committee;
- (c) action taken by the committee following its consideration of such reports and recommendations;
- (d) notices given to the committee,

as well as the committee's assessment of the extent to which leaders of political groups on the council have complied with their duties to take reasonable steps to promote and maintain high standards of conduct by the members of the group and co-operate with the council's standards committee. This Committee also has oversight of the Whistleblowing Policy and Procedure.

❖ How well are we doing and how do we know?

Training on the Code of Conduct was provided to County Councillors and to Town and Community Councils after the May 2022 elections. Refresher training was delivered in the 2023/24 year.

No referrals were made by the Public Services Ombudsman for Wales about the conduct of Carmarthenshire County Council members, either to the Standards Committee nor the Adjudication Panel for Wales during **2023/24**.

Dispensations were granted by the Committee to 18 town and community councillors to participate in items of business where they had some form of interests, and to 1 County Councillor.

Data reveals that meetings of the Standards Committee attracted:

2022/23	2023/24
350 live views	143 live views
764 archive viewings	247 archive viewings

The Standards Committee's statutory Annual Report of its activities during 2022/23 was presented to Council in July 2023.

❖ What and how can we do better?

A National Standards Forum has been established of the chairs of all the Standards Committees in Wales as a forum for sharing best practice, ensuring in so far as possible consistency on similar decisions and discussing topical issues.

3.3.1.2 The Constitution

❖ How we do it

The Authority adopted a new form of Constitution in the form promoted by the Welsh Government upon the modernisation of local government, following the Local Government Act 2000, and this has been kept under constant review since then to ensure that it meets the needs of the Authority and its regulators in terms of transparency of Governance, accountability and decision making.

The Constitution is published on the Council's website and essentially explains the way the Council operates and how it takes decisions. It comprises 8 parts, namely:

1. *Summary & Explanation – a brief overview of the make-up of the Council and its decision making bodies.*
2. *The Articles – a fuller description of the Council and its constituent parts.*
3. *Functions / Delegations - This Part explains which Members are responsible for which decisions, and in particular whether they are decisions which can only be taken by the Council, or only by the Cabinet, and the decisions which have been delegated to officers to take under a Scheme of Delegation.*
4. *Rules of Procedure - including the rules relating to the Conduct of Council and Committee meetings (commonly known as “**Standing Orders**”), rules relating to proceedings of the Cabinet and Scrutiny Committees, rules relating to access to information, **Contract Procedure Rules, Financial Procedure Rules and Officer Employment Rules.***
5. *Codes & Protocols - Amongst the Codes included in this Part is the statutory **Code of Conduct for Members.** In this respect Members' conduct is strictly governed whether it be in respect of their role as Councillors or as decision makers. In particular Members having a personal and prejudicial interest in any business being transacted at meetings have to declare their interest and withdraw from the meeting (unless they have obtained a dispensation to participate).*
6. *a) Councillors and Co-Opted Members' Scheme of Allowances - which sets out the respective Job Profiles and Personal Specifications for Members, Cabinet Members, and Chairs and Vice-Chairs of Committees, as well as details of payments which Members are entitled to. In relation to payments to Members as of the 1st April 2012 the Independent Remuneration Panel for Wales, which is the body formed to determine Members' payments (now called “salaries”), used its new powers to actually prescribe the amounts to be paid as opposed to prescribing maximum payments which could be made. The purpose of this prescription was to make payments more consistent across Wales.*
b) Management Structures.
7. *Names & Addresses of Councillors.*
8. *Bilingual Composition of the Cabinet and Committees.*

The Constitution is a living document and individual amendments are reported to Council for decision on an as and when required basis, following consideration by the cross party Constitutional Review Working Group.

The Authority has moved to a model of encouraging and promoting pre-decision scrutiny of its decision making and policies, and to that end it has strengthened its Forward Work Programmes so that Scrutiny Committees can better see which decisions / policies are going to be considered and when, giving them an opportunity to involve themselves at an early stage.

❖ **How well are we doing and how do we know?**

Data shows that there is interest in the business of the Authority with webcasts of County Council meetings having had 662 live views and 1,978 archived viewings during the year, and Cabinet 291 and 1,128 respectively.

❖ **What and how can we do better?**

Nine Questions on Notice (i.e. Questions on matters not appearing on the agenda, for which advance notice has to be given) were asked at Full Council of Cabinet Members by Members during 2023/24, and whilst the questions were perfectly valid, some might have had quicker responses had they been asked of the Cabinet members outside of the cycle of Full Council meetings.

Only four Questions on Notice were asked by members of the public at Full Council during 2023/24, which may demonstrate a lack of awareness of the facility. During 2022/23 the Authority published Public Participation Scheme which should have raised better awareness of the ways in which the public can interact with the Authority. It may, of course, be the case that members of the public have not had questions they've specifically wanted to ask of members.

3.3.1.3 Corporate Governance Group

❖ **How we do it**

As stated in Section 3.1, a Corporate Governance Group has been established to co-ordinate, manage and report on the Governance arrangements of the Authority. The Group comprises:

- Cabinet Member - Resources
- Cabinet Member - Business Manager
- Chair of Governance and Audit Committee (in an observer capacity)
- Director of Corporate Services (s.151 Officer)
- Head of Administration & Law (Monitoring Officer)
- Head of Financial Services
- Chief Digital Officer
- Corporate Policy Manager
- Assistant Chief Executive (People Management)
- Head of Revenues and Financial Compliance
- People Services Manager
- Nominated substitutes allowable

The Group are responsible for updating the Code of Governance and developing the Annual Governance Statement, for the approval by:

- the Leader
- the Chief Executive
- the Governance and Audit Committee in compliance with the requirements of The Local Government (Wales) Measure 2011.

In addition, the Group now oversees the work of the Information Management Group.

Minutes of the Corporate Governance Group are reported to the Governance and Audit Committee.

❖ **How well are we doing and how do we know?**

There is a Co-ordinated approach to the drafting of the Annual Governance Statement and challenge of the contents, to ensure it reflects the actual governance position and what improvements are required. An action plan is produced annually, and the governance issues are monitored through the quarterly Governance Group Meetings.

❖ **What and how can we do better?**

The timescale for producing the Annual Governance Statement to be kept under constant review.

The AGS is an important step in the Council's self-assessment process and has a key role in considering the effectiveness of its governance arrangements.

We need to ensure that: -

- The Code of Governance is applied.
- Our Well-being Objectives, Thematic Priorities and Service Priorities have appropriate governance arrangements.
- That we are applying the sustainable development principle.
- Governance arrangements are effective to ensure we are fulfilling our 'performance requirements' that is the extent to which we are exercising our functions effectively and using resources economically, efficiently and effectively.
- Engagement with Governance and Audit Committee Members

To embed the governance arrangements around the new corporate strategy and Well-being objectives 2022-27.

We will ensure that Corporate Performance Management and Internal Audit work together, to ensure that the Annual Governance Statement plays its part in the Overall Council's Self-Assessment.

3.3.1.4 Monitoring Officer

❖ **How we do it**

The Monitoring Officer (Head of Administration & Law) is responsible for maintaining the Constitution to ensure that it reflects up to date legislative requirements and the Authority's Governance needs and is also responsible for ensuring that the provisions are fully complied with at all levels of the Authority's activities.

As Chief Legal Officer supported by the in-house legal team, the Monitoring Officer has access to all meetings of the Authority including the Cabinet and the Authority's Corporate Management Team. The Monitoring Officer is well placed to play a proactive role in supporting Members and Officers in both formal and informal settings to comply with the law and with the Authority's own procedures.

As the Head of Service with ultimate responsibility for the Democratic Services Unit, the Monitoring Officer is also responsible for the arranging of democratic meetings within the prescribed notice periods and the formal recording and publication of decisions made.

The Monitoring Officer works closely with the Chief Executive as the Head of Paid Service and the Section 151 Officer in accordance with the provisions of the Local Government and Housing Act 1989 and will report to Council or the Cabinet if she consider that any proposal will give rise to unlawfulness.

There is an All Wales Network of Monitoring Officers which meets on a quarterly basis to discuss topical issues and share best practice, which the Monitoring Officer attends.

❖ **How well are we doing and how do we know?**

The Monitoring Officer did not have to publish any statutory reports during the 2023/24 year.

❖ **What and how can we do better?**

The Monitoring Officer did not have to publish any statutory report during the 2023/24 year.

3.3.2 **Openness and engagement** - Ensuring openness and comprehensive stakeholder engagement.



3.3.2.1 Consulting and Engaging with Citizens and Service Users

❖ **How we do it**

The Authority has a well-established method of consulting and engaging with citizens and service users. There are numerous network groups representing a range of interests from the youth forum to the ageing well network as well as fora that we engage to seek the

views of those with specified protected characteristics as recognised by The Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011.

The Council publishes all its on-going consultations on the Council website and adopts the most appropriate and effective dissemination method based on the consultations target participants.

The Authority also makes extensive use of other secondary sources of information. This is to ensure that consultation activity and primary data gathered is not interpreted in isolation but rather viewed in the round to build the most comprehensive picture possible. The results are also used to help the Authority in its self-assessment of services and are included in our Annual Report. The Authority recognises the growing importance of consultation activity in providing relevant, timely and representative information which can reduce an over-reliance on external commissioned research which is more susceptible to the effects of unforeseen challenges.

Furthermore, during the year, the Authority undertook extensive consultation on its Budget, which included a week of face-to-face member seminars as well as Insight events for young people, on-line surveys, social media, and stake holder meetings with Town and Community Councils and Unions. The results of the consultations are considered and presented to Cabinet and County Council as part of the Budget Strategy Report.

The Local Government and Elections (Wales) Act requires that a council must consult a range of people at least once in each financial year about the extent to which the council is meeting the performance requirements. The statutory consultees are:

- local people;
- other persons carrying on a business in the council's area;
- the staff of the council; and
- every trade union which is recognized by the council.

A baseline consultation on Council performance and key priority areas was conducted in 2022 with residents, staff, businesses, and trade unions with the same activity being repeated in 2023. We saw an 80% increase in responses to the residents' survey which can be attributed to more targeted communication with residents with a 'My Hwb' account.

This allows for the collection of comparable evidence and intelligence from citizens and service users which can be monitored over time. This supports in ensuring that our self-assessment of performance is as realistic as possible and that we do not 'mark our own papers' but triangulate our assessment between performance data, regulatory findings and our customers views. The consultation responses have been analysed and will be reported in due course with proposals for improvement from the findings to influence our development work in terms of future business planning and organisational improvement.

Response rates:

	2022 Number Responses	2023 Number Responses
Residents Survey	2,195	3,943
Staff Survey	1,733	1,459
Business Survey	36	110
Trade Union consultation	5	3

The Authority has been webcasting all Full Council meetings since May 2013 and Planning Committee since November 2014 and Cabinet meetings from September 2015. Since October 2020 the Council has also been webcasting its Scrutiny Committee meetings.

❖ **How well are we doing and how do we know?**

Evidence suggests that there has been an increase in participation of online consultations. Specifically, when evaluating comparable consultations. For example, the Welsh in Education strategic plan consultation in 2017 received 21 completes whilst in 2021 the consultation received 854. Additionally, a recent Housing and regeneration masterplan received 2,522 completed surveys in comparison to 189 in a similar survey run in 2018. The increase in participation is attributed to the closer relationship developed with the Media and Marketing team ensuring that consultations are promoted on social media and the corporate website and are sent to all key stakeholders.

❖ **What and how can we do better?**

We are currently in the process of developing an Involvement Strategy for the local authority. Specifically, we are looking to develop a system whereby colleagues can submit a consultation request to ensure that all relevant key stakeholders are contacted and to ensure sufficient time is allocated for each consultation. Additionally, we are examining options on improving the consultation page on the corporate website. The page can improve continuous engagement and in addition ensure that consultees can view the results of the consultations they have participated in.

We recognise that there is more that we can do to further develop and improve the way we engage. We will review our current approach and consider further improvements we can make to ensure we broaden our range of stakeholder input and ensure greater engagement from a representative cross-section of our residents and other stakeholders.

How consultation shapes our decisions and how we feed this back to respondents needs to be improved. We are looking at ways to make progress on the following areas:

- Data Insight Team to support in the development and analysis of consultation activity arising from the Local Government Elections Act (specifically with residents, businesses, trade unions and staff).
- The Council should explore the options available to share performance information in a more transparent and easily accessible way. This extends to sharing with residents (where possible) how and why financial resources are spent and invested where they are.
- Develop and improve the way in which performance information is shared with businesses and ensure that businesses are aware of the way decisions are made and the rationale behind these decisions. This will become increasingly important given the financial challenges facing the public sector.
- Support the improvement of communication and involvement with staff on Council performance management information.
- We will work with other Council services to further develop the Council's involvement and use of data gathered as part of a Council wide involvement, participation, and consultation framework. (12435) (WAO Regulatory Recommendation – 'Use of Data').

3.3.2.2 Dealing with Complaints

❖ How we do it

The Authority has a Complaints Policy (adopted in 2021/22) based on an All-Wales model and issued by the Complaints Standards Agency under powers contained within Section 36 of the Public Services Ombudsman (Wales) Act 2019. The procedure for complaints and compliments is outlined and statistics and analysis of the complaints received are reported as part of quarterly performance monitoring.

The Authority has a centralised Complaints Team for most services (other than adult social care which are managed by the Communities Department with children's social care related complaints also moving over to the Communities Department from 1 April 2024) which ensures compliance with the requirements set out in our Policy and Procedure and consistency of approach across the whole Authority. The centralised Complaints Team liaise with other relevant Council services to respond to complaints.

The Authority investigated and responded to 1,958 complaints during 2023/24 (corporate and adult social care) compared to 1,376 complaints during 2022/23 and 930 during 2021/22.

❖ How well are we doing and how do we know?

Quarterly reports are provided to the Corporate Management Team with more detailed reports provided to departments monthly in order to monitor trends, identify problem areas and generate service improvement based on customer experience.

❖ What and how can we do better?

The Complaints Team is committed to supporting and working with departments to further develop our way of working and handling complaints. Arrangements for greater analysis of complaints trends and patterns are being put in place in order to improve learning from complaints and sharing of knowledge and understanding.

Further work will also be undertaken to support the undertaking of investigations relating to complaints to ensure a consistent and thorough response across all Council services.

Officers are currently working on a comprehensive review of the customer service that we as a Council provide and how we can further improve the customer journey. The aim is to enable more contacts to be fully and properly resolved at first point of contact, avoiding passing calls to the 'back office'. We already know that people access information and complete council services via a host of different channels, and we know this is not currently being done consistently. We want to ensure that information and services can be accessed in multiple different ways, regardless of the access point or channel of communication.

We will continue to work with and provide ongoing support to departments to ensure compliance with the Council Complaints Policy. Guidance for investigating officers on undertaking Stage 2 Investigations has now been prepared and support offered to services for undertaking investigations.

We will improve the use and monitoring of complaints information and intelligence in order to support learning and service improvement. An officer task and finish group to review arrangements is currently underway with a view to establishing a corporate complaints audit group (similar to arrangement for social services complaints) in order to improve trend analysis, learning and service development as a result of information gleaned from complaints. From April 2024 we will also be introducing complainant feedback on the

complaints processes so that we can learn about user experience and continually improve our ways of working.

An annual report on complaints and compliments received by the Council is prepared and presented to relevant fora including Governance and Audit Committee.

3.3.2.3 Public Services Ombudsman for Wales

❖ How we do it

The Public Services Ombudsman for Wales considers complaints from members of the public and members in relation to Members' conduct, and from members of the public in relation to alleged maladministration, and also has powers to instigate investigations of her own initiative. Her Report is published annually.

S.16 Ombudsman's Reports (i.e. Public Interest Reports) are reported to County Council as required by law.

We provide data on a quarterly basis to the Ombudsman's Complaints Standards Agency, which is an Agency created to drive improvements across Authorities in relation to complaints handling and outcomes.

❖ How well are we doing and how do we know?

No Public Interest Reports were issued against the Authority during the 2023/24 year.

No referrals were made for hearings into any complaints about County Councillors conduct, either to the Authority's Standards Committee or to the Adjudication Panel for Wales during 2023/24.

3.3.2.4 Ensuring Effective External Communication

❖ How we do it

The Authority's Marketing and Media team promotes the work of the council and supports proactive engagement with members of the public, helping them to access information on council services.

Since the introduction of My Hwb account (for online services and payments), this continues to be an effective way for citizens to access services. We are adding more services online and reviewing our existing e-forms to ensure that they are easy to use.

The Hwb in Ammanford, Carmarthen and Llanelli offer pre-booked appointments and drop-in advice to an average 5,000 residents per month, as well as providing advice and access to training and employment support.

The Hwb Advisers have played a critical role in supporting the tackling poverty agenda and have supported to date more than 1,900 people with advice and support in finding out what support is available to them. This is a fundamental service, and we are currently now aiming to expand into our rural areas and work with more third sector organisations to simplify the message to our residents and offer as much support as possible of those who are in need.

The Marketing and Media teamwork with the Cabinet and Departmental Management Teams to plan proactive communications, supporting service areas to engage with the right people, at the right time, in the right way.

❖ **How well are we doing and how do we know?**

Throughout 2023/24 we have seen an increase in residents and businesses accessing information, support and council services online, the number of visits to our website has increased yet again this year by a further 35%.

Our digital platforms are essential in providing accurate, timely information across as broad an audience as possible. Customer services are able to guide many calls to the website and providing detail through our frequently asked questions feature has improved the consistency and simplicity in how we respond to enquiries.

Accessibility of information is key and we have this year passed the accessibility standard. It is so important to remember that residents, visitors and businesses are now accessing the website in various ways and interestingly 62.7% access using their mobile device. This is key when considering how to present information to ensure we engage to as a wider audience as possible.

Key statistics Carmarthenshire County Council website 2023/24

- Pageviews: 5,236,834 (6,658,996 in 2022/23)
- Sessions: 4,564,455 (3,363,308 in 2022/23)

Social media and email marketing remain to be excellent ways in communicating and sharing official updates with our residents.

- X post impressions – 563,600
- Facebook post impressions – 4.2m
- Facebook reach – 3.9m (6.5m in 2022/23)
- Facebook published posts – 845
- X published posts - 716
- New Facebook followers – 1,458 (2,099 in 2022/23)
- Total followers – 26,069 (24,611 in 2022/23)
- New X followers – 0 (323 in 2022/23)
- Total followers – 11,649 (11,661 in 2022/23)

Note: Stats are from Tuesday 18th July 2023 onwards as we moved from So Crowd to Orlo and no previous data can be retrieved.

- *762,902 emails sent to MyAccount, businesses, T&CC and 3rd sector. 369,762 unique opens.
- 53.8k minutes viewed on video

(All statistics are from: 1st April 2023 – 31st March 2024. *24th July 2023- 31st March 2024)

Residents 2023 Survey – 3,943 responses (2,195 response in 2022)

The table below provides an indication of feedback received via the residents' consultation for 2023, the scores are representative of weighted averages which allows for direct comparison year on year and between small areas. A score between 1-2 and coloured in Green signifies – Strongly Agree, a score between 0-1 and coloured in Amber represents overall agreement and a negative score, coloured in Red represents overall disagreement.

Statement	2022 Survey	2023 Survey
I can access Council services through my preferred language	1.4	1.37
When I access Council services, I find the staff to be approachable and friendly	0.82	0.77
I can easily access up to date information about Council services	0.5	0.46
I find contacting the Council simple and easy	0.31	0.28
The Council lets people know how it's performing	-0.1	-0.12
The Council provides opportunities for me to participate in decision-making	-0.19	-0.19

❖ What and how can we do better?

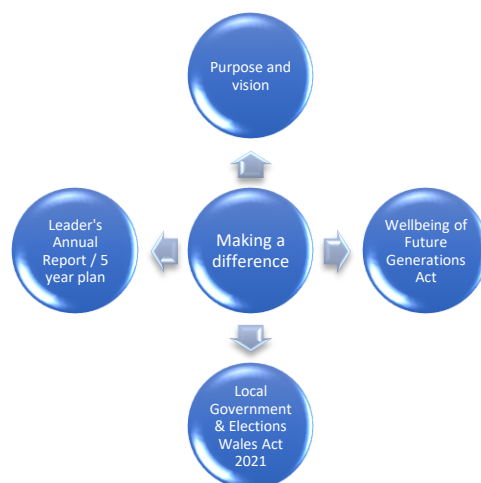
We need to continue to look at ways in how we can reach our external customers in an easy to understand and consistent manner.

We need to continually promote service change and the work of the council so that residents fully understand what we as a Council deliver.

We need to explore the options available to share performance information in a more transparent and easily accessible way. This extends to sharing with residents (where possible) how and why financial resources are spent and invested where they are.

We need to ensure alignment of the Council's Communication Plan with the new Corporate Strategy and Well-being Objectives.

3.3.3 **Making a difference** - *Defining outcomes in terms of sustainable economic, social, and environmental benefits.*



3.3.3.1 Purpose and Vision

❖ How we do it

The Authority has a firm mechanism for collaboration with key partners and is a statutory member of the Carmarthenshire Public Services Board (PSB). The Well-being of Future Generations Act puts a well-being duty on specified public bodies across Carmarthenshire to act jointly through the PSB. The PSB is tasked with improving the economic, social, environmental and cultural well-being of Carmarthenshire.

www.thecarmarthenshirewewant.wales

- In May 2018 the PSB published its first Well-being plan which sets out its local objectives to improving the economic, social, environmental and cultural well-being of the County and the steps it proposes to take to meet them. The PSB has produced Well-being Annual Reports on the progress of this plan.

Preparation for the next PSB Well-being Plan 2023-28

- One of the requirements of a PSB is to prepare a Local Well-being Plan every five years, using a Well-being Assessment to feed into the planning phase. Carmarthenshire PSB produced a second Assessment at a time when considerations about the current and future well-being of Carmarthenshire had never been so important. The issues presented by COVID-19, climate change, Brexit and changing demographics highlighted new challenges for individuals and communities and these challenges have not been felt equally. Those who were already experiencing inequalities because of poor health, poverty or because they live in marginalised communities have been hardest hit by the direct and indirect harms of the pandemic and are likely to experience additional disadvantage as we shift to 'recovery.'
- Carmarthenshire PSB worked collaboratively locally and regionally to produce this assessment. Carmarthenshire, Ceredigion and Pembrokeshire PSB's have worked in partnership to share resources, expertise and capacity in order to reduce the duplication of work. Officers from the three PSBs and Regional Partnership Board (RPB)/West Wales Care Partnership have worked together to develop a consistent methodology and approach which would culminate in three Well-being Assessments (one for each PSB) and a Population Needs Assessment for the RPB.
- Working in this way ensured that the assessments' production was collaborative (between public sector partners and the third sector) in terms of data provision, analysis and interpretation.
- This Well-being Assessment has drawn together local and national data. Responses gathered as part of community engagement sessions are considered alongside analysis of various sources of data and research. Clear themes have been identified in our county, which will allow us to target areas of need when we move from the assessment to planning phase over the course of the next year.
- In May 2023 the PSB published its second Carmarthenshire Well-being Plan. The Well-being Assessment has been the foundation and evidence on which the new Plan has been developed. Carmarthenshire PSB has a statutory responsibility to improve the economic, social, environmental and cultural well-being of our county by contributing to the achievement of the seven national Well-being Goals. This includes our work on setting local objectives to maximise our contribution to meeting those goals and demonstrating how we use the Sustainable Development Principle and Five Ways of Working in everything we do. The Plan sets out five Well-being Objectives and the actions to achieve those objectives in a phased approach.

- The Well-being Objectives of the Carmarthenshire PSB are not intended to address the core services and provision of the individual partners, rather they are to enhance and add value through collective action. The statutory partners of the PSB (Council, Health Board, Fire & Rescue Service and Natural Resources Wales) each have to publish their own Well-being Objectives which they do through their own corporate plans.

See Paragraph 3.3.3.4 – Regarding the post May 2022 Local Government Elections and New Cabinet Vision Statement for 2022-27

Carmarthenshire County Council's Corporate Strategy

The Council's new Corporate Strategy was published in March 2023 and was shaped by the data analysis and findings of the well-being assessment undertaken for preparing the Public Services Board's Carmarthenshire Well-being Plan. In addition, the consultation feedback with residents, businesses, trade unions and Staff as outlined in section 3.2.3 also informed the strategy.

The new Corporate Strategy confirms four well-being objectives that the Council will work to make progress on:

1. Enabling our children and young people to have the best start in life (Start Well)
2. Enabling our residents to live and age well (Live & Age Well)
3. Enabling our communities and environment to be healthy, safe and prosperous (Prosperous Communities)
4. To further modernise and develop as a resilient and efficient Council (Our Council).

❖ How well are we doing and how do we know?

- During 2023/24 the PSB has focused on making progress against the well-being objectives outlined in its plan with task and finish groups established on the following areas:
 - Responding to the climate and nature emergencies (Well-being Objective): Increasing collaboration on Electric Vehicle charging infrastructure in public sector settings
 - Ensuring a sustainable economy and fair employment (Well-being Objective): Planning for the workforce of the future by working together to promote job opportunities and careers in the public sector
 - Tackling poverty and its impacts (Well-being Objective): Identify and implement opportunities for PSB organisation staff to Make All Contacts Count (MACC) with improved referral and referral to support services; and building on advice and support services for residents through the Council Hub, by developing opportunities for collaboration across PSB organisations.
- The Council's business planning processes are fully aligned to the Corporate Strategy Well-being Objectives, Thematic and Service priorities.
- A key element on the strategy is the identification of population indicators and performance measures which will be monitored regularly to measure our progress against meeting the objectives. The population indicators are intended to provide an understanding of trends and Carmarthenshire's position relative to the other local authorities in Wales. The performance measures are inclusive of statutory returns, consultation intelligence and service level data which provide an indication of our performance as a Council. The same data will assist with Council quarterly reporting and in the annual reporting of performance.

- As a Council we already have a lot of data that we report and the Data Insight Team are looking to improve the way we use intelligence and understanding to inform service planning, setting a corporate approach to become a data driven authority.
- Furthermore, we are stepping up the use of data within our business planning.

❖ What and how can we do better?

The PSB will continue to monitor progress on the steps already being implemented and will look to establish task and finish groups for the additional areas of work during the next period. The task and finish approach is looking to establish specific actions and delivery so that the PSB can make progress on a range of steps identified in the well-being plan for action. This approach will be continually reviewed throughout the period of the current well-being plan.

During 2024/25 we will introduce the Council Corporate Data Suite for use to support performance management against the Corporate Strategy 2022-2027 and key policy areas. Phase 1 of the data suite is focused on population indicators and measures. Phase 2 of the development will look to gather further data and intelligence from service based dashboards.

3.3.3.2 Well-being of Future Generations Act (Wales) 2015

❖ How we do it

The Act identifies ‘a core set of activities that are common to the corporate governance of public bodies (SPF1 Para 47). Applying the requirements of the Act to these activities is likely to most effectively secure the type of change required’.

1. Corporate & Service Planning
2. Financial Planning
3. Asset Management
4. Workforce Planning
5. Procurement
6. Risk Management
7. Performance Management

Self-assessment is a way of critically, and honestly, reviewing the current position in order to make decisions on how to secure improvement for the future. Self-assessment is more than stating what arrangements are in place, it is about considering how effective these arrangements are and how they can be improved.

The general purpose of the Act, is to ensure that the governance arrangements of public bodies for improving the well-being of Wales, taking the needs of future generations into account. The Act is designed to improve the economic, social, environmental, and cultural well-being of Wales, in accordance with sustainable development principles. The law states that:

- i. We must carry out sustainable development, improving the economic, social, environmental, and cultural well-being of Wales. The sustainable development principle requires that: ‘... *the public body must act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.*’

- ii. We must demonstrate how we are implementing the five ways of working in all that we do:
- Long-term: the importance of balancing short-term needs with the need to safeguard the ability to also meet long-term needs
 - Integration: considering how the public body's well-being objectives may impact upon each of the well-being goals, on their objectives, or on the objectives of other public bodies
 - Involvement: the importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves
 - Collaboration: acting in collaboration with any person (or different parts of the body itself) that could help the body to meet its well-being objectives.
 - Prevention: how acting to prevent problems occurring or getting worse may help public bodies meet their objectives.
- iii. We must work towards making progress on all of the seven national well-being goals in the Act. Together they provide a shared vision for public bodies to work towards a:
- prosperous Wales
 - resilient Wales
 - healthier Wales
 - more equal Wales
 - Wales of cohesive communities
 - Wales of vibrant culture and thriving Welsh Language
 - globally responsible Wales

As a public body we must publish our Well-being Objectives in order to maximise our contribution to these National Well-being Goals.

Corporate Strategy 2022-27

Well-being Objective 1

Enabling our children and young people to have the best possible start in life (Start Well)

- **Thematic Priority: Healthy Lives – prevention /early intervention**
- Service Priority: Early years
- Service Priority: Education

Well-being Objective 2

Enabling our residents to live and age well (Live & Age Well)

- **Thematic Priority: Tackling Poverty**
- Service Priority: Housing
- Service Priority: Social Care

Well-being Objective 3

Enabling our communities and environment to be healthy, safe and prosperous (Prosperous Communities)

- **Thematic Priority: Economic Recovery and Growth**
- **Thematic Priority: Decarbonisation & Nature Emergency**
- **Thematic Priority: Welsh Language & Culture**
- **Thematic Priority: Community Safety, Resilience and Cohesion**
- Service Priority: Leisure & Tourism
- Service Priority: Waste
- Service Priority: Highways & Transport

Well-being Objective 4

To further modernise and develop as a resilient and efficient Council (Our Council)

- **Thematic Priority: Organisational Transformation**

Service Enablers

Core business enabler functions support the above.

	Core Business enablers (not a Well-being Objective)
a	Information and Communication Technology (ICT)
b	Marketing & Media including customer services
c	Legal
d	Planning
e	Finance
f	Procurement
g	Internal Audit
h	People Management (Human Resources, Learning & Development, Occupational Health)
i	Democratic Services
j	Policy & Performance
k	Electoral Services & Civil Registration
l	Estates & Asset Management
m	Risk Management
n	Business Support

Audit Wales Report: Setting Well-being Objectives – Carmarthenshire County Council
July 2023

The Auditor General must carry out examinations to assess the extent to which public bodies have acted in accordance with the sustainable development principle when setting their well-being objectives. For Carmarthenshire they found:

Key finding

The Council has applied the sustainable development principle in the setting of its new well-being objectives but could strengthen its arrangements for citizen involvement and monitoring its progress.

Well-being Statement

We welcome our duties under the Well-being of Future Generations Act. We have already addressed much of the Act's requirements but recognise that we can do more.

1. We feel that our Well-being Objectives contribute significantly to the achievement of the National Well-being Goals. Our Well-being Objectives relate to different aspects of life's course and focuses on the areas that we can influence and shape in order to improve well-being in a systematic way.
2. These Well-being Objectives have been identified following consultation and feedback with a range of stakeholders and developed alongside a basket of different sources of information focusing on the needs of our population, performance data and regulatory feedback. In developing delivery plans to achieve these objectives we will involve all relevant stakeholders with an interest in achieving them.
3. The steps we take to achieve the Well-being Objectives (through our delivery plans) will look to ensure that the 5 ways of working (long term, preventative, integrated, collaborative and involvement) are fully embraced and embedded in the way that we deliver.
4. Each Cabinet portfolio holder/s will have defined accountability for their relevant Well-being Objectives.
5. To ensure that we deliver the steps for each Well-being Objective we will implement our Performance Management Framework. All the delivery plans will be monitored and reported on a quarterly basis to Departmental Management Teams, Corporate Management Team and Cabinet. In addition, progress will be reported to Scrutiny Committees. The Council will prepare an Annual Report on its Well-being Objectives and revise the objectives if required.
6. The content of delivery plans to achieve the Well-being Objectives will need to be adequately resourced. To achieve these objectives services will integrate and collaborate with partners and fully involve citizens in all their diversity.
7. Our Objectives are long term, but our action plans will include milestones that will enable monitoring and assurance of progress.
8. To ensure that our Well-being Objectives are deliverable and that the expectations of the Act are embraced we will adapt financial planning, asset management, risk assessment, performance management and scrutiny arrangements.
9. The requirements of the Local Government and Elections Act 2021 Governance and Performance requirements will also be embedded within this approach.

❖ How well are we doing and how do we know?**Annual Report on 2022/23**

In November 2023 we published an Annual Report on 2022/23. It was produced by the Council to provide comprehensive and balanced information to the public about our services, so that they can see how we are performing and the challenges we are facing.

- We used a range of information to inform our self-assessment of each Well-being Objective and triangulate evidence to make a judgement on progress.

❖ What and how can we do better?

- We need to continue to promote the Well-being of Future Generations Act and the sustainable development principle and when we reset our Corporate Strategy and Well-being Objectives following Local Government election we will involve our stakeholders in identifying future priorities in order to inform the Council's well-being objectives and ensure that the work of the whole organisation fully aligns to the delivery of those objectives.

3.3.3.3 Local Government and Elections Wales Act 2021

❖ How we do it

The Local Government and Elections Wales Act 2021 established a new and reformed legislative framework for local government elections, democracy, governance and performance. It replaces the Local Government Measure 2009. Part 6 of the Act outlines new duties in respect of Performance and Governance of Principal Councils and includes specific duties for the Council:

- Duty to keep performance under review;
- Duty to consult on performance;
- Duty to report on performance – based on self-assessment approach;
 - We must set out conclusions on the extent to which we have met the performance requirements and any actions we plan to take or have taken to increase the extent to which we are meeting these performance requirements.
- Duty to arrange a panel performance assessment.
- Duty to respond to a panel performance assessment report.

The performance requirements are the extent to which:

- We are exercising our functions effectively.
- We are using our resources economically, efficiently, and effectively.
- Our governance is effective for securing the above.

❖ How well are we doing and how do we know?

Self-assessment is a way of critically, and honestly, reviewing the current position in order to make decisions on how to secure improvement for the future. Self-assessment is more than stating what arrangements are in place it is about considering how effective these arrangements are and how they can be improved.

Our Annual Self-Assessment of these Performance Requirements consisted of a self-assessment by each division against the requirements, with self-scoring in terms of meeting the expectations. Service Self-Assessments were then pulled together to form an overall Council self-assessment and were incorporated into the Council's Annual Report.

The role of the AGS in self-evaluation

Considering the extent to which the council is meeting the performance requirements is a corporate, organisational assessment rather than an assessment of individual services. For example, it should consider the role of leadership, and the effectiveness of the relationship between the political leadership and senior officers in the council, in ensuring the council is able to respond to the changing environment in which it operates. It is about a council being self-aware, understanding whether it is delivering the right outcomes, and challenging itself to continuously improve how it manages delivery of services and performs as the custodian of the area. Para 2.7 of the Statutory guidance.

Self-assessment is a way of critically, and honestly, reviewing the current position in order to make decisions on how to secure improvement for the future. Self-assessment is more

than stating what arrangements are in place it is about considering how effective these arrangements are and how they can be improved (Para 2.6)

❖ **What and how can we do better?**

We will continue to enhance the use of information and intelligence from a range of sources to inform quarterly Performance Management Monitoring Reports.

We will ensure the Council fully embeds the requirements relating to performance and governance of the Local Government and Elections Act and align them to our current duties relating to the Well-being of Future Generations Act

The Marketing & Media Team and Data Insight Team will support in the development and analysis of consultation activity arising from the Local Government and Elections Act (specifically with residents, businesses, trade unions and staff).

3.3.3.4 Leader's Annual Report and Five-Year Plan

❖ **How we do it**

Following local government elections in May 2022 the administration published its Cabinet Vision Statement for 2022-27 in July.

This Vision Statement guided the development of the new Corporate Strategy and Well-being Objectives and actions are embedded in service delivery plans.

❖ **How well are we doing and how do we know?**

The 113 commitments are being tracked.

❖ **What and how can we do better?**

All Cabinet Vision Statement commitments will be embedded in Service Delivery Plans and will be monitored on the PIMS system.

3.3.4 Making sure we achieve what we set out to do - *Determining the interventions necessary to optimise the achievement of the intended outcomes.*



3.3.4.1 Managing Performance / Scrutiny Function

❖ How we do it

The Corporate Strategy's Well-being Objectives identify the key steps that will be taken to deliver the objectives. These steps are supported by detailed actions and targets that are identified in Service Delivery Plans. These actions and targets are monitored on the Council's Performance Information Monitoring System (PIMS). This enables responsible officers to update progress on a quarterly basis that can be monitored and approved by Heads of Service and reviewed at Departmental Management Teams. On a quarterly basis the Corporate Management Team and Cabinet Members examine performance at dedicated meetings.

Scrutiny committees receive quarterly Performance Management reports as well as the end of year report. Reports are prepared to respond to the specific portfolio areas of each committee. Supplementary and more detailed reports on sickness absence and wellbeing are reported in Q2 and Q4.

We have adopted a pre-decision scrutiny model which enables Scrutiny Committees to request sight of information on anything on the Forward Work Programme at a time of the Committee's suiting, so that it can input at an early or appropriate time.

❖ How well are we doing and how do we know?

Performance Management Framework

This framework sets out the Council's approach to monitoring and managing the performance of the Council's services and responds to the performance and governance requirements of the Local Government and Elections (Wales) Act 2021. The aim of this Performance Management Framework is to keep the Council on track and focused on delivery of its key priorities, by providing councillors, managers and staff with the information and tools they need to deliver high-quality and high-performing services which help to achieve good outcomes for residents.

Following Local government elections in May 2022 Members received an induction session on the new framework.

Integrated Quarterly Monitoring Reports - Observation Reports

- Previously our monitoring reports tended to monitor the actions and targets we set ourselves in business plans to deliver our Well-being Objectives. We only looked at much wider evidence in our end of year Annual Reporting. This was missing the opportunity of giving a more rounded picture of performance throughout the year.
- We are continuing to develop more integrated performance monitoring through quarterly 'Observation Reports'. These analytical reports built on the information outlined in dashboard reports and added ongoing Member feedback and Task and Finish Scrutiny investigations, Customer feedback (complaints and compliments) Financial, Internal and external audit findings, risk, people management, asset, risk, latest news and other relevant data to build up a more rounded picture of progress.

Quarterly monitoring reports made available to Scrutiny

All service delivery plans are aligned to the strategy and the actions and targets set to deliver the strategy are monitored quarterly and reports tailored to each Scrutiny remit are made available quarterly.

Annual Reporting

We produce an Annual Report that looks at how we are progressing our Well-being Objectives and meeting our 'Performance Requirements'.

❖ What and how can we do better?

We will continue to enhance the use of information and intelligence from a range of sources to inform quarterly Performance Management Monitoring Reports

3.3.5 **Valuing our people; engaging, leading and supporting** - *Developing capacity and the capability of leadership and individuals.*



Following the local government elections in Wales in May 2022 Carmarthenshire County Council had 30 new county councillors, and a comprehensive package of training, development and induction is being provided to them and returning members. Member development and training programme is refreshed on an annual basis.

3.3.5.1 Democratic Services Committee

❖ How we do it

This is a statutory Committee with terms of reference which include promoting and supporting good governance. An important aspect of that aim is secured by the provision of reasonable training and development opportunities for Members and the appointment of the Chair of the Committee as the Member Development Champion.

3.3.5.2 Managing our Workforce

❖ How we do it

The Council's new Workforce Strategy has 5 key objectives which has been developed to underpin the Council's Corporate Strategy, Transformation Strategy and Cabinet Vision. This is underpinned by a 5-year delivery plan and a suite of measures to assess its effectiveness.

The Council's workforce and succession planning framework provides managers with the tools to effectively forward plan. Our new Learning and Development policy outlines our commitment to fair access to learning for all, sitting alongside that is our new Learning Management System (Thinqi).

We have a range of flexible HR policies that help us manage and support our workforce. Our Occupational Health team supports staff to remain in work or return to work following a period of absence. We have a corporate Health and Safety Team that helps to ensure the health, safety and welfare of our staff while you are at work.

Safeguarding in employment continues to be a high priority and related policies and guidance have recently been revised to ensure that our recruitment and ongoing employment processes are as robust as possible. Systems are in place to monitor compliance to recruitment processes and pre-employment checks in particular.

❖ **How well are we doing and how do we know?**

Employee Engagement Annual Survey – during 2023 the Council held its second employee engagement survey. The overall results were positive, with every indicator seeing an improvement since 2022.

<https://ourpeople.carmarthenshire.gov.wales/our-people/staff-voice/>

Investors in People Accreditation - We have been an Investor in People since 2009. Our last full review was in 2022, when we achieved the Gold award, over 40% of the indicators were placed in the platinum (High Performing) category, which puts us in a strong position for achieving the full Platinum award at our next full review in 2025.

Audit Wales Review of Workforce Management undertaken early 2022 - Overall, the review found that the Council is improving the strategic planning for its workforce and is taking action to address staff capacity issues in key service areas but recognises that performance monitoring of workforce management needs strengthening.

Attendance Monitoring Reports - CMT / Cabinet / Scrutiny Committee monitors performance on a regular basis. Also, Heads of Service have access to real time data in relation to attendance.

H&S Annual Report – CMT monitoring report

Corporate Health Standard – We retained the recognition in March 2023 and have been awarded the Platinum standard.

Employee Wellbeing Annual Report - CMT monitoring report

❖ **What and how can we do better?**

Safeguarding - Finalise volunteer policy, guidance and database.

Data - Further develop the way we use our workforce data via the development of a performance dashboard.

3.3.5.3 Scheme of Delegation to Officers

❖ How we do it

The Scheme of Delegation itemises the decisions which are delegated to officers, whether by the Council or by the Cabinet. In exercising delegated powers Officers must comply both with any statutory requirements and the Council's Policy and Budget Framework, amongst other requirements. Any significant decisions have to be recorded and are subject to the call-in rules. Significant executive decisions by officers are published.

❖ How well are we doing and how do we know?

Each Department will carry its own records of delegated decisions made by officers.

The more significant decisions are published and made available for call in before they can be implemented.

❖ What and how can we do better?

The Scheme of Delegation is a living document and needs to be kept under review. It was last updated in County Council on the 9th February 2022 **and no additional delegations have been requested for officers since that review.**

3.3.6 Managing risks, performance and finance - *Managing risks and performance through robust internal control and strong public financial management.*



3.3.6.1 Risk Management

❖ How we do it

The Authority has a Risk Management Steering Group which reports its activity to the Governance and Audit Committee by presenting for information, the minutes of the group. The Risk Management Steering Group comprises Cabinet Member Risk Champion (Cabinet Member for Resources), Departmental Risk Champions and is chaired by a Head of Service.

The Authority aims to embed good risk management into all its processes including a specific section in Committee Reports for the implications from a Risk Management perspective to be discussed and explained.

Corporate, Service and Project Risks are captured within Risk Registers. We use “**Web Based Risk Register Software**”, which allows Departments to input, access, maintain and manage Service and Project Risks. All Departments have direct inputting access for the Corporate Risk Register.

The Corporate Risk Register is reported to the Governance and Audit Committee on a six-monthly basis, following quarterly review and critical assessment of the risks by Corporate Management Team (CMT).

❖ **How well are we doing and how do we know?**

Transformation Team continually review progress on Audit Wales and Internal Audit Recommendations through the service transformation working group. TIC concluded that a number of key actions have now been implemented and good progress has been made across the action plan in general.

All departments move to direct inputting of risk information as early in 2022 as possible – this has already been actioned.

Workshops have been held with CMT and Heads of Service to develop a Risk Appetite Statement, this has now concluded, and the Statement was presented for review by Pre-Cabinet on 3rd July 2023 and the Governance and Audit Committee on 14th July 2023.

A dedicated Risk Training session was delivered for Cabinet and Governance and Audit Committee Members on 27th June 2023.

WLGA in conjunction with ALARM (Embrace Risk) arranged a pan Wales training Seminar specifically for Members of Governance and Audit Committees, on March 19th 2024 - ‘WLGA Essentials: Risk management for councillors (governance and audit)’.

❖ **What and how can we do better?**

Continue to implement the action plans developed in response to the WAO/Internal Audit Review, with priority to be given to ensuring that the Risk Toolkit is formally adopted and used to inform development sessions for managers at a divisional level and dedicated development sessions for Departmental Risk Champions.

Continue to keep under review where training / awareness sessions are required in relation to Risk.

Continually keep under review the Corporate Risk Register and ensure continuous improvement on the reporting of corporate risks.

Following an independent review of the Corporate Risk register, consider the recommendations made for improvement and progress with the suggested changes.

3.3.6.2 Risk Management Steering Group

❖ How we do it

The Risk Management Steering Group examines how Risk Management can be developed and ensure that Risk Management is embedded in decision making throughout the organisation. The Group meet quarterly and is supported by the work of its Sub-groups i.e. Property & Liability Risks, Motor Fleet Risks, and Contingency Planning.

❖ How well are we doing and how do we know?

The Terms of Reference of the Risk Management Steering Groups and its various sub-groups have recently been reviewed. This will allow the Strategic Group to adopt more of a strategic approach to its consideration of risk management issues, such as undertaking regular reviews of the Corporate Risk Register.

❖ What and how can we do better?

The Steering Group's role in allocating the £250k of risk management funding could be strengthened by introducing clearer criteria for how this funding is prioritised and spent on an annual basis.

3.3.6.3 Scrutiny Committees

❖ How we do it

The Authority has five Scrutiny Committees.

The Scrutiny Function plays a highly valuable role in ensuring performance improvement and challenge. The role of Scrutiny in "Task and Finish Groups" has clearly had a positive influence on policy development.

The Authority has a well-developed system of performance management. Scrutiny Committees receive quarterly reports and an Annual Report on performance which includes an update on all Performance Indicators and Key Actions contained within the Corporate Strategy.

Any 3 Council Members have the constitutional power to call-in executive decisions in respect of their own functional responsibilities, whether taken by the Cabinet collectively or by individual Cabinet Members on their own portfolio areas. In order to allow call in to be exercised no decision taken by the Cabinet or Cabinet Members shall take effect until 5 working days after the decision is published and circulated via e-mail to Members.

In line with the formula set out in the Local Government Measure 2011, the Chairs of two out of the Authority's five Scrutiny Committees are allocated to the Opposition.

❖ How well are we doing and how do we know?

The Chairs and Vice-Chairs of Scrutiny Forum meets on a quarterly basis to discuss and propose improvements to the scrutiny function for consideration by the Authority's Constitutional Review Working Group; to put forward items for discussion at the biannual meetings with the Cabinet; and acts as a forum for sharing scrutiny good practice.

❖ What and how can we do better?

In its “Follow Up Review of Corporate Safeguarding” Audit Wales recommended that a lead member be identified for Corporate Safeguarding (a lead member had long since been allocated for adult safeguarding and children’s safeguarding). The Cabinet Member for Health and Social Services was subsequently allocated the lead role for corporate safeguarding and the scrutiny function vested in the Health and Social Services Scrutiny Committee.

3.3.6.4 Financial Administration (Section 151 Officer)

❖ How we do it

The Director of Corporate Services is the responsible officer for the administration of the Authority’s affairs under Section 151 of the Local Government Act 1972 and carries overall responsibility for the financial administration of the County Council.

The Chartered Institute of Public Finance and Accountancy (CIPFA) previously published a **“Statement on the Role of the Chief Financial Officer in Local Government”**. The Statement describes the role and responsibilities of the Chief Financial Officer (CFO) and sets out 5 Key Principles (see below) that define the core activities and behaviours that belong to the role of CFO in public service organisations and the organisational arrangements needed to support them. Carmarthenshire County Council through the appointment of the Director of Corporate Services fully complies with the Statement.

Principle 1 - The CFO in a Local Authority is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the Authority’s strategic objectives sustainably and in the public interest.

Principle 2 - The CFO in a Local Authority must be 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 Authority’s overall financial strategy.

Principle 3 - The CFO in a Local Authority must lead the promotion and delivery by the whole Authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.

Principle 4 - The CFO in a Local Authority must lead and direct a finance function that is resourced to be fit for purpose.

Principle 5 - The CFO in a Local Authority must be professionally qualified and suitably experienced.

The Financial Services Division provides support to Departments and co-ordinates and supports the budget preparation and financial monitoring process.

The Authority operates to a defined set of Financial Procedure Rules and Contract Procedure Rules which are maintained by the Corporate Services Department with any amendments approved by the Governance and Audit Committee.

❖ How well are we doing and how do we know?

Internal Audit’s overall opinion reported in July 2023 to the Governance and Audit Committee: the Authority has an ACCEPTABLE control environment in operation. There are clear Governance arrangements with defined Management responsibilities and Committee Structures in place and the control framework is generally sound and operated reasonably consistently. The Authority has an established Constitution, has developed

Policies and approved Financial Procedure Rules that provide advice and guidance to all staff and members.

Financial Procedure Rules and Corporate Procurement Rules are regularly reviewed and updated when appropriate. Financial Procedure Rules went to Governance and Audit Committee in July 2022. Corporate Procurement Rules went to Governance and Audit Committee in September 2023.

In October 2023, Audit Wales issued an unqualified audit report in respect of our 2022/23 Statement of Accounts, with Carmarthenshire gaining this assurance well ahead of many other Local Authorities.

During the year, Carmarthenshire continued to provide the S151 Officer as well as financial support functions to both the Swansea Bay City Region and Corporate Joint Committee.

❖ What and how can we do better?

The 2022/23 draft accounts were finalised in early July 2023. Now that Audit Wales have issued guidance that draft accounts preparation and audited accounts signoff should be 30th June and 30th September respectively, we have adjusted our timetable and processes, but need to ensure we deliver against these deadlines – this includes both the desktop valuation of the majority of property assets. In particular, the 2023/24 accounts preparation requires us to gather comparatives information for the introduction of IFRS16 (Leases), a requirement for the 2024/25 statement.

The scores from our residents' survey suggest that more work is needed either to engage residents to understand how the council uses financial resources, and to seek their views on what or how we could do better.

3.3.6.5 Dyfed Pension Fund Committee

❖ How we do it

Carmarthenshire County Council is the statutorily appointed Administering Authority for the Dyfed Pension Fund. The Pension Fund Committee comprises of three County Council Members plus a nominated substitute to act in the absence of a Member. The Pension Fund Committee has the following responsibilities:

- To review the performance of the Dyfed Pension Fund, decide on the strategic direction of all matters relating to the investment of the Fund and monitor all aspects of the investment function.
- To determine on Administering Authority Pension Fund matters.

During 2023/24 the Pension Fund Committee was supported by the Director of Corporate Services and Head of Financial Services, the Financial Services Division and an Independent Investment Adviser. The Director of Corporate Services is the Section 151 Officer.

The Fund's Governance Policy sets out in detail the Governance arrangements of the Fund.

The Local Pension Board established in 2015/16 under the Public Service Pension Act (PSPA) 2013 has an oversight or scrutiny role and is intended to assist the Administering

Authority in securing compliance with regulations and requirements imposed by the Pensions Regulator and the Department for Levelling Up, Housing and Communities. Following HM Government's approval of the Wales Investment Pool in November 2016 and the establishment of the Wales Pension Partnership (WPP) Joint Governance Committee an extensive procurement process was undertaken to appoint a Financial Conduct Authority regulated Third Party Pool Operator to manage the investments of the 8 Welsh Pension Funds. In November 2017 the WPP Joint Governance Committee approved the appointment of Link Asset Services as their Operator.

Carmarthenshire County Council has continued as the Host Authority providing administrative and secretarial support and implementing decisions made by the Joint Governance Committee.

The Authority for 2023/24 has produced a separate Annual Report and Accounts for the Dyfed Pension Fund and therefore further information in respect of governance and activity of both the Fund and the WPP can be found in this document.

❖ **How well are we doing and how do we know?**

There has been a significant increase in the level of engagement related to climate change, which the fund has proactively engaged in with various organisations. The fund has recognised climate related risk within its investment performance and established a responsible investment policy.

❖ **What and how can we do better?**

The Fund's pension committee acknowledged the continued excellent work on Responsible Investing in conjunction with the Wales Pension Partnership and requested that communication continued on this matter at a local and national level.

3.3.6.6 The City Deal

❖ **How we do it**

On the 29th August 2018 Carmarthenshire County Council, Neath Port Talbot County Borough Council, Pembrokeshire County Council and the Council of the City and County of Swansea signed an Agreement for the establishment of a Joint Committee for the Swansea Bay City Region. The first meeting of the Joint Committee was held on the 30th August 2018. Carmarthenshire is the Accountable Body for the City Deal function.

The Joint Committee is made up of the Leaders of the four regional Authorities and one non-voting, co-opted member each from the Hywel Dda University Health Board, Swansea Bay University Health Board, Swansea University and the University of Wales Trinity Saint David.

A Joint Scrutiny Committee has also been formed, with the scrutiny function being administered by Neath Port Talbot County Borough Council.

A portfolio of nine programmes and projects has been approved under the Swansea Bay City Deal – three of which are delivered regionally. Under the portfolio Carmarthenshire will deliver two local programmes within its constituent area, Pentre Awel (the Life Science and Well-being development) and Yr Egin (creative and digital cluster), both of which have been approved by both UK and Welsh Government. Further to the locally delivered programmes, Carmarthenshire is the delivery lead for two regional programmes, Skills and Talent Initiative and Digital Infrastructure. These have been approved by both UK and

Welsh Government and will be delivered in collaboration with the three other constituent authorities under the Swansea Bay City Deal.

During 2023/24, the Welsh Government Integrated Assurance Hub conducted an Office of Government Commerce (OGC) Gateway Review at a City Deal portfolio (Gate 0) level. The purpose of the Review is to assure successful progression and overall delivery, while supporting the Senior Responsible Officer (SRO) in the successful discharge of their duties. The Review was undertaken by an independent, external team in accordance with the Welsh Government Integrated Assurance Hub guidelines. Sixteen 'conversations' were held with stakeholders during 2023 together with a workshop session with the four local authority Leaders.

The review of the effectiveness of the system of Internal Control and Governance arrangements is informed by the work of the Internal Auditors on which the Joint Committee gains assurance. Internal Audit are required to undertake their work in accordance with the standards as set out in the Public Sector Internal Audit Standards (PSIAS). The PSIAS established in 2013 are the agreed professional standards for Internal Audit in Local Government.

As required by the Standards, the Head of Internal Audit (Pembrokeshire County Council) prepares an annual report for consideration by the Joint Committee. The format of the Annual Report complies with the requirements of the Code of Practice. The latest Internal Audit report was published in April 2023.

❖ **How well are we doing and how do we know?**

The Portfolio received an Amber-Green Delivery Confidence Assessment (DCA) rating, the third consecutive Amber-Green rating, indicating that the Portfolio is in good shape and indications are that successful delivery appears probable. Constant attention should be maintained, however, to ensure that risks do not materialise into issues threatening delivery (of the Projects and Programmes) or the achievement of the strategic intent (of the Portfolio). The summary finding of the Review were that:

The Portfolio continues to make progress under the leadership of a strong SRO and Portfolio Director.

The Portfolio continues to exercise good disciplines and work well with the individual SROs across the multiple partners in a quest to capitalise on the opportunities SBCD presents to the region.

There is a need to keep all parts of the Portfolio strategically relevant in enabling, contributing to, or delivering directly the Outcomes and Benefits intended.

The Review Team made four recommendations to the Portfolio SRO to ensure that the portfolio is positioned for effective management and delivery. Communications regarding strategic intent, benefits management, governance (in terms of the alignment with the CJC) and maximising value from dependencies and opportunities, particularly in relation to the private sector.

The internal audit report has determined an audit assurance rating of 'Substantial'; There are none or few weaknesses in the adequacy and/or effectiveness of the governance, internal control, risk management and financial management arrangements, and they would either be unlikely to occur or their impact is not likely to affect the achievement of the SBCD objectives. The audit covered the key areas of governance, internal control, financial management and risk management and provided 5 recommendations relating to enhanced financial monitoring, change control process, monitoring of potential cost

increases, early presentation of draft budgets and improvements to the grant claims process.

❖ **What and how can we do better?**

The Welsh Cities and Growth Implementation Board were very complimentary in respect of the progress the Swansea Bay City Deal has made and acknowledged that the Portfolio is in full delivery, well managed and making good progress.

The Conclusions from the reports and reviews noted above will strengthen governance arrangements, internal process and support best practise to ensure the successful the delivery of programmes and projects. As the portfolio is now well into its delivery phase, there is an emphasis on benefits realisation, change management process, risk management and maximising the impact of the SBCD across the region. Recommendations will be reviewed and implemented within portfolio management, governance and control activities and monitored in line with governance arrangements.

3.3.6.7 Partneriaeth

❖ **How we do it**

The Joint Committee between Carmarthenshire, Swansea, and Pembrokeshire – “Partneriaeth” - has by now been established, and the relevant staff transferred from the predecessor ERW to Partneriaeth. This framework will deliver some of the objectives that were previously being provided by ERW namely professional development of the school workforce and the design and development of a new curriculum.

❖ **How well are we doing and how do we know?**

The Partneriaeth Risk Register is reviewed regularly by the Joint Committee and on an annual basis there will be a Welsh Government Challenge and review session as well as ESTYN thematic studies / reviews. The quality of professional learning/support will be evaluated by participants and an annual survey conducted to ensure that Partneriaeth meets the needs of our schools.

❖ **What and how can we do better?**

Outcomes from the reports, reviews and annual survey noted above will identify areas of success and areas to develop. These will be incorporated into subsequent business plans and monitored in line with the governance structure.

3.3.7 **Good transparency and accountability** - *Implementing good practices in transparency, reporting, and audit to deliver effective accountability*



3.3.7.1 Governance and Audit, Standards and Democratic Services Committees

❖ How we do it

The Governance and Audit Committee is a key component of Corporate Governance, providing a source of assurance about the Authority's arrangements for managing risk, maintaining an effective control environment and reporting on financial as well as non-financial performance.

The Governance and Audit Committee meets throughout the year to provide independent assurance to the Authority in relation to the effectiveness of the Internal Control Environment and Risk Management Framework.

The **Governance and Audit Committee** also have delegated responsibilities for approving the Authority's Statement of Accounts.

Under the **Local Government Wales Measure 2011** it is mandatory for Local Authorities to have an Audit Committee. The Measure provides that there must be one third of the members of the Governance and Audit Committee be independent lay members.

The **Standards Committee** (which includes a majority of External Members) promotes high standards of conduct for Members as well as maintaining an overview of the Authority's processes for complaints handling and its Whistleblowing Procedure.

The Authority also has a **Democratic Services Committee** (5 Elected Members) and a statutory designated Head of Democratic Services. The Committee's terms of reference as set by the Authority include securing the provision of reasonable training and development opportunities for Members, appointing a Member Development Champion and promoting and supporting good governance.

❖ **How well are we doing and how do we know?**

During 2022/23, appointments were confirmed for three of the lay members, and by the end of the year, an applicant to fill the remaining vacancy had been selected and appointed by full Council on the 19th April 2023.

Governance and Audit Committee agree on their development needs and a training programme agreed.

The Governance and Audit Committee held a Self-Assessment session in May 2023. An action plan was pulled together and delivery of the actions will be complete by July 2024 through the delivery of the Chair's Annual Report. The action plan ensures that the improvement and development is up to date and reflects the needs of the Committee, and also contribute towards the Authority's self-assessment.

❖ **What and how can we do better?**

The Governance and Audit Committee should revisit the self-assessment of its role and responsibilities to ascertain where further improvements and development are required.

3.3.7.2 Internal Audit

❖ **How we do it**

The review of the effectiveness of the system of Internal Control and Governance arrangements is informed by the work of the Internal Auditors on which the Authority gains assurance. Internal Audit is required to undertake their work in accordance with the standards as set out in the **Public Sector Internal Audit Standards (PSIAS)**. The PSIAS established in 2013 are the agreed professional standards for Internal Audit in Local Government.

As required by the Standards, the Head of Internal Audit prepares an Annual report for consideration by the Governance and Audit Committee. The format of the Annual Report complies with the requirements of the Code of Practice.

The overall opinion is that the Authority has an 'Acceptable' control environment in operation. There are clear Governance arrangements with defined Management responsibilities and Committee Structures in place, Risk Management and the control framework is generally sound and operated reasonably consistently. The Authority has an established Constitution, has developed Policies and approved Financial Procedure Rules and Contract Procedure Rules that provide advice and guidance to all staff and members. Sufficient assurance work has been carried out to form a reasonable conclusion on the adequacy and effectiveness of the Authority's internal control environment. Where weaknesses have been identified through reviews, Internal Audit have worked with management to agree appropriate corrective actions and a timescale for improvement.

The Authority maintains an effective Internal Audit function. The **Strategic and Annual Audit Plans** are approved by Governance and Audit Committee annually and regular reports are made to the Governance and Audit Committee throughout the year on progress and any significant weaknesses identified.

The Head of Revenues and Financial Compliance in addition to being accountable for the delivery of the Internal Audit Services also has responsibility for the operational management of Revenues and Benefits, as well as Risk and Procurement. To ensure there is no conflict of interest in the audit reviews for the operational areas a protocol has been prepared and was approved by the Governance and Audit Committee in September 2018.

The Public Sector Internal Audit Standard (PSIAS) became effective from 1st April 2013 and introduced a requirement for an external assessment of all internal audit services, which must be conducted at least once every five years by a qualified, independent reviewer from outside of the organisation. In 2022/23 a review was conducted, as the previous review was carried out 5 years ago.

The two possible approaches to external assessments outlined in the Standards included either a full external assessment or an internal self-assessment which is validated by an external reviewer. Carmarthenshire County Council elected to adopt the self-assessment approach with an external validation undertaken by a suitable qualified and experienced external assessor with the required level of knowledge of the application of the PSIAS, as agreed with the Welsh Chief Auditors' Group. The purpose of the external assessment is to help improve delivery of the audit service to an organisation. The assessment is designed to be a supportive process that identifies opportunities for development which ultimately help to enhance the value of the audit function to the Authority. An independent assessment completed in 2022/23 comprised a desktop review of the self-assessment and supporting evidence and discussions with the Principal Auditor and Head of Revenues and Financial Compliance, who consulted with the Section 151 Officer and Chair of the Governance & Audit Committee as part of the process, to gain insight and views on the operation of the Internal Audit Team and conformance with the Standards. The external assessor concluded that, there are 304 best practice lines within the PSIAS and results of the validation found that the Internal Audit Service of Carmarthenshire Council is currently conforming to 300 of the requirements, with partial conformance in three areas and non-conformance in one area.

In addition to the planned work, the Internal Audit Unit undertakes fraud investigation and proactive fraud detection work.

Action plan responses to Internal Audit reviews are entered into the Council's Performance Information Monitoring System (PIMS) and progress is updated quarterly by responsible officers.

❖ **How well are we doing and how do we know?**

- Strategic and Annual Audit Plans presented to Governance and Audit Committee in the March meetings.
- Quarterly updates are provided on the work carried out and Annual Report is presented every July.
- Actions to deliver recommendations made in 2022/23 External Quality Assessment have all been completed. All changes have already been implemented including the one standard deemed 'non-compliant'. The concern was in relation to the standards: 'Independence or Objectivity' - The requirement is for someone outside Internal Audit to have oversight of audit engagements in areas managed by the

Chief Audit Executive (CAE), in this case the Head of Revenues and Financial Compliance. The Principal Auditor's independence may be perceived to be compromised because their line manager is the person responsible for the operational management of a small proportion of areas being audited. A means of providing appropriate external oversight needed to be devised to demonstrate conformance with this Standard. Therefore, as accepted by the External Assessor, with immediate effect The Head of Financial Services, who is outside the Internal Audit activity, now has oversight of audit engagements in areas managed by the CAE.

- Client feedback surveys have been introduced during the year, which assist us to know how we are doing. From the results so far, we have received positive affirmations (Excellent or Good) to over 90% of the questions. Results of the surveys are used as a discussion basis to improve our performance.

❖ What and how can we do better?

- Review the effectiveness of the new performance indicators introduced in 2022/23 to ensure that the aim of assisting the service in becoming more efficient is delivered.
- Review the results of surveys to assist service improvement.
- Review and update the Internal Audit Charter.

3.3.7.3 External Regulators

❖ How we do it

Services are reviewed during the year by external regulators, such as Estyn, CIW and Audit Wales (formerly Wales Audit Office). The subsequent reports are actioned accordingly.

Each year Audit Wales, as External Auditor to the Authority complete work to meet the following duties:

- **Audit of Accounts** Each year the Auditor General audits the Council's financial statements to make sure that public money is being properly accounted for.
- **Value for money** The Council has to put in place arrangements to get value for money for the resources it uses, and the Auditor General has to be satisfied that it has done this.
- **Continuous improvement** The Council also has to put in place arrangements to make continuous improvements, including related plans and reports, and the Auditor General has to assess whether the Council is likely to (or has) met these requirements.
- **Sustainable development principle** Public bodies need to comply with the sustainable development principle when setting and taking steps to meet their well-being objectives. The Auditor General must assess the extent to which they are doing this.

We also maintain a log of regulatory reports and recommendations. The external regulatory reviews recommendations or proposals for improvement are entered into the Council's Performance Information Monitoring System and progress is reported quarterly on dashboards. An Annual Report is issued to the Governance and Audit Committee.

❖ How well are we doing and how do we know?

We track Audit Wales and Care Inspectorate Wales National and Local Regulatory report recommendations and report on them quarterly. We also submit an annual report to the Governance and Audit Committee.

We expect all reports that are going to be reported to the Governance and Audit Committee to go via CMT.

- During the year we have agreed that Estyn national report recommendations will be addressed by the newly created Focus Groups set up to support the future direction of Education Services in Carmarthenshire 2022 – 2032 key themes and high level priorities.

As outlined in Para 3.3.4.1 we have included regulatory report findings in new Integrated Performance Monitoring reports.

❖ What and how can we do better?

To liaise with Audit Wales and other regulatory bodies on their local and national audit programmes.

3.3.7.4 Information Assets

❖ How we do it

The Council's Chief Digital Officer acts as the Authority's **Senior Information Risk Owner**. A Corporate Information Governance Group (CIGG) meets regularly in order to safeguard and secure the Authority's information. Minutes of these meetings are provided for consideration to the Corporate Management Team.

There are various safeguards in place to guard against the loss or release of personalised information. These include relevant policies and procedures which are communicated to staff, encryption of laptops, secure storage and safe use of other devices. The Authority employs:

- A Cyber Security Manager who advises on data security, and external advisers and consultants are employed from time to time to test and advise on the Authority's security arrangements.
- A Data Protection Officer who advises on legal compliance and ensures that policies and procedures are in place and are being adhered to.

These safeguards are subject to ongoing review and include a combination of technical solutions and training for staff involved in handling personal data on the requirements of the General Data Protection Regulation (GDPR).

❖ How well are we doing and how do we know?

A total of 20 personal data breaches were reported this year, which have been discussed at the CIGG. This shows an improvement on the previous year.

Details of reported breaches are logged, with a full incident report being sent to the Senior Information Risk Owner, the responsible Head of Service and Director along with details of remedial action(s) taken. Two breaches were escalated and reported to the regulator, the Information Commissioner's Office (ICO), one by the Council and another by Hywel Dda University Health Board (involving an integrated service).

There were 30 breaches reported in the previous year with 2 being referred to the ICO, therefore the number reported to the regulator has remained consistent.

There were 35 significant cyber incidents resulting from phishing emails that bypassed email filtering but were prevented by other layers of security.

None of the incidents caused the discovery, loss, or destruction of data.

❖ **What and how can we do better?**

Breach reports will be added to the PIMS system to increase visibility within each service area.

We will continue to educate staff highlighting the potential that cybercrime is on the increase and by mandating cyber security awareness training for all staff.

We will continue to be a member of the regional WARP (Warning, Advice and Reporting Point) group.

We will ensure a robust approach to Cyber security and sustainable solutions are implemented for Information Governance.

We will fulfil our statutory obligation under the Data Protection Act and ensure we are up to date with revisions in law being introduced in the UK.

Further increase our use of the latest digital technology to further transform the services delivered by the Council.

Continue to hold cyber exercises to test the cyber incident response plan and report back to the CIGG group and CMT.

3.3.7.5 Review of Effectiveness

❖ **How we do it**

A review of the effectiveness of our Governance arrangements (including the system of Internal Control) is undertaken regularly by the Corporate Governance Group through its work. That work includes continuous challenge of the governance framework. The AGS is the framework that is used to seek these assurances, through continuous monitoring of actions in the AGS.

The review of effectiveness is informed by managers within the Authority who have responsibility for the development and maintenance of the Governance environment, the Head of Internal Audit's Annual Report and also by comments made by the External Auditors (Audit Wales).

The effectiveness of the Governance framework draws on evidence and assurances from:

- Council
- Leadership / Cabinet
- Cabinet Members
- Scheme of Delegation to Officers
- The Governance and Audit Committee / Scrutiny Committees / Risk Management Steering Group
- Standards Committee
- Internal Audit
- External Audit
- Public Services Ombudsman for Wales

❖ **How well are we doing and how do we know?**

Internal Audit view for 2021/22 assessed the process and supporting evidence for the Annual Governance Statement as adequate.

Annual Governance Statement produced timely in line with the closure timetable.

In the Internal Audit Annual Report for 2023/24 based on the programme of audit work undertaken to assess the framework and application of governance, risk management and control, the annual opinion for 2023/24 is **ACCEPTABLE**. There are clear governance arrangements with defined Management responsibilities and Committee Structures in place and the control framework is generally sound and operated reasonably consistently. The Authority has an established Constitution, has developed Policies and approved Financial Procedure Rules that provide advice and guidance to all staff and members. I am satisfied that sufficient work, on which assurance can be placed, has been carried out to allow me to form a reasonable conclusion on the adequacy and effectiveness of the Authority's framework of governance, risk management and control.

❖ **What and how can we do better?**

Improve on the completion timetable for the Annual Governance Statement to ensure that it aligns with the earlier closure of accounts timetable, as it is included in the Statement of Accounts.

3.3.7.6 Council

❖ **How we do it**

The Council meets on a monthly basis and takes decisions on Council functions. Its meetings are held on a hybrid basis with members – and the public – given the choice of attending in person or online.

Agendas are published at least 3 clear days in advance of meetings, and meetings are open to the public (subject to exemptions) and webcast. Minutes are published and are available to the Public.

❖ How well are we doing and how do we know?

The enforced move to online meetings did not inhibit the democratic process and the provision of training enabled all members to be able to attend meetings and participate online.

All our meetings are webcast, thus allowing the public to be able to hear and follow proceedings.

❖ What and how can we do better?

In January 2024 the Council revised its Multi Locations Meetings Policy to included greater guidance on the use of cameras for remote attendees in order to maintain the integrity of the Authority's decision-making process and to reduce the opportunity for legal challenge in this regard.

3.3.7.7 Leadership / Cabinet**❖ How we do it**

The Cabinet takes decisions on executive functions within the policy and budget framework set by the Council. The Agenda is published at least 3 clear days in advance of its meetings and meetings are held in public (subject to statutory exemptions) and webcast. Its Minutes are published, and its decisions are subject to call in by any 3 Council Members. (ref para 3.3.6.3).

The Authority normally meets with Town and Community Councils twice yearly in a formal Forum.

3.3.7.8 Cabinet Members**❖ How we do it**

The Cabinet Members have decision making powers in relation to their own portfolio areas. Their decisions are published and are subject to call in by the relevant Scrutiny Committees (ref para 3.3.6.3).

3.4 Governance issues to be addressed

We propose over the coming year to take steps to address the Governance issues that need to be considered and addressed during the next 12 months to further enhance our Governance arrangements. An Action Plan summarising the above Actions, Responsible Officers and Target Dates is attached in Appendix 2, along with outstanding actions from previous years which are summarised in Appendix 1. We are satisfied that these steps will address the need for improvements and will monitor their implementation and operation as part of our next annual review.

Approved**Dated: 2 July 2024****Leader of Council****Chief Executive**

APPENDIX 1

<i>UPDATE ON OUTSTANDING GOVERNANCE ISSUES IDENTIFIED IN PREVIOUS ANNUAL GOVERNANCE STATEMENTS</i>					
SOURCE	ISSUES	RESPONSIBLE OFFICER	ACTIONS/PROGRESS		STATUS
AGS 2020/21 No.2	Implement The Local Government and Elections (Wales) Act requirements.	Corporate	May 2022	<p>The elements that have not been implemented to date have a timetable that needs to be met to deliver the Act's requirement / timescale.</p> <p>Elements of performance & governance implemented. Elections – in hand</p>	<p>Ongoing</p> <p>Parts of the Legislation that needed to be implemented have been completed. Self-assessment element has been incorporated.</p> <p>Awaiting guidance from WLGA re: panel assessment.</p> <p>Part completed – performance element completed.</p>
AGS 2021/22 No.1	Develop recruitment strategy and workforce plan alongside implementation of new recruitment software to ensure recruitment service can be streamlined and maintained.	People Services Manager	March 2023	<p>In progress – new software in place – testing system and rolling out training – from March 2023</p> <p>Strategy will follow once system in place.</p> <p>New recruitment system is in place and training is continuing. (March 2024). Recruitment strategy is being drafted and will be consulted upon during summer/early autumn 2024.</p>	<p>Commenced. Testing complete and post test updates to the system underway. (May 2023). Workforce strategy to CMT 30 March Dedicated workforce related CMT meeting on 4th May and progress on new software Strategy to Pre cabinet on 18th May</p>

<i>UPDATE ON OUTSTANDING GOVERNANCE ISSUES IDENTIFIED IN PREVIOUS ANNUAL GOVERNANCE STATEMENTS</i>					
SOURCE	ISSUES	RESPONSIBLE OFFICER	ACTIONS/PROGRESS		STATUS
AGS 2021/22 No.4	Develop an Engagement and Consultation plan for the local authority.	Media and Marketing Manager	March 2023	Work has commenced – reflecting on the staff survey findings and IIP	Commenced Engagement with TU – introduced a joint consultancy forum – group leaders and Chief also attends. Aim to improve engagement and consultation Staff feedback completed
AGS 2021/22 No.5	Further development work on handling complaints and investigating complaints.	Chief Digital Officer	March 2023	Piece of work being carried out on the resource needed to investigate complaints. Triangulate this with FOIA and Member enquiry	Commenced Review of handling of complaints has been completed. Next piece of work to review the investigation process at stage 2 for consistency in approach and standards needed.
AGS 2021/22 No.6	Review the customer service that we as a Council provide and how we can further improve the customer journey.	Media and Marketing Manager	March 2023	From 1 st December 2022 – Development of Hwbs – more access to customers – thematic days introduced.	Commenced Falls into the Digital Customer Transformation workstream – which monitors the progress. SPF Funding – Hwb Fach y Wlad – to be implemented

<i>UPDATE ON OUTSTANDING GOVERNANCE ISSUES IDENTIFIED IN PREVIOUS ANNUAL GOVERNANCE STATEMENTS</i>					
SOURCE	ISSUES	RESPONSIBLE OFFICER	ACTIONS/PROGRESS		STATUS
AGS 2021/22 No.12	Review the Governance arrangements for both Local Authority Trading Companies (LATC) with a view to aligning the arrangements and clarifying the roles of Members and Scrutiny Committees in relation to the LATCs.	Direct of Corporate Services Head of Legal and Administration	March 2023	Monitoring Officer review carried out and completed. Report is being finalised. CWM taking a governance review report to the CWM Board.	Commenced Update: Monitoring Officer Governance update review carried out and completed. Report is being finalised. CWM has taken a governance review report to the CWM Board. – Cwm action Complete
AGS 2022/23 No.4	Governance and Audit Committee Annual Report to be produced and consideration given as to whether the annual report be presented to full Council.	Governance & Audit Committee & Corporate Services – Head of Revenues & Financial Compliance	30 June 2024		The Chair will be presenting his report to the next meeting, then it will be presented to full Council.

APPENDIX 2

GOVERNANCE ISSUES ACTION PLAN			
	NEW GOVERNANCE ISSUES IDENTIFIED IN THIS YEAR'S ANNUAL GOVERNANCE STATEMENT		
ISSUE REF	ACTION	RESPONSIBLE OFFICER	TARGET DATE
Integrity & Values			
AGS 2023/24 No.1	Develop and improve Standards Committee decision making and through the learning from the National Standards Forum	Monitoring officer	March 2025
AGS 2023/24 No.2	Ensure that the Annual Governance Statement plays its part in the Council's self-assessment.	Corporate Policy & Partnership Manager Head of Revenues & Financial Compliance	March 2025
Openness & Engagement			
AGS 2023/24 No.3	Involvement strategy to be developed, with a view to making our consultations more effective.	Media & Marketing Corporate Policy & Partnership Manager	January 2025
AGS 2023/24 No.4	Develop and improve the way in which performance information is shared.	Corporate Policy & Partnership Manager	March 2025
AGS 2023/24 No.5	Improve the use and monitoring of complaints information and intelligence to support learning and service improvement, for both Corporate and Social Care complaints.	Corporate Policy & Partnership Manager	March 2025
AGS 2023/24 No.6	Ensure alignment of the Council's Communication Plan with the new Corporate Strategy and Well-being Objectives,	Corporate Policy & Partnership Manager Media & Marketing	September 2024

GOVERNANCE ISSUES ACTION PLAN			
NEW GOVERNANCE ISSUES IDENTIFIED IN THIS YEAR'S ANNUAL GOVERNANCE STATEMENT			
ISSUE REF	ACTION	RESPONSIBLE OFFICER	TARGET DATE
Making a difference			
AGS 2023/24 No.7	Introduce the Council Corporate Data Suite for use to support performance management against the Corporate Strategy and key policy areas	Corporate Policy & Partnership Manager	September 2024
Valuing our people: engaging, leading & supporting			
AGS 2023/24 No.8	Safeguarding - Finalise Volunteer policy and database	Assistant Chief Executive	December 2024
AGS 2023/24 No.9	Further develop the workforce data via performance dashboard	Assistant Chief Executive	December 2024
AGS 2023/24 No.10	To ensure the requirements of the Social Partnership and Public Procurement (Wales) Act 2023 are embedded as appropriate across the Council: Part 1: The Social Partnership Council Part 2: Social Partnership & Sustainable Development Part 3: Socially responsible public procurement	Part 1 & 2: Assistant Chief Executive (People Management) Part 3: Head of Revenues and Financial Compliance	March 2025
Managing risk, performance & finance			
AGS 2023/24 No.11	Continue to develop and improve on risk management arrangements, through reporting of risks.	Head of Revenues & Financial Compliance	March 2025
AGS 2023/24 No.12	Draft accounts sign off should be concluded by 30 th June, and final approved by 30 th September, timetable and processes have been amended to ensure delivery against the closure timetable.	Head of Financial Services	September 2024
AGS 2023/24 No.13	Ensure a robust approach applied to Cyber security and sustainable solutions are implemented for Information Governance.	Chief Digital Officer	March 2025

APPENDIX 3

2022/23 GOVERNANCE ISSUES - ACTIONS COMPLETED	
ISSUE REF	ACTION
AGS 2021/22 No.8	Establish clear governance mechanism to drive progress against each Well-being Objective and identify priority themes and service areas to support delivery of the well-being objectives.
AGS 2022/23 No. 1	To embed the governance arrangements around the New corporate strategy and Well-being objectives 2022-27 Governance mechanisms now in place – completed.
AGS 2022/23 No.2	We will ensure that Corporate Performance Management and Internal Audit work together, to ensure that the Annual Governance Statement plays its part in the Overall Council's Self-Assessment. Self-assessment is now complete as part of the Annual Report 2022/23 and will be revisited annually.
AGS 2022/23 No.3	Data Insight Team to support in the development and analysis of consultation activity arising from the Local Government and Elections Act (specifically with residents, businesses, trade unions and staff). Two cycles of consultation have been completed and will now be an annual commitment.

5 FINANCIAL STATEMENTS

The financial statements comprise the following:

5.1 EXPENDITURE AND FUNDING ANALYSIS (EFA)

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents and council tax) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure statement.

5.2 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)

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. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

5.3 MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Statement shows how the movements in year of the Authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return the accounts to the amounts chargeable to council tax and dwelling rents for the year. The Net Increase/Decrease line shows the statutory Council Fund Balance and Housing Revenue Account Balance movements in the year following those adjustments.

5.4 BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is that which the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

5.5 CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

5.1 EXPENDITURE AND FUNDING ANALYSIS (EFA)

Difference between Council Fund (CF) and Housing Revenue Account (Surplus)/Deficit and Comprehensive Income and Expenditure Statement (CIES) (Surplus)/Deficit			
2023-24	Net Expenditure Chargeable to the CF and HRA £'000	Total Adjustments £'000	Net Expenditure in the CIES £'000
Department			
Chief Executive	11,473	17,716	29,189
Education & Children	195,220	16,712	211,932
Corporate Services	25,395	(1,400)	23,995
Communities	125,777	12,662	138,439
Place & Infrastructure	62,786	7,001	69,787
Housing Revenue Account	(5,844)	34,128	28,284
Insurance & Corporate	24,339	(23,926)	413
Net Cost of Services	439,146	62,893	502,039
Other Income & Expenditure	(414,878)	(71,105)	(485,983)
(Surplus)/Deficit before transfers to/(from) earmarked reserves	24,268	(8,212)	16,056
Transfers to/(from) earmarked reserves	(18,511)		
(Surplus)/Deficit after transfers to/(from) earmarked reserves	5,757		
CF & HRA Balance at 31st March 2023:	(31,754)		
(Surplus)/Deficit	5,757		
CF & HRA Balance at 31st March 2024:	(25,997)		
2022-23			
Department			
Chief Executive	9,481	9,924	19,405
Education & Children	179,869	28,327	208,196
Corporate Services	24,489	(315)	24,174
Communities	117,732	21,158	138,890
Place & Infrastructure	58,253	10,851	69,104
Housing Revenue Account	(9,160)	29,318	20,158
Insurance & Corporate	3,945	(3,216)	729
Net Cost of Services	384,609	96,047	480,656
Other Income & Expenditure	(380,460)	(51,873)	(432,333)
(Surplus)/Deficit before transfers to/(from) earmarked reserves	4,149	44,174	48,323
Transfers to/(from) earmarked reserves	(540)		
(Surplus)/Deficit after transfers to/(from) earmarked reserves	3,609		
CF & HRA Balance at 31st March 2022:	(35,363)		
(Surplus)/Deficit	3,609		
CF & HRA Balance at 31st March 2023:	(31,754)		

See note 6.5 for Explanation of adjustments between Net expenditure chargeable to the CF and HRA and Net expenditure in the CIES.

5.2 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)

2022-23	2022-23	2022-23		2023-24	2023-24	2023-24
Total Gross Expenditure £'000	Total Gross Income £'000	Total Net Expenditure £'000		Total Gross Expenditure £'000	Total Gross Income £'000	Total Net Expenditure £'000
			Department			
32,739	(13,334)	19,405	Chief Executive	45,233	(16,044)	29,189
266,327	(58,131)	208,196	Education and Children	273,264	(61,332)	211,932
61,785	(37,611)	24,174	Corporate Services	60,979	(36,984)	23,995
221,915	(83,025)	138,890	Communities	229,682	(91,243)	138,439
90,636	(21,532)	69,104	Place & Infrastructure	96,262	(26,475)	69,787
65,330	(45,172)	20,158	Housing Revenue Account	76,980	(48,696)	28,284
726	3	729	Insurance & Corporate	414	(1)	413
739,458	(258,802)	480,656	Net Cost of Services	782,814	(280,775)	502,039
			Precepts and Levies:			
		152	Brecon Beacons National Park			152
		11,170	Mid & West Wales Fire Authority			13,014
		155	South West Wales Corporate Joint Committee			168
		7,001	Community Councils			7,886
		21,675	Dyfed Powys Police Authority			23,471
		(227)	(Gains)/losses on the disposal of non-current assets			2,875
		168	(Surpluses)/Deficits on Trading Activities not included in Net Cost of Services		Note 6.6	332
		40,094	Other Operating Expenditure			47,898
		16,416	Interest Payable and Similar Charges			16,488
		13,486	Net interest on the net defined benefit liability (asset)			(3,154)
		(3,196)	Interest and Investment Income			(6,839)
		498	Income and expenditure in relation to investment properties and changes in their fair value		Note 6.11	3,874
		(308)	Other income			(345)
		26,896	Financing and Investment (Income) and Expenditure			10,024
		(243,380)	Revenue Support Grant		Note 6.35	(276,430)
		(133,648)	Council Tax		Note 6.7	(143,537)
		(68,223)	Net Proceeds of Non-Domestic Rates		Note 6.8	(61,981)
		(54,072)	Capital Grants and Contributions		Note 6.35	(61,957)
		(499,323)	Taxation and Non-specific Grant Income			(543,905)
		48,323	(Surplus)/Deficit on Provision of Services			16,056
		(87,588)	(Surplus) or deficit on revaluation of Property, Plant and Equipment assets			(33,790)
		(610,433)	Remeasurement of the net defined benefit liability/(asset)			(113,401)
		(698,021)	Other Comprehensive (Income) and Expenditure			(147,191)
		(649,698)	Total Comprehensive (Income) and Expenditure			(131,135)

5.3 MOVEMENT IN RESERVES STATEMENT

	Council Fund Balance £'000	Earmarked Council Fund Reserves £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	TOTAL USABLE RESERVES £'000	Unusable Reserves £'000	TOTAL AUTHORITY RESERVES £'000
Balance at 31 March 2022	(13,468)	(154,532)	(21,895)	(10,613)	(28,602)	(229,110)	(669,925)	(899,035)
Movement in reserves during 2022/23								
(Surplus) or deficit on the provision of services	28,779	0	19,544	0	0	48,323	0	48,323
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	(698,021)	(698,021)
Total Comprehensive Income and Expenditure	28,779	0	19,544	0	0	48,323	(698,021)	(649,698)
Adjustments between accounting basis and funding basis under regulations(Note 6.4)	(29,388)	0	(14,786)	(892)	11,101	(33,965)	33,965	0
Net (Increase)/Decrease before Transfers to/from Earmarked Reserves	(609)	0	4,758	(892)	11,101	14,358	(664,056)	(649,698)
Transfers to/(from) Earmarked Reserves(Note 6.22)	(679)	540	139	0	0	0	0	0
(Increase)/Decrease in Year	(1,288)	540	4,897	(892)	11,101	14,358	(664,056)	(649,698)
Balance at 31 March 2023	(14,756)	(153,992)	(16,998)	(11,505)	(17,501)	(214,752)	(1,333,981)	(1,548,733)
Movement in reserves during 2023/24								
(Surplus) or deficit on the provision of services	(7,587)	0	23,643	0	0	16,056	0	16,056
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	(147,191)	(147,191)
Total Comprehensive Income and Expenditure	(7,587)	0	23,643	0	0	16,056	(147,191)	(131,135)
Adjustments between accounting basis and funding basis under regulations(Note 6.4)	23,861	0	(15,649)	(4,150)	2,486	6,548	(6,548)	0
Net (Increase)/Decrease before Transfers to Earmarked Reserves	16,274	0	7,994	(4,150)	2,486	22,604	(153,739)	(131,135)
Transfers to/(from) Earmarked Reserves(Note 6.22)	(15,519)	18,511	(2,992)	0	0	0	0	0
(Increase)/Decrease in Year	755	18,511	5,002	(4,150)	2,486	22,604	(153,739)	(131,135)
Balance at 31 March 2024	(14,001)	(135,481)	(11,996)	(15,655)	(15,015)	(192,148)	(1,487,720)	(1,679,868)

5.4 BALANCE SHEET

31/03/23 £'000			31/03/24 £'000
		Notes	
1,487,195	Property, Plant & Equipment	6.9	1,529,627
255,373	Infrastructure Assets	6.9	264,486
2,527	Heritage Assets	6.10	2,414
26,213	Investment Property	6.11	21,157
1,071	Long Term Investments	6.12	1,009
4,947	Long Term Debtors	6.13	8,181
1,777,326	Long Term Assets		1,826,874
62,935	Short Term Investments	6.14	52,577
2,063	Inventories	6.15	1,980
106,653	Short Term Debtors	6.16	110,569
49,439	Cash and Cash Equivalents	6.17	31,718
221,090	Current Assets		196,844
(13,001)	Short Term Borrowing	6.18	(11,811)
(94,390)	Short Term Creditors	6.19	(106,118)
(1,140)	Provisions	6.20	(834)
(114)	Donated Inventories Account	6.15	(64)
(108,645)	Current Liabilities		(118,827)
(1,511)	Provisions	6.20	(529)
(400,234)	Long Term Borrowing	6.21	(400,944)
60,707	Other Long Term Liabilities	6.42	176,450
(341,038)	Long Term Liabilities		(225,023)
1,548,733	Net Assets		1,679,868
14,756	Council Fund		14,001
16,998	Housing Revenue Account	7.2	11,996
142,868	Earmarked Council Fund Reserves	6.22	130,306
11,124	Council Fund Reserves Held by Schools under LMS	6.22	5,175
11,505	Capital Receipts Reserve	6.23	15,655
17,501	Capital Grants Unapplied	6.24	15,015
214,752	Usable Reserves		192,148
548,398	Revaluation Reserve	6.25	563,777
732,439	Capital Adjustment Account	6.26	754,684
(498)	Financial Instruments Adjustment Account		(497)
332	Deferred Capital Receipts Reserve		332
60,707	Pensions Reserve	6.27	176,450
(7,397)	Accumulated Absences Account	6.28	(7,026)
1,333,981	Unusable Reserves		1,487,720
1,548,733	Total Reserves		1,679,868

5.5 CASH FLOW STATEMENT

2022-23 £'000	Reconciliation of Comprehensive Income and Expenditure Statement to Net Revenue Cash Flow	Note	2023-24 £'000
48,323	Net (Surplus)/Deficit on the provision of services	5.2	16,056
	Adjustments to net surplus or deficit on the provision of services for non-cash movements		
(51,783)	Depreciation		(54,293)
(27,014)	Impairment & downward valuations		(46,110)
(534)	Movement in market value of investment properties		(3,753)
(47,620)	Pension fund adjustments		2,342
308	Movement in provisions		1,288
(725)	Carrying amount of non-current assets sold		(7,100)
0	Other non cash movement		(10)
5,245	Movements in revenue debtors, creditors, inventories etc.		(7,258)
	Adjustment for items included in the net surplus or deficit on the provision of services that are investing and financing activities		
963	Proceeds from sale of property, plant and equipment, investment property and intangible assets		4,229
54,072	Capital Grants		61,957
(18,765)	Net cash flow from operating activities		(32,652)
	INVESTING ACTIVITIES		
89,921	Purchase of property, plant & equipment, investment property & intangible assets		110,429
869,500	Purchase of short term & long term investments		858,500
6,077	Other payments for investing activities		9,973
(973)	Proceeds from the sale of property, plant & equipment, investment property & intangible assets		(4,233)
(892,090)	Proceeds from short term & long term investments		(868,858)
(62,029)	Capital grants received		(55,918)
10,406	Net cash flow from investing activities		49,893
	FINANCING ACTIVITIES		
(20,000)	Cash receipts of short-term & long-term borrowing		(10,000)
10,239	Repayments of short-term & long-term borrowing		10,480
(9,761)	Net cash flow from financing activities		480
(18,120)	NET (INCREASE)/DECREASE IN CASH & CASH EQUIVALENTS		17,721
31,319	Cash & cash equivalents at the beginning of reporting period	6.17	49,439
49,439	Cash & cash equivalents at the end of reporting period	6.17	31,718
18,120	INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		(17,721)

The cash flows for operating activities include the following items:

2022-23 £'000		2023-24 £'000
16,487	Interest Paid	16,520
(2,430)	Interest Received	(6,387)

6 NOTES TO THE ACCOUNTS

6.1 Statement of Accounting Policies

General

The Statement of Accounts summarises the transactions of Carmarthenshire County Council for the 2023/24 financial year and its position at the year ended 31st March 2024.

The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 and the Service Reporting Code of Practice 2023/24, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Areas within the accounts that do not comply with the above publication have been suitably noted where necessary.

6.1.1 Accruals of Income and Expenditure

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

- Revenue from the sale of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Supplies are recorded as expenditure when they are consumed - where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Works are charged as expenditure when they are completed, before which they are carried as works in progress 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 payable on borrowings and receivables on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- An exception to this principle is when certain revenue payments are made quarterly (e.g. electricity, gas) where the revenue accounts are charged with four payments.

This policy is consistently applied each year and therefore does not have a material effect on the year's accounts.

- Income and expenditure are credited and debited to the relevant service revenue account, unless they properly represent capital receipts or capital expenditure.

6.1.2 **Property, Plant & Equipment**

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

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

Measurement: Assets are initially measured at cost, comprising the purchase price and/or any expenditure that is directly attributable to bringing the asset into working condition for its intended use.

Assets are then carried in the Balance Sheet on the basis recommended by CIPFA and in accordance with The Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Standards. Assets are classified into the groupings required by the Code of Practice on Local Authority Accounting on the following basis:

- infrastructure, community assets and assets under construction – depreciated historical cost
- dwellings – fair value, determined using the basis of existing use value for social housing (EUV-SH)
- all other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).
- Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value

Revaluations

With the exception of infrastructure and community assets, revaluations of fixed assets are carried out on the basis of a five-year rolling programme with any material change to asset values being adjusted in the accounts in the year it arises. Revaluations are effective from the 1st April each year.

The programmed valuations of land and buildings were 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, furniture and equipment are based on a depreciated historic cost basis.

The in-house valuations are carried out by the Authority's Valuers who are members of the Royal Institution of Chartered Surveyors.

Assets acquired under finance leases are capitalised in the Authority's accounts, together with the liability to pay future rentals.

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

In addition to the programmed valuations, assessments are undertaken to determine whether a material change had occurred as a result of fluctuations in build rates & market values. A desktop exercise is carried out to update the value of HRA dwellings and assets valued on a DRC method. These desktop updates allow for current building cost information only. The updates assume the same land values and associated fees. The HRA update is based on Land Registry data for the County and is applied across all housing types.

Impairment

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

Where impairment losses are identified, they are accounted for:

- 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.

Disposals and Assets Held for Sale

When it becomes highly probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the Surplus or Deficit on Provision of Services.

Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale. When an asset is disposed of or decommissioned, the carrying amount of the asset in the

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

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

The written-off value of disposals is not a charge against council tax, as the cost of fixed 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.

Depreciation

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

The following useful lives and depreciation rates have been used in the calculation of straight-line depreciation:

Asset	Life (Years)
Council Dwellings	30
Buildings <i>(including Community Assets and Investment Properties)</i>	30
Vehicles Plant & Equipment	1 to 10
Infrastructure	40

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 charged based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Component Accounting

Component accounting is used when a single asset has one or more constituent parts with a significantly different economic life to the main asset. Components within the main asset would therefore be depreciated at different rates.

In order to determine whether there is a material difference in the depreciation charge, the Authority carries out a sensitivity analysis on its largest capital projects. A charge is calculated based on the asset as a whole compared to a charge based on the component parts. The component based charge will be used if there is a material difference between the two calculations.

6.1.3 **Investment Property**

Investment Properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment Properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the Council Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the Council Fund Balance. The gains and losses are therefore reversed out of the Council Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

Fair Value Measurement

The Authority measures its investment properties at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Measurement will be at highest and best use from the perspective of a market participant.

It is assumed that any fair value measurement of an asset or liability uses the same assumptions that market participants acting in their economic best interest would use and that the transaction takes place in the principal market or failing that in the most advantageous market for the asset or liability.

Appropriate valuation techniques are used for which sufficient data is available. Inputs to the techniques are categorised within the fair value hierarchy that consists of three levels as follows:

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that are accessible by the Authority at the measurement date.
- Level 2 inputs are quoted prices other than quoted prices within Level 1 that are observable either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

6.1.4 **Heritage Assets**

There are different types of Heritage Assets which have been accounted for as follows.

- **Former Community Assets**

Those heritage assets which were formerly included within community assets have been transferred to the Heritage Assets category. They are recorded at historic cost and include Carmarthen Castle, civic regalia and works of art.

- **Infrastructure Artwork**

These assets were previously included as infrastructure and were either part of a larger capital project or standalone artworks on roundabouts or in town centres. As former infrastructure assets they are recorded at historic cost.

- **Museum Exhibits/Archive Records**

The Authority holds a large collection museum exhibits and archive material which have not been included in the Balance Sheet. Cost information is not readily available for these items and the Authority believes that the benefits of obtaining a valuation for these items would not justify the cost.

6.1.5 **Intangible Assets**

These are assets that do not have a physical substance but will provide future economic benefits to the Authority such as software licences or internally generated assets which have been capitalised.

The Authority does not currently hold any intangible assets. Enhancements are categorised each year and any intangible assets would be identified as part of this annual exercise.

6.1.6 **Charges to Revenue for Non-Current Assets**

Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed 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 fixed assets attributable to the service.

The Authority is not required to raise council tax to cover depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the Council Fund balance (MRP or Loans Fund Principal), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

6.1.7 **Revenue Expenditure Funded from Capital under Statute (REFFCUS)**

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

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

6.1.8 **Cash and Cash Equivalents**

Cash Equivalents are investments that are readily convertible to known amounts of cash with no change in value. Cash is withdrawn and deposited depending on a deficit or surplus of cash on the day. All call accounts are classified for this purpose. Cash Equivalents also includes fixed term investments that mature within three months or less from the date of acquisition.

6.1.9 **Government Grants and Contributions**

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

- the Authority will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

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

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

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

6.1.10 **Leasing**

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification. Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

A review of all leases held by the Authority (both as Lessee and Lessor) has been undertaken. All leases are currently treated as operating leases. However, a finance lease

relating to a property has been identified together with a few small equipment leases that could be reclassified as finance leases. The reclassification adjustments would not materially affect the Authority's financial position, or the reader of the accounts' ability to see the complete economic activities and exposure to risk of the Authority.

The Authority as Lessee – operating leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment.

The Authority as Lessor – operating leases

Where the Authority grants an operating lease over a property, the asset is retained in the Balance Sheet. Rental income is credited to the appropriate service in the Comprehensive Income and Expenditure statement.

6.1.11 Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

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

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the Council Fund Balance to be spread over future years. The Authority has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the Council Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

6.1.12 **Financial Assets**

Loans and Receivables

Loans and receivables are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Authority has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Where the Authority has made loans at less than market rates (soft loans), any material loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the Council Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the Council Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the relevant service (for receivables specific to that service) or the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Under IFRS 9 Financial Instruments, classification of financial assets are now based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. There are three main classes of financial assets measured at:

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

6.1.13 **Inventories and Long Term Contracts**

Inventories are included in the Balance Sheet at the lower of cost and net realisable value, except for donated PPE stock, which has been valued according to costs provided by NHS shared services. The cost of inventories is assigned using the weighted average costing formula.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

6.1.14 **Cost of Support Services**

The costs of overheads and support services are charged to those that benefit from the supply or service. The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received.

6.1.15 **Provisions**

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

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation and are measured on 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 set up 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 revenue account.

Where some or all of the payment required to settle a provision is expected to be met by another party (e.g. from an insurance claim), this is only recognised as income in the relevant service revenue account if it is virtually certain that reimbursement will be received if the obligation is settled.

6.1.16 **Reserves**

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the Council Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the Council Fund Balance in the Movement in Reserves statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority - these reserves are explained in the relevant policies.

6.1.17 **Employee Benefits**

Benefits Payable During Employment

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

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement when the Authority is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

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

Post-Employment Benefits

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

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

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

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

The Dyfed Pension Fund

The Fund is accounted for as a defined benefit scheme.

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

Liabilities are discounted to their value at current prices.

The assets of the Fund attributable to the Authority are included in the Balance Sheet at their fair value:

- quoted securities – bid price value
- unquoted securities – professional estimate
- unitised securities – bid price value
- property – market value.

The net pensions asset is analysed into the following components:

Service cost comprising:

- current service cost – the value of the increase in liabilities for active members as a result of their service increasing by one year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
- 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 as part of Non Distributed Costs.
- net interest on the net defined benefit liability (asset), i.e. net interest expense for the authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Remeasurements comprising:

- the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure

- 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 assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- contributions paid to the Fund – cash paid as employer's contributions to the fund in settlement of liabilities; not accounted for as an expense

In relation to retirement benefits, statutory provisions require the Council Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The positive 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 Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Fund.

6.1.18 Interests in Companies and other Entities

The council has interests in a number of companies that have the nature of subsidiaries that require the preparation of group accounts. Group Accounts have not been prepared, as the consolidation would not materially affect the Authority's financial position, or the reader of the accounts' ability to see the complete economic activities and exposure to risk of the Council.

CWM Environmental Ltd

Carmarthenshire County Council is sole shareholder of CWM Environmental Ltd. Historically, the company has been operated as an arms length trading company, however from 2018/19, the Authority has chosen to make use of the Teckal Exemption, as more than 80% of the company's activity is transacted with the Authority. Further information is provided at note 6.12 (Long Term Investments) and note 6.36 (Related Party Transactions).

Llesiant Delta Wellbeing Ltd

Carmarthenshire County Council is sole shareholder of Llesiant Delta Wellbeing Ltd. The company was created to transfer and grow the Careline service as agreed by the Council's Cabinet in January 2018. Further information is provided at note 6.12 (Long Term Investments) and note 6.36 (Related Party Transactions).

Egni Sir Gar Cyfyngedig

Carmarthenshire County Council is the registered Custodian Trustee of Egni Sir Gar Cyfyngedig and the Cabinet Member for Climate Change, Decarbonisation and Sustainability is a board member. Further information is provided at note 6.12 (Long Term Investments).

Cartrefi Croeso Cyfyngedig

Carmarthenshire County Council is sole shareholder of Cartrefi Croeso. The company was created to develop housing developments on a commercial basis in Carmarthenshire as agreed by the Council's Cabinet. Further information is provided at note 6.12 (Long Term Investments) and note 6.36 (Related Party Transactions). No business activity was undertaken during the year.

West Wales Crematorium

The Authority retains a financial stake in the West Wales Crematorium. Further information is provided at note 6.37 (Jointly Controlled Operations & Other Similar Arrangements).

6.1.19 Jointly Controlled Operations, Jointly Controlled Assets & Other Similar Arrangements

Jointly controlled operations are activities undertaken by the Authority in conjunction with other venturers that involve the use of the assets and resources of the venturers rather than the establishment of a separate entity. The Authority recognises on its Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the Comprehensive Income and Expenditure Statement with the expenditure it incurs and the share of income it earns from the activity of the operation.

Jointly controlled assets are items of property, plant or equipment that are jointly controlled by the Authority and other venturers, with the assets being used to obtain benefits for the venturers. The joint venture does not involve the establishment of a separate entity. The Authority accounts for only its share of the jointly controlled assets, the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint venture and income that it earns from the venture.

We have identified that the following could fall within the above definition for accounting purposes:

Partneriaeth (previously ERW)
Wales Pension Partnership
Swansea Bay City Region
South West Wales Corporate Joint Committee
West Wales Crematorium

Other potential arrangements include The Children's Commissioning Consortium Cymru (4 C's) amongst others. For the purposes of the accounts no actual entries have been made for these arrangements other than the direct expenditure and income applicable to each scheme. The adjustments are not material and would not affect the Authority's financial position, or the reader of the accounts' ability to see the complete economic activities and exposure to risk of the Council.

6.1.20 Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority.

Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

6.1.21 **VAT**

Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenue and Customs, and all VAT paid is recoverable from them.

6.2 **Critical Judgements in Applying Accounting Policies**

In applying the accounting policies set out in Note 6.1, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- Continued uncertainty about future funding of local authorities, particularly given the significant increase in inflation

However, the Authority has a robust three year budget strategy with efficiency and service rationalisation proposals to deliver a balanced budget and has therefore determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired as a result.

Voluntary Controlled and Voluntary Aided schools are currently excluded from the Authority's balance sheet as although the Authority has liabilities and risks in terms of property costs such as repairs and maintenance, it does not own the schools nor does it have any rights to the future economic benefits inherent in the assets.

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

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, where balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The only items in the Authority's Balance Sheet for which there is a significant risk of material adjustment in the forthcoming financial year is the Pensions Asset.

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

6.4 Adjustments between Accounting Basis and Funding Basis under Regulations

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

	Usable Reserves				
	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
2023-24	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account:					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:					
Charges for depreciation and impairment of non-current assets	(38,390)	(15,903)	0	0	54,293
Revaluation gains/(losses) on Property Plant and Equipment	(19,266)	(26,844)	0	0	46,110
Movements in the market value of Investment Properties	(3,753)	0	0	0	3,753
Capital grants and contributions applied	42,628	13,306	0	0	(55,934)
Revenue expenditure funded from capital under statute	(856)	0	0	0	856
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(7,061)	(39)	0	0	7,100
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:					
Statutory provision for the financing of capital investment	10,470	4,618	0	0	(15,088)
Capital expenditure charged against the Council Fund and HRA balances	27,426	8,910	0	0	(36,336)

	Usable Reserves				
	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
2023-24	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Grants Unapplied Account:					
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	5,615	408	0	(6,023)	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0	8,509	(8,509)
Adjustments primarily involving the Capital Receipts Reserve:					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	4,182	43	(4,225)	0	0
Statutory Capital Receipts	4	0	(334)	0	330
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	409	0	(409)
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposals	0	0	0	0	0
Capital Receipts Set Aside	0	0	0	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	0	0	0

	Usable Reserves				
	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
2023-24	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Financial Instruments Adjustment Account:					
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	1	0	0	0	(1)
Adjustments primarily involving the Pensions Reserve:					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 6.42)	(27,124)	(1,316)	0	0	28,440
Employer's pensions contributions and direct payments to pensioners payable in the year	29,479	1,303	0	0	(30,782)
Adjustment primarily involving the Accumulated Absences Account:					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	506	(135)	0	0	(371)
Total Adjustments	23,861	(15,649)	(4,150)	2,486	(6,548)

	Usable Reserves				
	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
2022-23	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account:					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:					
Charges for depreciation and impairment of non-current assets	(35,863)	(15,920)	0	0	51,783
Revaluation gains/(losses) on Property Plant and Equipment	(5,739)	(21,275)	0	0	27,014
Movements in the market value of Investment Properties	(534)	0	0	0	534
Capital grants and contributions applied	38,780	10,401	0	0	(49,181)
Revenue expenditure funded from capital under statute	(1,154)	(1)	0	0	1,155
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(401)	(324)	0	0	725
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:					
Statutory provision for the financing of capital investment	10,194	4,589	0	0	(14,783)
Capital expenditure charged against the Council Fund and HRA balances	6,188	9,218	0	0	(15,406)

	Usable Reserves				
	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
2022-23	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Grants Unapplied Account:					
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	4,863	28	0	(4,891)	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0	15,992	(15,992)
Adjustments primarily involving the Capital Receipts Reserve:					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	626	327	(953)	0	0
Statutory Capital Receipts	10	0	(213)	0	203
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	274	0	(274)
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposals	0	0	0	0	0
Capital Receipts Set Aside	0	0	0	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	0	0	0

	Usable Reserves				
	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
2022-23	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Financial Instruments Adjustment Account:					
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	23	0	0	0	(23)
Adjustments primarily involving the Pensions Reserve:					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 6.42)	(75,352)	(2,853)	0	0	78,205
Employer's pensions contributions and direct payments to pensioners payable in the year	29,533	1,052	0	0	(30,585)
Adjustment primarily involving the Accumulated Absences Account:					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(562)	(28)	0	0	590
Total Adjustments	(29,388)	(14,786)	(892)	11,101	33,965

6.5 Note to the Expenditure and Funding Analysis**2023-24****Adjustments between Funding and Accounting Basis**

	Adjustments for Capital Purposes £'000	Net Changes for Pensions Adjustments £'000	Other Differences £'000	Total Adjustments £'000
Department				
Chief Executive	17,094	402	220	17,716
Education & Children	18,983	(451)	(1,820)	16,712
Corporate Services	(269)	(1,232)	101	(1,400)
Communities	10,752	1,193	717	12,662
Place & Infrastructure	6,178	553	270	7,001
Housing Revenue Account	33,837	156	135	34,128
Insurance & Corporate	(23,926)	0	0	(23,926)
Net Cost of Services	62,649	621	(377)	62,893
Other Income & Expenditure	(68,147)	(2,963)	5	(71,105)
Difference between CF & HRA (Surplus)/Deficit and CIES (Surplus)/Deficit on Provision of Services	(5,498)	(2,342)	(372)	(8,212)

2022-23

Department				
Chief Executive	6,292	3,701	(69)	9,924
Education & Children	15,855	11,635	837	28,327
Corporate Services	(589)	299	(25)	(315)
Communities	10,942	10,312	(96)	21,158
Place & Infrastructure	6,121	4,752	(22)	10,851
Housing Revenue Account	27,977	1,311	30	29,318
Insurance & Corporate	(3,216)	0	0	(3,216)
Net Cost of Services	63,382	32,010	655	96,047
Other Income & Expenditure	(67,395)	15,610	(88)	(51,873)
Difference between CF & HRA (Surplus)/Deficit and CIES (Surplus)/Deficit on Provision of Services	(4,013)	47,620	567	44,174

Narrative Explanation**Adjustments for Capital Purposes**

Service lines - adds in depreciation, impairment and revaluation gains and losses and deducts direct revenue funding.

Other Income and Expenditure includes the following:

Other Operating Expenditure - Adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets. Adds/deducts charges to trading operations not included in service lines.

Financing and Investment income and expenditure – deducts the statutory charges for capital financing (MRP) and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.

Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. There are credits for capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for Pensions Adjustments

Service lines – employer contributions made by the Authority are removed as allowed by statute and replaced with current service costs and past service costs.

Other Income and Expenditure includes the following:

Financing and Investment Income – the net interest on the defined benefit liability is charged to the CIES.

Other Differences

Service lines – adjusts for holiday pay transferred to the accumulated absence reserve.

Financing and Investment Income and Expenditure – adjustments to the General Fund for the timing differences for premiums and discounts.

6.6 Trading Operations

The Authority undertakes the following trading operations that make up the Surpluses/Deficits on Trading Activities in the Comprehensive Income and Expenditure Statement: Property Services, Vehicle Repair & Maintenance, Building Cleaning, Fleet Management and Civil Design.

6.7 Council Tax

Council tax income is derived from charges raised according to the value of residential properties, which have been classified into nine valuation bands estimating 1 April 2003 values for this specific purpose. Charges are calculated by dividing the amount of income required for Carmarthenshire County Council and the Dyfed-Powys Police & Crime Commissioner and Town & Community Councils by the Council Tax base. The Council Tax base is the total number of properties in each band adjusted by a proportion to convert the number to a band D equivalent and adjusted for discounts. The Council Tax Base for 2023/24 was 75,071.95 (74,698.57 for 2022/23).

Council Tax bills are based on multipliers for bands A to I. The following table shows the multiplier applicable to each band together with the equivalent number of Band 'D' properties within each band. In addition there is one lower band (A-) designed to offer the appropriate discount in respect of disabled dwellings where legislation allows a reduction in banding to that one below the band in which the property is actually valued.

Band	A-	A	B	C	D	E	F	G	H	I
Multiplier	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	21/9
Band D Dwellings	18	5,058	16,272	14,646	13,221	14,913	8,793	3,411	551	116

Analysis of the net proceeds from Council Tax:

	2022-23 £'000	2023-24 £'000
Council Tax Collectable	134,764	145,279
Movement in Impairment Allowance	(1,116)	(1,742)
Net Proceeds from Council Tax (including Precepts)	133,648	143,537

6.8 National Non Domestic Rates (NNDR)

NNDR is organised on a national basis. The Council is responsible for collecting rates due from ratepayers in its area but pays the proceeds into the NNDR pool administered by the Welsh Government who redistribute the sums payable back to local authorities on the basis of a fixed amount per head of population. Local businesses pay rates calculated by multiplying their rateable value by a rate specified by the Welsh Government (53.5p for 2023/24, 53.5p for 2022/23).

The total non-domestic rateable value at 31st March 2024 was £118,993,718 (£120,427,892 at 31st March 2023).

6.9 Property, Plant & Equipment

Movements in 2023-24	Council Dwellings	Other Land & Buildings	Vehicles Plant & Equipment	Community Assets	Surplus Assets	Assets Under Construction	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross Book Value 01/04/23	493,344	894,864	30,804	8,576	18,520	69,117	1,515,225
Additions	28,694	24,168	3,472	80	2	50,991	107,407
Revaluation Increases Recognised in the Revaluation Reserve	1,649	60,860	0	0	180	0	62,689
Revaluation Losses Recognised in the Revaluation Reserve	(9,386)	(16,399)	0	0	(1,822)	0	(27,607)
Revaluation Increases Recognised in the Provision of Services	2	6,407	0	0	86	0	6,495
Revaluation Losses Recognised in the Provision of Services	(17,410)	(23,236)	(858)	0	(898)	0	(42,402)
Derecognition of Disposals	(48)	(787)	(2,576)	0	(2,000)	0	(5,411)
Reclassifications: to & from Assets Held for Sale	0	(948)	0	0	(152)	0	(1,100)
Reclassifications: to & from Investment Properties	0	54	0	0	0	(350)	(296)
Reclassifications: from Assets Under Construction	14	16,765	0	0	0	(19,044)	(2,265)
Reclassifications: PPE	0	0	0	0	0	0	0
Write back of Dep'n to the Gross Carrying Amount on Revaluation	(17,345)	(28,142)	(1,522)	0	0	0	(47,009)
Gross Book Value 31/03/24	479,514	933,606	29,320	8,656	13,916	100,714	1,565,726
Accumulated Depreciation and Impairment at 01/04/23	(8,980)	(5,700)	(12,816)	(537)	3	0	(28,030)
Depreciation Charge	(15,888)	(26,932)	(3,206)	(60)	0	0	(46,086)
Depreciation Written Out to Revaluation Reserve	17,345	28,142	1,522	0	0	0	47,009
Derecognition of Disposals	0	9	2,494	0	0	0	2,503
Other Movements in Depreciation and Impairments	(10,721)	(774)	0	0	0	0	(11,495)
Cumulative Depreciation to 31/03/24	(18,244)	(5,255)	(12,006)	(597)	3	0	(36,099)
Net Book Value at 31/03/24	461,270	928,351	17,314	8,059	13,919	100,714	1,529,627

Movements in 2022-23	Council Dwellings	Other Land & Buildings	Vehicles Plant & Equipment	Community Assets	Surplus Assets	Assets Under Construction	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross Book Value 01/04/22	468,550	817,491	25,727	7,005	21,213	91,635	1,431,621
Additions	22,483	17,475	7,231	1,238	363	29,766	78,556
Revaluation Increases Recognised in the Revaluation Reserve	18,391	79,928	0	340	560	0	99,219
Revaluation Losses Recognised in the Revaluation Reserve	(4,291)	(3,874)	0	0	(2,845)	0	(11,010)
Revaluation Increases Recognised in the Provision of Services	6,176	8,061	0	0	655	0	14,892
Revaluation Losses Recognised in the Provision of Services	(22,238)	(11,765)	0	(3)	(2,061)	0	(36,067)
Derecognition of Disposals	(327)	0	(191)	0	0	0	(518)
Reclassifications: to & from Assets Held for Sale	0	0	0	0	(350)	0	(350)
Reclassifications: to & from Investment Properties	0	(1,498)	0	0	101	1,410	13
Reclassifications: from Assets Under Construction	22,430	18,195	0	0	0	(53,704)	(13,079)
Reclassifications: PPE	0	(983)	0	63	910	10	0
Write back of Dep'n to the Gross Carrying Amount on Revaluation	(17,830)	(28,166)	(1,963)	(67)	(26)	0	(48,052)
Gross Book Value 31/03/23	493,344	894,864	30,804	8,576	18,520	69,117	1,515,225
Accumulated Depreciation and Impairment at 01/04/22	(5,704)	(8,026)	(11,430)	(549)	(16)	0	(25,725)
Depreciation Charge	(15,907)	(25,189)	(2,897)	(55)	0	0	(44,048)
Depreciation Written Out to Revaluation Reserve	17,830	28,166	1,963	67	26	0	48,052
Derecognition of Disposals	3	0	146	0	0	0	149
Other Movements in Depreciation and Impairments	(5,202)	(651)	(598)	0	(7)	0	(6,458)
Cumulative Depreciation to 31/03/23	(8,980)	(5,700)	(12,816)	(537)	3	0	(28,030)
Net Book Value at 31/03/23	484,364	889,164	17,988	8,039	18,523	69,117	1,487,195

All assets reclassified as Held for Sale were sold during the year.

Statement of Non-Current Assets Carried at Current Value 2023/24

The following statement shows the progress of the Authority's rolling programme for revaluation of fixed assets. The valuations are carried out in-house by the Authority's Valuers who are Fellows of the Royal Institution of Chartered Surveyors. The basis for valuation is set out in the statement of accounting policies.

	Council Dwellings £'000	Other Land & Buildings £'000	Vehicles Plant & Equipment £'000	Surplus Assets £'000	TOTAL £'000
Movement in fair value as at:					
Previous Years	368,061	778,871	25,836	24,980	1,197,748
31 March 2020	16,467	(52,518)	1,353	(5,374)	(40,072)
31 March 2021	(9,902)	12,901	1,233	3,951	8,183
31 March 2022	93,924	78,237	(2,695)	(2,344)	167,122
31 March 2023	24,794	77,373	5,077	(2,693)	104,551
31 March 2024	(13,830)	38,742	(1,484)	(4,604)	18,824
Gross Book Value at 31/03/24	479,514	933,606	29,320	13,916	1,456,356

Infrastructure Assets

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

The authority has determined in accordance with Regulation 24L Wales of the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2022 (as amended) that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

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

	2022-23 £'000	2023-24 £'000
Net Book Value at 1 April	232,255	255,373
Net additions	30,854	17,320
Net depreciation charge	(7,736)	(8,207)
Total Net Movements	23,118	9,113
Net Book Value at 31 March	255,373	264,486

Reinforced Autoclaved Aerated Concrete (RAAC)

In 2023, a cross-departmental RAAC Task Force was formed to address potential risks associated with Reinforced Autoclaved Aerated Concrete (RAAC). The Task Force conducted comprehensive surveys on 166 non-residential buildings constructed between 1944 and 1999, or those with flat roof extensions.

Upon completion of the surveys, RAAC was identified in one investment property. Immediate interim safety measures have been implemented to ensure the property's continued safe use. The property will remain under close monitoring throughout its utilisation, whilst remediation options are being developed.

Capital Commitments

As at 31st March 2024 the Council was contractually committed to outstanding capital works which amounted to approximately £59 million (£97.2 million as at 31st March 2023).

	£'000
Council Dwellings	6,099
The main contracts include:	
<i>Maesgriffiths, Llansteffan</i>	<i>4,007</i>
Education and Children	1,796
The main contracts include:	
<i>Pembrey School</i>	<i>1,149</i>
Culture, Sport and Tourism	73
Regeneration / Economic Development	50,327
The main contracts include:	
<i>Pentre Awel Zone 1</i>	<i>45,517</i>
<i>Market Street North</i>	<i>3,618</i>
Corporate	719
Total	<u>59,014</u>

6.10 Heritage Assets

Heritage Assets with a net carrying amount of £2,414k were held as at 31st March 2024 (£2,527k as at 31st March 2023). There was a disposal of £113k owing to the write off of a Public sculpture, which was removed for Health & Safety reasons. Further details of the Council's Heritage Assets, classed as Museum Exhibits, can be obtained from the County Museum's Curator at Carmarthenshire County Council.

6.11 Investment Properties

The following items of income and expenditure have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

	2022-23	2023-24
	£'000	£'000
Rental income from Investment Properties	(887)	(889)
Direct operating expenses arising from Investment Property	563	761
Net (gain)/loss	(324)	(128)
Indirect Expenditure	288	249
Net (Gains)/Losses from Fair Value adjustments	534	3,753
Income and Expenditure in relation to Investment Properties and changes in their Fair Value	498	3,874

The following table summarises the movement in the fair value of Investment Properties during the year:

	2022-23	2023-24
	£'000	£'000
Balance at start of year	26,770	26,213
Additions:		
Enhancements	12	1,382
Disposals:	(5)	(2,981)
Net Gains/(Losses) from fair value adjustments	(534)	(3,753)
Revaluation Losses Recognised in the Revaluation Reserve	0	0
(To)/From Property, Plant and Equipment	(13)	296
(To)/From Infrastructure	(17)	0
	26,213	21,157

Fair Value Measurement of Investment Properties

Details of the Council's Investment Properties and information about the fair value hierarchy are as follows:

Recurring Fair Value measurements using:	31 March 2023		31 March 2024	
	Significant unobservable inputs (level 3)	Fair Value	Significant unobservable inputs (level 3)	Fair Value
Commercial Properties	9,934	9,934	8,217	8,217
Garages	40	40	39	39
Land Assets	16,192	16,192	12,854	12,854
Residential Properties	47	47	47	47
Total	26,213	26,213	21,157	21,157

6.12 Long Term Investments

	31 March 2023 £'000	31 March 2024 £'000
Cwm Environmental Ltd.	329	329
Egni Sir Gar Cyfyngedig	742	680
	1,071	1,009

Whilst CWM Environmental, Llesiant Delta Wellbeing Ltd and Cartrefi Croeso have the nature of subsidiaries which require the preparation of group accounts, Group Accounts have not been prepared as the consolidation would not materially affect the Authority's financial position or the reader of the accounts' ability to see the complete economic activities and exposure to risk of the Council.

CWM Environmental Ltd

CWM Environmental Ltd. is a wholly owned subsidiary company of the Authority. The company has been set up in accordance with the Environmental Protection Act 1990 for the purpose of Waste Disposal.

The company was vested with the Welsh Office on 10 March 1997 and the following represents the Authority's Interest at 31st March 2024:

	£'000
Share Capital	329

The investment has been included in Long Term Investments within the Balance Sheet and the Authority has given no commitment to this company to meet any accumulated deficits or losses.

CWM Environmental Ltd operate two wholly owned subsidiaries with the following shareholding:

Pembrokeshire Recycling Company Ltd	£1.00
Carmarthenshire Recycling Company Ltd	£1.00

Pembrokeshire Recycling Company Ltd and Carmarthenshire Recycling Company Ltd are registered in England and Wales and are dormant.

The Company has produced draft accounts for the year. Detailed below is a summary of the draft unaudited accounts for the year and net assets as at 31st March 2024:

	Year ended 31 March 2024
	£'000
Turnover	15,280
Less: Cost of Sales	(12,815)
Gross Profit	2,465
Overheads	(284)
Net Profit/(Loss) before taxation	2,181
Taxation on loss / profit	0
Retained Profit/(Loss)	2,181
Net Assets as at 31 March 2024	5,206

A copy of the Annual Report can be obtained from the Registered Office at the following address:

Head Office,
Nantycaws Recycling Centre
Llanddarog Road,
Carmarthen,
SA32 8BG

Llesiant Delta Wellbeing Ltd

Llesiant Delta Wellbeing Ltd is a wholly owned subsidiary of the Authority. The total value of the share capital is £1. The investment is included in Long Term Investments within the Balance Sheet and the Authority has given no commitment to this company to meet any accumulated deficits or losses.

The company is required to produce audited accounts for the year ended 31st March 2024 which are submitted to Companies House. Detailed below is a summary of the draft accounts for the year and net assets as at 31st March 2024.

	Year ended 31 March 2024
	£'000
Turnover	8,548
Less: Cost of Sales	(6,892)
Gross Profit	1,656
Overheads	(1,533)
Net Profit/(Loss) before taxation	123
Taxation on loss / profit	(3)
Changes in defined pension liabilities	1,238
Retained Profit/(Loss)	1,358
Net Assets/(Liabilities) as at 31 March 2024	1,703

Cartrefi Croeso

Cartrefi Croeso is a wholly owned subsidiary of the Authority. The total value of the share capital is £100. The investment is included in Long Term Investments within the Balance Sheet and the Authority has given no commitment to this company to meet any accumulated deficits or losses. During the year, the company was put into dormancy.

The company is required to produce audited accounts for the year ended 31st March 2024 which are submitted to Companies House. There was no business activity during the year. Detailed below is a summary of the draft trading results for the year and net assets as at 31st March 2024.

	Year ended 31 March 2024
	£'000
Turnover	0
Less: Cost of Sales	0
Gross Profit	0
Overheads	0
Net Profit/(Loss) before taxation	0
Taxation on loss / profit	0
Retained Profit/(Loss)	0
Net Assets/(Liabilities) as at 31 March 2024	(607)

Egni Sir Gar

Carmarthenshire County Council invested in the solar PV project set up by Egni Sir Gar Cyfyngedig - a community benefit society registered with the Financial Conduct Authority (number 7193). The scheme installed solar PV panels in 2016 on 17 non-domestic buildings within the Council's portfolio. Carmarthenshire County Council are 100% shareholders of Egni Sir Gar Cyfyngedig.

The society sold shares to fund the capital expenditure and working capital requirements associated with the development, installation and maintenance of the panels. The solar PV panel installation was completed during 2016.

A Share Purchase Agreement was set up between Carmarthenshire County Council and Egni Sir Gâr Cyfyngedig.

There was a capital repayment (ordinary 'B' shares) of £62k made during the year.

	£'000
Ordinary 'A' Shares	100
Ordinary 'B' Shares	580
Total Share Capital	680

Each share has a nominal value of £1.00 each.

6.13 Long Term Debtors

	31 March 2023 £'000	31 March 2024 £'000
Home Improvement Loans Longer than One Year	738	612
Charges against estates of persons in residential homes (Carmarthenshire County Council)	598	846
Charges against estates of persons in residential homes (External Providers)	1,326	1,824
Capital Contribution to the loans of 1st time homebuyers	885	817
Car Loans	17	23
Loan Towy Community Church	106	106
Loan for Town Centres	386	718
Loan Cartrefi Croeso	2	2
Loan Town and Community Councils	498	298
Loan Cwm Environmental	315	243
Loan Scarlets	0	2,616
Other	76	76
	4,947	8,181

The Welsh Government's initiative Houses into Homes and Home Improvement Loans provides interest free loans to bring back empty properties into use. These payments to landlords will create a recyclable loan fund usable during the term of the scheme.

A 15 year annuity loan of £270k at a variable interest rate of 2.5% above base rate was entered into with the Towy Community Church in December 2012 to assist in the implementation of the Xcel project.

A 10 year loan of £321k at a fixed interest rate of 3.38% was entered into with CWM Environmental Limited in February 2020 for the purpose of acquiring land adjoining the Nantycaws Site. An additional 5 year loan of £201k at a fixed interest rate of 3.12% was entered into with CWM Environmental Limited in April 2020 for the purpose of constructing a new office building at the Nantycaws site. A new loan facility was agreed by County Council who met in December 2023 to enable the company to rebuild and equip a Resources Recovery Facility following the fire at the site in April 2021. As at 31st March 2024, there had been no drawdown of the loan, and therefore there are no entries in the accounts.

The County Council, as part of the Development Agreement entered into with Llanelli Rugby Football Club Limited (the club), advanced a sum of £2.4m for a term of 15 years to the club. In October 2010, the County Council agreed to a variation in the terms of the loan whereby interest payments of £216,000 were deferred to the end of the loan period in 2023. Following the end of this agreement, a further extension to the loan has been agreed for a period of 15 years from April 2023. A variation in terms has been agreed, repayment of loan principal will commence in April 2026 on an equal instalment basis of £218,000 per annum. Interest continues to be chargeable on the loan and is charged at a rate of 2.2% above the Bank Base Rate (currently 5.25%).

Loans to Town and Community Councils are for the replacement of ageing lighting columns with energy efficient LEDs. This is an Invest to Save Initiative.

Town Centre loans are to support businesses redevelop empty or underutilised properties within town centres into commercial and/ or residential use.

6.14 Short Term Investments

This represents investments repayable within twelve months and is analysed as follows:

	31 March 2023 £'000	31 March 2024 £'000
Banks and Debt Management Account Deposit Facility	27,693	42,473
Local Authorities	35,242	10,104
	62,935	52,577

6.15 Inventories

	2022-23	2023-24
	£'000	£'000
Balance at start of year	2,061	2,063
Purchases	7,807	7,767
Recognised as an expense in the year	(7,800)	(7,847)
Written off balances	(5)	(4)
Other net movements in year	0	1
Balance at year end	2,063	1,980

Donated Inventories Account

During the year, the Authority received a significant amount of Personal Protective Equipment from Welsh Government for use within both in-house as well as commissioned social care services. This represents the principal amount of the Donated Inventories:

2022-23		2023-24
£'000		£'000
(282)	Balance as at 1 April	(114)
(200)	Received	(240)
368	Utilised	290
(114)	Balance as at 31 March	(64)

The Authority did not distribute Personal Protective Equipment and lateral flow tests in its capacity as agent to external organisations during the year. £5k of Personal Protective Equipment is held on behalf of external organisations as at 31 March 2024.

6.16 Short Term Debtors

	31 March 2023	31 March 2024
	£'000	£'000
HM Revenue & Customs	5,535	7,669
Central Government	40,621	43,895
Police, Fire, National Park and Local Authorities	9,545	7,607
NHS Bodies	18,183	15,879
Council Tax Payers	5,105	5,278
Housing Tenants	2,011	1,996
Other*	25,653	28,245
	106,653	110,569

* Included in Other as at 31st March 2023 is a loan of £2.62m to Llanelli Rugby Football Club Limited (the club), which has been transferred to Long Term Debtors during 2023/24 (see Note 6.13).

6.17 Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

2022-23		2023-24
£'000		£'000
70	Cash held by the Authority	75
(3,207)	Bank current accounts	(4,642)
	Short-term deposits with banks, money market funds and debt management account deposit facility	26,254
47,567		
5,009	Short-term deposits with Local Authorities	10,031
49,439	Total Cash and Cash Equivalents	31,718

6.18 Short Term Borrowing

This represents borrowing repayable within twelve months and is analysed as follows:

	31 March 2023 £'000	31 March 2024 £'000
Public Works Loan Board	12,649	11,459
Market Loan	64	64
Salix & Invest 2 Save	288	288
	13,001	11,811

6.19 Short Term Creditors

	31 March 2023 £'000	31 March 2024 £'000
HM Revenue & Customs	(5,461)	(6,229)
Central Government	(7,154)	(5,913)
Police, Fire, National Park and Local Authorities	(4,667)	(10,157)
NHS Bodies	(2,470)	(3,651)
Housing Tenants	(687)	(673)
Council Tax Payers	(3,774)	(3,628)
Employee Related	(11,363)	(8,374)
Dyfed Pension Fund	(7,723)	(7,576)
Trust Funds*	(6,501)	(6,527)
Other	(44,590)	(53,390)
	(94,390)	(106,118)

* This represents funds held on client's behalf.

6.20 Provisions

The summary below shows the movement in the level of provisions during 2023/24:

	1 April 2023 £'000	Reversal £'000	Addition £'000	Utilisation £'000	31 March 2024 £'000
Corporate Services Department	71	(30)	35	0	76
Place & Infrastructure Department	117	(95)	0	0	22
Communities Department	1,293	0	0	(1,049)	244
Municipal Mutual Insurance (MMI)	118	0	9	(1)	126
Landfill Site - Aftercare Provision	316	0	0	(87)	229
Insurance	736	(70)	0	0	666
	2,651	(195)	44	(1,137)	1,363

	Current Liabilities (< 1 year) £'000	Long Term Liabilities (> 1 year) £'000	Total £'000
Balances as at 31 March 2024			
Corporate Services Department	76	0	76
Place & Infrastructure Department	8	14	22
Communities Department	0	244	244
Municipal Mutual Insurance (MMI)	3	123	126
Landfill Site - Aftercare Provision	81	148	229
Insurance	666	0	666
	834	529	1,363

Purpose of Main Provisions**Corporate Services Department**

Provision for money due to HMRC relating to a prior year payroll adjustment £41k. There is also a provision for overtime relating to the closure of the accounts.

Place & Infrastructure Department

The total includes £14k for remedial works due to subsidence in Crown Park and £8k for approved asset transfer payments.

Communities Department

Provision of £206k to meet the requirements of UK digital switchover and £38k for legal/barristers costs for prosecutions relating to trading standards & animal health.

Municipal Mutual Insurance (MMI)

For the policy years before 1992/93, each local authority insured by MMI is exposed to a potential insurance liability relating to the closure of MMI on 30th September 1992. In January 2012 the Directors of MMI triggered the "MMI Scheme of Arrangement" with the levy notice being issued on 1st January 2014. The initial levy was for 15% and was increased to 25% at the end of 2015/16. Whilst there remains a net liability position on MMI's balance sheet the Schemes Administrator continues to monitor the claims position and will advise the scheme creditors if an adjustment to the levy is required. As the matter is on-going, the provision is retained in the accounts.

Landfill Site - Aftercare

Entities that operate landfill sites have a duty to carry out restoration works and undertake appropriate aftercare, including the monitoring and control of gas and leachate production at the sites. This provision recognises the estimated aftercare costs for the Wernddu and Nantycaws closed landfill sites.

Insurance Provision

This provision is for insurance claims that have been registered and are likely to fall on the Authority.

6.21 Long Term Borrowing

Total Outstanding as at	31 March 2023 £'000	31 March 2024 £'000	Maturity Dates
Sources of Borrowing			
Public Works Loan Board	387,449	388,448	2024-2073
Market Loans (Note i)	3,112	3,112	2024-2055
Interest Free Loans (Note ii)	9,673	9,384	2024-2037
	400,234	400,944	

- (i) The FMS Wertmanagement Service GmbH Bank loan is a Lenders Option Borrowers Option (LOBO) loan. It is shown at the Equivalent Interest Rate (EIR). It is a stepped interest rate loan, with a current rate of 4.72 %. The lender has the option to vary the interest rate at each interest payment date. If the lender exercises the option the Authority then has the option as to either accept the new interest rate or repay the loan back to the lender. In the accounts an adjustment has to be made to equalise the difference between the rate charged and the rate paid to show the true cost of the loan over the loan period.

(ii)

Interest Free Loans

Total Outstanding as at	31 March 2023 £'000	31 March 2024 £'000
SALIX	2,318	2,029
Home Improvement Loans Scheme	1,292	1,292
Town Centre Loans	6,063	6,063
	9,673	9,384

Re:fit Cymru is a Welsh Government promoted scheme providing interest free loans via the Salix funding programme for up to 10 years, that aims to accelerate energy efficiency improvement in all public sector buildings in Wales.

The Home Improvement Loan Scheme (HILS) is issued under statute by the Welsh Government. The purpose of the scheme is to provide loans to owner occupiers and the private rented sector to improve properties or to bring empty properties back into use. The term of the funding is until 31st March 2030, with advances to third parties repayable interest free.

The Town Centre Loans (TCL) is issued under statute by the Welsh Government. The purpose of the scheme is to provide loans to reduce the number of vacant, underutilised and redundant sites and premises in town centres and to support the diversification of the town centres by encouraging more sustainable uses for empty sites and premises, such as residential, leisure and for key services. The term of the funding is until 31st March 2037, with advances to third parties repayable interest free.

6.22 Earmarked Council Fund Reserves

A summary of the earmarked reserves set up by this Authority or its predecessor Authorities is set out below:

	1 April 2022 £'000	Transfers In £'000	Transfers Out £'000	31 March 2023 £'000	Transfers In £'000	Transfers Out £'000	31 March 2024 £'000
Insurance	13,536	1,249	(1,130)	13,655	1,077	(881)	13,851
Major Development Fund	35,663	3,735	(736)	38,662	4,672	(19,459)	23,875
MEP Capital Funding	10,602	2,657	(380)	12,879	2,573	(163)	15,289
Development Fund	734	16	0	750	4	(1)	753
Schools Development Fund	299	15	0	314	14	0	328
City Deal/Pentre Awel	10,668	2,500	(2,199)	10,969	1,857	(3,736)	9,090
Public Lighting Invest 2 Save	1,301	0	0	1,301	0	(496)	805
Salix Fund	80	301	(166)	215	456	(488)	183
Corporate Retirement Fund	6,170	71	0	6,241	108	0	6,349
Redundancy	1,258	3	(326)	935	207	(42)	1,100
IT Infrastructure	333	0	0	333	0	0	333
Financial Management System	317	0	0	317	0	0	317
Parc Dewi Sant/St David's Park	1,292	0	(89)	1,203	0	(1,203)	0
Joint Ventures	1,539	203	(129)	1,613	228	(58)	1,783
Externally Funded Schemes	1,829	1,356	(1,166)	2,019	1,483	(1,290)	2,212
Llanelly House	142	0	0	142	0	0	142
Community Asset Transfer Fund	49	0	(12)	37	0	0	37
Fleet Management	1,409	354	(464)	1,299	1,022	0	2,321
Highways Capital Funding	1,239	58	0	1,297	39	0	1,336
Council Tax/Housing Benefit	880	0	0	880	0	0	880
Housing Services Schemes	3,306	2,066	(459)	4,913	811	(214)	5,510
Work Ready Programme	282	0	(47)	235	0	(50)	185
Brexit	200	0	0	200	0	0	200
Tour of Britain	50	0	(50)	0	0	0	0
Departmental Reserves	23,177	3,620	(4,970)	21,827	8,155	(7,339)	22,643
Resetting Services (Post COVID19)	2,400	0	(1,000)	1,400	0	0	1,400
COVID19 Hardship	4,391	0	0	4,391	0	0	4,391
Economic Recovery	450	0	0	450	0	0	450
County Council Election costs	289	0	(116)	173	106	0	279
Nantycaws Recycling Centre	1,700	0	0	1,700	0	0	1,700
Schools HWB Sustainability Scheme	751	1,038	(999)	790	920	(73)	1,637
School Organisation Fund	725	183	(908)	0	0	0	0
Urdd National Eisteddfod	120	0	(31)	89	0	(66)	23
Carmarthen Hwb	200	0	(100)	100	0	(100)	0
Waste Strategy	1,000	0	(748)	252	0	0	252
Decarbonisation	500	0	0	500	0	0	500

Continued overleaf

	1 April 2022 £'000	Transfers In £'000	Transfers Out £'000	31 March 2023 £'000	Transfers In £'000	Transfers Out £'000	31 March 2024 £'000
Levelling up bid match funding	2,500	1,000	0	3,500	0	0	3,500
Inflationary Risks	1,537	0	0	1,537	0	0	1,537
Revenue Support Grant (RSG)	3,680	0	(605)	3,075	0	0	3,075
Cost of Living Discretionary Scheme	1,871	0	(1,105)	766	0	(271)	495
Targeted Regeneration Investment	71	13	0	84	37	0	121
Residential Home Room Refurbishment	513	0	(15)	498	0	(42)	456
Deprivation of Liberty Safeguards (DoLS)	0	123	0	123	0	(123)	0
Kidwelly Town Hall	0	1,000	0	1,000	0	(228)	772
Other	274	64	(134)	204	25	(33)	196
	139,327			142,868			130,306
Held by Schools under LMS	15,205	909	(4,990)	11,124	806	(6,755)	5,175
	15,205			11,124			5,175

Insurance

Funds have been set aside to meet the cost of claims and other losses that could fall on the Authority.

Major Development Fund

This fund has been created to support major capital development projects in the County and its utilisation is reflected in the 5 year capital programme.

MEP Capital Funding

Sum set aside to meet the cost of prudential borrowing to finance the Modernising Education Provision programme and its utilisation is reflected in the 5 year capital programme.

Development Fund

The aim of this fund is to assist the Authority in its long term planning by allocating resources to projects that, due to lack of funding, could not be carried out within normal budgetary allocations.

City Deal/Pentre Awel

Funding set aside to meet potential future expenditure in respect of the City Deal projects, such as project development costs, borrowing and interest costs and Carmarthenshire's contribution towards the overall city deal operating costs (including the Regional Office) as per the Swansea Bay City Region Joint Agreement.

Public Lighting Invest 2 Save

Reserve set aside to provide additional financial support for the Welsh Government Invest-to-save project of converting streetlamps to dimmable LED lighting. The initiative will deliver a legacy of reduced energy costs and associated carbon taxes achieved through a 3 year programme of converting approximately 12,000 sodium lantern units to lower energy consumption LED units which will incorporate part-night dimming regimes.

Salix Fund

Salix, which is an independent social enterprise that provides funding for proven technologies which are cost effective in saving CO2, have provided the Authority with a grant to allow loans to be made to schools/ departments to fund energy saving schemes. These loans are repaid from the resultant savings and the fund is replenished for other schools/ departments to benefit from the scheme.

Corporate Retirement Fund

This Fund has been set up to support the Authority's redundancy and early retirement policy, enabling the Authority to provide for the actuarial strain on the Pension Fund which arises from any early retirement or redundancy.

Redundancy

This fund has been established by Departments to meet potential redundancy costs that may be incurred at the termination of fixed term contracts for staff at the end of externally funded schemes.

IT Infrastructure

This fund has been established to support the planned replacement of the Authorities servers and IT infrastructure.

Financial Management System

Set up to meet the funding of the significant investment in the provision and development of the Financial Management System.

St David's Park

This reserve provides funding for necessary investment in Parc Dewi Sant in future years to support the Council's objectives. This includes repurposing some buildings for revised user requirements subject to the securing of new or extended leases.

Joint Ventures

The Authority has entered into various Joint Venture agreements with the Welsh Government. Rental income received in relation to these is set aside to meet future obligations.

Externally Funded Schemes

To provide match funding for ongoing projects or externally funded schemes in future years.

Llanelly House

To meet the agreed funding support to the Llanelly House project, in order to assist with the sustainability of this new facility which is seen as being integral to the long term regeneration plans for the town centre.

Community Assets Transfer Fund

The authority recognised that there are some services or local facilities that could be operated more effectively if run by Community Groups or Community Councils. This fund was established to undertake improvements to facilities or give financial incentives to enable these projects to be taken forward.

Fleet Management

This reserve has been established to equalise the whole of life cost of operating and maintaining Council's vehicles to the service users over agreed durations.

Highways Capital Funding (Local Government Borrowing Initiative LGBI)

The fund has been established to meet the cost of borrowing to finance the Highways capital improvement and maintenance programme

Council Tax/Housing Benefits

This reserve has been earmarked to meet the potential costs falling on Carmarthenshire arising from the annual reductions in the Housing Benefits Administration grant and Welfare reform.

Housing Services Schemes

This reserve has been set up to support Housing projects including Supporting People, bringing empty houses back into use, the Syrian & Afghan Resettlement schemes and the Private Rental Sector leasing scheme.

Work Ready Programme

Reserve set aside to provide 4 tiers of work placement and training within the Authority as a means of assisting local people, including young people with limited or no employment history to gain qualifications and employment in order to enhance their employment prospects.

Brexit

This fund has been established to deal with any potential costs associated with Brexit.

Departmental Reserves

The Authority has a policy which permits allocations to departmental reserves, funded from in year underspends that can be allocated towards specific one off projects/services. This approach encourages prudent use of public money.

Resetting Services (Post COVID19)

Funding set aside to meet any one-off costs of resetting or realigning services during the recovery phase of the COVID19 pandemic

COVID19 Hardship

Reserve set aside from monies received from Welsh Government at year-end to help deal with the impact of COVID19.

Economic Recovery

Reserve set aside to aid the development and delivery of the County's economic recovery plan following COVID19.

County Council Election Costs

Reserve set aside to fund the cost of County Council elections.

Nantycaws Recycling Centre

This fund has been established to deal with additional operating costs as a result of a fire at the recycling site in Nantycaws in 2021.

Schools HWB Sustainability Scheme

Reserve set aside to provide planned long term ongoing maintenance and replacement programme for schools IT.

Held by Schools under LMS

This represents the net position of the balances of all schools. While some schools have a surplus balance, others are in deficit. It is recognised that in many cases it will take time to effect the changes necessary to balance individual school budgets, and therefore deficit recovery plans will be agreed on a school by school basis.

Revenue Support Grant

Specific reserve set up to manage additional funding received from Welsh Government through the Revenue Support Grant at the end of financial year 2021/22.

Urdd National Eisteddfod

Reserve established to assist with costs associated with hosting the Urdd Eisteddfod in Llandovery.

Levelling Up Match Funding

Reserve established to provide match funding required for Levelling Up Bids.

Inflationary Risks

Reserve established to respond to inflationary pressures over and above those already budgeted for.

Cost of Living Discretionary Scheme

Welsh Government funding provided for the purposes of developing a local scheme to assist with the cost of living increase in Carmarthenshire.

Targeted Regeneration Investment

Reserve established to hold surpluses achieved from TRI schemes for the purpose of reinvesting as per agreement with Welsh Government

Decarbonisation

Funding set aside as part of 2022/23 budget process to accelerate decarbonisation plans.

Waste Strategy

Funding for one off costs of implementing the waste strategy over the coming years.

Carmarthen Hwb

Funding set aside as part of 2022/23 budget process to cover Carmarthen Hwb holding costs pending construction works.

Residential Home Room Refurbishment

Reserve established to assist with the refurbishment of Residential Home rooms.

Deprivation of Liberty Safeguards (DoLS) Grant

Reserve established to assist with the backlog of statutory assessments and reviews.

Kidwelly Town Hall

Reserve established to provide for emergency works required to Kidwelly Town Hall.

6.23 Capital Receipts Reserve

	2022-23	2023-24
	£'000	£'000
Opening Balance	10,613	11,505
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	953	4,225
Statutory Capital Receipts	285	406
	<u>11,851</u>	<u>16,136</u>
Use of the Capital Receipts Reserve to finance new capital expenditure	(274)	(409)
Repayment of Long Term Loan	(72)	(72)
Closing Balance	<u>11,505</u>	<u>15,655</u>

The capital receipts reserve represents the capital receipts available to finance capital expenditure in future years, after setting aside the statutory amounts for the repayment of external loans. The major repairs allowance received from the Welsh Government was applied in full during the year. There was no balance carried forward in respect of this grant.

6.24 Capital Grants Unapplied

	2022-23	2023-24
	£'000	£'000
Opening Balance	28,602	17,501
Additions	4,891	6,023
	<u>33,493</u>	<u>23,524</u>
Grants and Contributions applied	(15,992)	(8,509)
Closing Balance	<u>17,501</u>	<u>15,015</u>

6.25 Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment. The 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 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2022-23 £'000		2023-24 £'000
475,815	Balance at 1 April	548,398
99,219	Upward revaluation of assets	62,690
	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the	
(11,631)	Provision of Services	(28,900)
	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	
87,588		33,790
(15,052)	Difference between fair value depreciation and historical cost depreciation	(16,893)
47	Accumulated gains on assets sold or scrapped	(1,518)
(15,005)	Amount written off to the Capital Adjustment Account	(18,411)
548,398	Balance at 31 March	563,777

6.26 Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement. The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Authority. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 6.4 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2022-23 £'000		2023-24 £'000
703,212	Balance at 1 April	732,439
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(36,731)	Charges for depreciation and impairment of non-current assets	(37,400)
(27,014)	Revaluation gains/(losses) on Property, Plant and Equipment	(46,110)
(1,155)	Revenue expenditure funded from capital under statute	(856)
	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	
(725)		(7,100)
637,587		640,973
(47)	Adjusting amounts written out of the Revaluation Reserve	1,518
637,540	Net written out amount of the cost of non-current assets consumed in the year	642,491
(203)	Additional in Year Movements	(330)
274	Use of the Capital Receipts Reserve to finance new capital expenditure	409
	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	
49,181	Application of grants to capital financing from the Capital Grants	55,934
15,992	Unapplied Account	8,509
	Statutory provision for the financing of capital investment charged against the Council Fund and HRA balances	
14,783	Capital expenditure charged against the General Fund and HRA balances	15,088
15,406		36,336
732,973		758,437
	Movements in the market value of Investment Properties (debited) or credited to the Comprehensive Income and Expenditure Statement	
(534)		(3,753)
732,439	Balance at 31 March	754,684

6.27 Pensions Reserve

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

2022-23		2023-24
£'000		£'000
(502,106)	Balance at 1 April	60,707
610,433	Remeasurements of the net defined benefit liability/(asset)	113,401
	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services	
(78,205)	in the Comprehensive Income and Expenditure Statement	(28,440)
	Employer's pensions contributions and direct payments to pensioners payable in the year	
30,585		30,782
60,707	Balance at 31 March	176,450

6.28 Accumulated Absences Account

This account represents the cost of paid absence entitlement due but not taken at 31st March which is charged to the cost of services in the Comprehensive Income and Expenditure Statement and is reversed out in the Movement of Reserves Statement and charged to this account to comply with statutory requirements.

	2022-23	2023-24
	£'000	£'000
Balance 1 April	(6,807)	(7,397)
Settlement or cancellation of preceding year's accrual	6,807	7,397
Accrual for current year	(7,397)	(7,026)
Balance 31 March	(7,397)	(7,026)

6.29 Expenditure and Income Analysed by Nature

The Authority's expenditure and income is analysed as follows. This is made up of expenditure and income both within and outside of the cost of services in the Comprehensive Income and Expenditure Statement and reconciles to the surplus or deficit on the provision of services.

2022-23		2023-24
£'000		£'000
	Expenditure	
356,143	Employee Expenses	347,186
311,388	Other Service Expenses	342,814
31,547	Support Service Recharges	31,648
78,797	Depreciation & Similar Charges	100,403
68,991	Interest Payable & Similar Charges	77,333
40,153	Precepts & Levies	44,691
(227)	Gains/Losses on Disposal of Non Current Assets	2,875
886,792	Total Expenditure	946,950
	Income	
(167,654)	Fees, Charges & Other Service Income	(185,439)
(42,095)	Interest and Investment Income	(67,309)
(201,871)	Income from Council Tax & Net Proceeds from Non Domestic Rates	(205,518)
(426,849)	Grants and Contributions	(472,628)
(838,469)	Total Income	(930,894)
48,323	(Surplus)/deficit on the provision of services	16,056

6.30 Pooled Budgets

The Authority has entered into a pooled budget arrangement with Hywel Dda University Health Board for the provision of an integrated community equipment store. The Authority and the Board have an agreement in place with the partners contributing funds to the agreed budget of £415,748 and £648,940 respectively.

Any additional funding together with any deficit or surplus arising on the pooled budget at the end of each financial year is agreed between partners.

6.31 Members Allowances

The Authority paid the following amounts to Members of the Council during the year:

	2022-23	2023-24
	£	£
Allowances	1,499,750	1,608,717
Expenses	26,112	33,525
Total	1,525,862	1,642,242

Further information on Members Allowances is available on the Authority's website www.carmarthenshire.gov.wales under Councillors Allowances.

6.32 Employee Emoluments

The numbers of employees (the majority of which are school based staff) whose remuneration excluding pension contributions was £60,000 or more were:

Remuneration Band	No. of Employees 2022-23	No. of Employees 2023-24	Left During 2023-24
£60,000 to £64,999	84	77	0
£65,000 to £69,999	42	86	0
£70,000 to £74,999	25	35	0
£75,000 to £79,999	18	19	0
£80,000 to £84,999	4	19	0
£85,000 to £89,999	3	6	0
£90,000 to £94,999	3	2	0
£95,000 to £99,999	3	4	0
£100,000 to £104,999	15	15	0
£105,000 to £109,999	1	2	0
£110,000 to £114,999	2	3	0
£115,000 to £119,999	1	2	0
£120,000 to £124,999	0	1	0
Total No. of Employees	201	271	0

Remuneration value includes redundancy/termination payments.

Included in the bandings above are teachers who are employed by voluntary aided/controlled schools. Six of which are shared between voluntary aided/controlled schools and non-voluntary aided/controlled schools.

If an employee is employed for fewer than the usual full-time hours but their grossed up remuneration exceeds £60,000 then they are also included in the bandings above.

The bandings above exclude the senior officers of the Authority's Management Team that are listed in detail in the following tables.

Senior Officers emoluments where salary is £150,000 or more per year

The following table sets out Senior Officers emoluments, together with pension contributions or equivalent payments, where salary is £150,000 or more.

Post		Salary (including fees & allowances) £	Pension contributions £	Expense Allowances £
Mrs S W Walters - Chief Executive & Returning Officer	22/23	167,739	30,696	0
	23/24	161,638	32,812	0

Senior Officers emoluments where salary is between £60,000 & £150,000 per year

Post		Salary (including fees & allowances) £	Pension contributions £
Interim Director of Environment (and Head of ICT & Policy)	22/23	108,187	19,798
Interim Director of Environment (and Head of Waste & Environmental Services) (i)	22/23	118,393	21,666
Director of Place & Infrastructure (i)	23/24	135,045	27,406
Director of Communities	22/23	149,184	27,301
	23/24	154,406	31,344
Director of Corporate Services	22/23	135,622	24,819
	23/24	140,369	28,495
Director of Education & Children's Services	22/23	135,622	24,819
	23/24	140,369	28,495

Included in the above are redundancy/termination payments. No benefits in kind or bonus payments were made to the officers detailed in Senior Officers emoluments tables. No expense allowances were paid to Senior Officers where the salary is between £60,000 and £150,000 per year.

Senior Officers' salary figures include Returning Officer fees in respect of County Council and Town & Community Council elections.

For the purpose of putting a value on the pension contributions relating to senior officers, the Common Contribution Rate of 20.3% for 2023/24 (18.3% for 2022/23) of pensionable pay has been used.

(i) The former Head of Waste & Environmental Services was appointed permanently to the Director of Place & Infrastructure (formerly known as Director of Environment) post on the 7th November 2022.

The ratio of the Chief Executive's remuneration to the median remuneration in Carmarthenshire County Council was as follows:

	2022-23	2023-24
Chief Executive's remuneration	£156,172	£161,638
Median remuneration of all employees	£26,913	£28,915
Ratio of the remuneration of the Chief Executive to the median remuneration of all employees	5.8 : 1	5.59 : 1

6.33 **Exit Packages**

During 2023/24 the Authority incurred expenditure in terms of redundancy costs paid to leavers together with costs incurred in compensation payments to the Local Government Pension Fund in respect of early access pension costs.

All costs relating to termination benefits have been included as part of service definitions within the Comprehensive Income and Expenditure Statement.

The above costs are detailed in the table below.

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23 £	2023-24 £
£0 - £20,000	11	3	5	6	16	9	112,814	75,259
£20,001 - £40,000	0	1	0	0	0	1	0	21,825
£40,001 - £60,000	0	1	0	0	0	1	0	48,022
£60,001 - £80,000	0	0	1	1	1	1	61,398	65,735
£80,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	0	0	0	0	0
Total	11	5	6	7	17	12	174,212	210,841

6.34 **Audit Costs**

In 2023/24 Carmarthenshire County Council incurred the following fees relating to financial audit and inspection, payable to the Wales Audit Office:

	2022-23	2023-24
	£'000	£'000
Financial Audit Services	217	231
Local Government Measure	110	110
Certification of Grant Claims & Returns	13	41
Burry Port Harbour Inspection	1	1
Total	341	383

6.35 Grant Income

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement.

	2022-23 £'000	2023-24 £'000
Credited to Services		
Education & Children's Services:		
DCELLS Post 16 & ACL Funding	7,442	7,777
Children and Communities Grant	6,748	7,825
Regional Consortia School Improvement Grant (RCSIG)	7,629	6,873
Pupil Development Grant (PDG)	6,818	202
All Wales Play Opportunity Grant	514	633
Regional Integration Fund	37	28
European Social Fund	209	0
LA Education Grant	5,299	15,585
Youth Support Grant	576	610
Eliminating Profit from Care	0	743
Unaccompanied Asylum Seeker Children	476	1,253
Adult Social Services & Housing:		
Supporting People	8,798	8,831
Social Care Workforce Development Programme Grant	505	470
Continuing Health Care Grant	812	812
Wanless Grant	466	480
Violence Against Women, Domestic Abuse & Sexual Violence	867	808
Regional Partnership Fund (RPF)	627	608
Regional Integration Fund	4,975	5,592
General Capital Grant	2,831	803
Homeslessness-No One Left Out	937	1,651
Workforce and Sustainability Grant	2,716	2,727
Highways & Transport Services:		
Concessionary Fares Subsidy	1,613	1,496
Local Transport Services Grant	1,215	1,856
Rural Development Plan	482	122
Cultural, Environmental, Regulatory & Planning Services:		
Sustainable Waste Management Grant	769	636
European Regional Development Fund (ERDF)	714	553
European Social Fund	2,008	612
Rural Development Plan	1,009	320
UK Community Renewal Fund	2,207	0
Shared Prosperity Fund (SPF)	4	6,583
Children and Communities Grant	321	839
Sports Council for Wales	532	383
Central Services to the Public:		
Housing Benefit	35,840	35,276

Continued overleaf

	2022-23 £'000	2023-24 £'000
Other Grants:		
Post COVID Recovery WG Education & Children's Services Grants	4,412	3,370
Ukrainian Re-settlement Scheme	2,490	1,325
Education & Children's Services (Cost of Living)	108	0
Education & Children's Services (FSM Holiday Payments)	1,716	0
Winter Fuel Administration Grant	150	0
Unpaid Carers Administration Grant	28	0
Other Grants - WG funded	7,805	5,246
Other Grants	6,692	11,313
Total	129,397	134,241

	2022-23 £'000	2023-24 £'000
Revenue Support Grant	243,380	276,430
Capital Grants and Contributions		
21st Century Schools Grant/School Building Improvement Grant	5,419	1,953
Major Repairs Allowance	8,366	12,302
Transport Grants	12,394	6,873
General Capital Grant	1,264	5,273
Intermediate Care Fund	0	1,303
ERDF	3,780	2,117
Schools Maintenance Capital Grant	2,978	504
Energy Service Grant	0	4,304
Tourism Grant	456	631
Coastal defence grant	520	306
Strategic Waste Management Grant (SWM)	1,020	60
Shared Prosperity Fund (SPF)	1,133	1,509
Levelling Up Fund	0	2,989
Swansea Bay City Region	6,233	19,768
Other Grants & Contributions	10,509	2,065
Total	54,072	61,957

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

	31 March 2023 £'000	31 March 2024 £'000
Revenue Grants Receipts in Advance		
Communities various	263	231
Place and Infrastructure various	572	263
Chief Executive various	216	375
Shared Prosperity Fund	0	6,134
Education various	904	138
	1,955	7,141

Principal vs Agency Grants

As stated in Note 1.2.2 the value of additional funding streams providing a range of support payments is summarised in the following tables:

Principal in Nature

		Welsh Government Income	Other Public Bodies Income
2023/24	Expenditure	£'000	£'000
Education & Children's Services (Post Covid Recovery)	2,953	(2,953)	
Education & Children's Services (FSM Holiday Payments)	417	(417)	
Cost of Living Discretionary Grant	271		
Ukrainian Re-settlement Scheme	1,325	(1,325)	
TOTAL	4,966	(4,695)	0

Agency in Nature

		Welsh Government Income	Other Public Bodies Income
2023/24	Expenditure	£'000	£'000
Ukrainian Re-settlement Scheme	248	(27)	(221)
Alternative Fuel Payment (£200)	234	(234)	
Alternative Fuel Payment (£400)	32	(32)	
TOTAL	514	(293)	(221)

6.36 Related Party Transactions

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

Central Government

Central Government has effective control over the general operations of the Authority – it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. housing benefits). Grants received from government departments are set out in Note 6.35.

Mid and West Wales Fire and Rescue Authority

Carmarthenshire County Council's Director of Corporate Services fulfilled the Section 151 Officer duties for Mid and West Wales Fire and Rescue Authority under a Service Level Agreement up to 31st July 2022. The Section 151 Officer duties transferred to the Fire Authority appointed officer on 1st August 2022. In addition, the Council provided a number of other financial and ICT support services. Mid and West Wales Fire and Rescue Authority levied £13m (£11.2m in 2022/23) on Carmarthenshire as one of six Unitary County Authorities (See Note 5.2).

A summary of Carmarthenshire County Council's transactions with Mid and West Wales Fire and Rescue Authority is set out below:

	2022-23	2023-24
	£'000	£'000
Income	145	142
	2023	2024
Balances outstanding at 31 March:	£'000	£'000
Debtor	75	82

Carmarthenshire County Council invested £5m with Mid and West Wales Fire and Rescue Authority on the 15th December 2023 for a period of 6 months at a fixed rate of interest of 5.6%. The investment is due to be repaid on 17th June 2024.

Dyfed Pension Fund

The Dyfed Pension Fund is administered by Carmarthenshire County Council. The Fund is overseen by a committee, membership of which is drawn from Carmarthenshire County Councillors, advised by an independent advisor. The Director of Corporate Services is also the Responsible Finance Officer of the Dyfed Pension Fund. Similarly, the Council's Monitoring Officer is also the Monitoring Officer of the Pension Fund.

Transactions between the two bodies are detailed in Note 6.42. The Council charged the Pension Fund an amount of £1.5m (£1.2m in 2022/23) in respect of administration and support during 2023/24. Short Term Creditors (Note 6.19) includes an amount of £7.6m owed to the Dyfed Pension Fund at 31st March 2024 (£7.7m at 31st March 2023).

CWM Environmental Limited

CWM Environmental Limited is a wholly owned subsidiary company of Carmarthenshire County Council. Details of investments are included in Note 6.12 under Long Term Investments. Following governance changes as outlined in Note 6.1.18, the Director of Place & Infrastructure was appointed as a company director of CWM Environmental. Furthermore, the Council's interest as shareholder is managed through a Shareholder Board, which comprises members of the Corporate Management Team as well as the Cabinet Member for Transport, Waste and Infrastructure.

CWM Environmental charged the Council an amount of £11.73m (£11.35m in 2022/23) in respect of waste services 2023/24. Short Term Creditors (Note 6.19) includes an amount of £1.89m owed to CWM Environmental at 31st March 2024 (£1.07m at 31st March 2023).

Details of a loan between the Authority and CWM Environmental Ltd are included in note 6.13 under Long Term Debtors.

Egni Sir Gar Cyfyngedig

Carmarthenshire County Council is the registered Custodian Trustee of Egni Sir Gar Cyfyngedig and the Cabinet Member for Climate Change, Decarbonisation and Sustainability is a board member. Details of investments are included in Note 6.12 under Long Term Investments.

Burry Port Marina Ltd (in administration)

In June 2023, the High Court appointed Administrators for Burry Port Marina Ltd, the company which leases and operates Burry Port Marina. Following this, the Authority has entered into a funding agreement with the Administrators to enable the continued safe operation of the harbour during the period of administration. Due to this arrangement, it could be considered that the Authority has an element of control.

A summary of Carmarthenshire County Council's transactions with Burry Port Marina Ltd is set out below:

	2023-24
	£'000
Expenditure	228,990
Income	30,000
	2024
Balances outstanding at 31 March:	£'000
Debtor	173,270

Cartrefi Croeso Cyfyngedig

Cartrefi Croeso Cyfyngedig is a housing company wholly owned by Carmarthenshire County Council. In previous years, the company had three directors, appointed by the Chief Executive in consultation with the Leader of the Council. In September 2021, Cabinet agreed to bring in-house all projects under development by the company and implement the legal process for the company to cease trading but be retained as a "dormant" company. This process has now been effected, all directors have now resigned and been replaced by the Council's Head of Housing for administrative purposes only.

During the year Cartrefi Croeso did not decrease the balance of expenditure funded by the council. The balance outstanding to the Council at 31st March remains at £607k.

Llesiant Delta Wellbeing

Llesiant Delta Wellbeing is a company set up in 2017/18 to expand and grow the Careline service which is wholly owned by Carmarthenshire County Council. The Council exercises shareholder reserved matters through a shareholder governance group, which includes members of the Corporate Management Team, Cabinet Members and other Councillors.

A summary of Carmarthenshire County Council's transactions with Llesiant Delta Wellbeing is set out below:

	2022-23	2023-24
	£'000	£'000
Expenditure	6,358	7,253
Income	951	1,094
	2023	2024
Balances outstanding at 31 March:	£'000	£'000
Creditor	1,831	675
Debtor	629	71

Expenditure includes payment to Llesiant Delta Wellbeing for the provision of Careline Services to the Council, both for its own citizens and in fulfilment of contractual obligations which the Council has with third party customers, delivery of CONNECT project within the West Wales Care Partnership Regional Integration Fund as well as other projects with local partners.

Income includes the agreed cost of support services provided to Llesiant Delta Wellbeing provided by Council employees.

During the year, the company grew its Delta Connect activity which is grant funded via the West Wales Care Partnership hosted by the council.

Members' Interests

The Authority has arrangements in place requesting Members and Officers to identify and disclose related party transactions.

Members of the Council have direct control over the Council's financial and operating policies. The total of Members' allowances paid in 2023/24 is shown in Note 6.31.

The Authority paid grants totalling £144k to organisations in which twenty three members had an interest. The grants were made with proper consideration of declarations of interest. The relevant members did not take part in any discussion or decision relating to the grants.

Officers' Interests

Chief Executive

A close family member of the Chief Executive is working with W B Griffiths & Sons. During 2023/24, the Authority spent a total of £359k with the contractor (£303k in 2022/23). As at 31st March 2024 the outstanding creditor balance was £87k (£0k as at 31st March 2023).

Director of Community Services

From 1st April 2022, a close family member of the Director of Community Services became part of the Senior Management Team of Partneriaeth, which provides education services to Carmarthenshire. Details of Carmarthenshire's share of the Jointly Controlled Operation can be found in note 6.37 to the accounts.

6.37 Jointly Controlled Operations & Other Similar Arrangements

Wales Pension Partnership (WPP)

A Wales Investment Pool Operator has been appointed by the Wales Pension Partnership to manage the investments and the reduction of investment management expenses for all eight Wales pension funds. Carmarthenshire County Council is the Host Authority to provide administrative and secretarial support and implement decisions made by the Joint Governance Committee of the Wales Pension Partnership. The Director of Corporate Services is also the Responsible Finance Officer of the Wales Pension Partnership. Similarly, the Council's Monitoring Officer is also the Monitoring Officer of the Wales Pension Partnership.

The Council charged the Wales Pension Partnership an amount of £157k (£151k in 2022/23) in respect of administration and support during 2023/24.

	WPP
	2023-24
	Total
	£'000
Expenditure	1,806 *
Income	(1,806)
(Surplus)/Deficit for the year	<u>0</u>
Current Assets	945
Current Liabilities	(945)
Total assets less liabilities	<u><u>0</u></u>

- * Expenditure is shared equally between the eight LGPS Funds. The exception is when an External Advisor provides a service for specific LGPS Funds within the pool, these additional costs are shared equally between the respective Funds. The eight LGPS funds are:

Cardiff & Vale of Glamorgan Pension Fund
 City and County of Swansea Pension Fund
 Clwyd Pension Fund
 Dyfed Pension Fund
 Greater Gwent Pension Fund
 Gwynedd Pension Fund
 Powys Pension Fund
 Rhondda Cynon Taf Pension Fund

Partneriaeth (formerly ERW)

Partneriaeth is an alliance of local authorities in South West Wales working to improve the standards of education of children and young people with the region, and is the successor organisation following the decision to dissolve ERW, its predecessor. The decision to establish Partneriaeth was taken in July 2020 and it was formally established April 2022 and operational from September 2021:

At the time of publication, the 2023/24 figures are not yet available.

	Partneriaeth	
	2022-23	
	Total	CCC Share
	£'000	£'000
Expenditure	129	46
Income	(409)	(146)
(Surplus)/Deficit for the year	(280)	(100)
Current Assets	2,583	923
Current Liabilities	(811)	(290)
Total assets less liabilities	1,772	633
Reserves	(1,772)	(633)
Total Financing	(1,772)	(633)

Swansea Bay City Region (SBCR)

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

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

Detailed below is a draft summary of the Income and Expenditure Account and Balance Sheet for the year ended 31st March 2024:

	SBCR
	2023-24
	Total
	£'000
Expenditure	3,498
Income	(3,555)
(Surplus)/Deficit for the year	(57)
Current Assets	72,771
Current Liabilities	(18,343)
Total assets less liabilities	54,428
Reserves	54,428
Total Financing	54,428

West Wales Crematorium (Parc Gwyn, Narberth)

During 2020/21, it came to light that the Authority retains a financial stake in the West Wales Crematorium, operated by Pembrokeshire County Council. Based on a believed 14% share, the surplus accrued which is due to Carmarthenshire County Council is estimated at £230k. For the sake of prudence, this value has not been included within the assets recognised on Carmarthenshire's balance sheet.

South West Wales Corporate Joint Committee

The Local Government and Elections (Wales) Act 2021 ("the LGE Act") created the framework for a consistent mechanism for regional collaboration between local government, namely Corporate Joint Committees (CJCs).

The South West Wales Corporate Joint committee (SWWCJC) is intended to enable selected functions to be delivered more effectively and strategically at a regional level, making more efficient use of valuable resources. The SWWCJC has functions relating to strategic development planning and regional transport planning. They are also able to do things to promote the economic well-being of their areas. The SWWCJC was formally established on the 13th January 2022.

On 24th January 2023 the SWWCJC approved the 2023/24 budget which was set at £617,753 with a levy from each of the constituent authorities: Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea. In respect of some functions, both Pembrokeshire National Park and Brecon Beacons National Park are also members.

Detailed below is a draft summary of the Income and Expenditure Account and Balance Sheet for the year ended 31st March 2024:

	SWWCJC
	2023-24
	Total
	£'000
Expenditure	306
Income	(786)
(Surplus)/Deficit for the year	<u>(480)</u>
Current Assets	731
Current Liabilities	<u>(251)</u>
Total assets less liabilities	<u>480</u>
Reserves	480
Total Financing	<u>480</u>

6.38 Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

	2022-23	2023-24
	£'000	£'000
Capital Investment		
Property, Plant and Equipment	78,556	107,407
Infrastructure	17,759	15,055
Investment Properties	12	1,382
Heritage Assets	95	0
Long Term Loans	144	331
Revenue Expenditure Funded from Capital under Statute	4,689	7,621
	<u>101,255</u>	<u>131,796</u>
Sources of Finance		
Capital Receipts	274	409
Government grants and other contributions	52,715	62,699
Grants unapplied reserve	15,992	8,509
Sums set aside from revenue	4,177	21,565
Direct revenue contributions	11,229	14,771
Borrowing	16,868	23,843
	<u>101,255</u>	<u>131,796</u>
Opening Capital Financing Requirement	493,633	495,646
Explanation of Movements in Year		
Increase in underlying need to borrow (supported by government financial assistance)	2,935	2,758
Increase in underlying need to borrow (unsupported by government financial assistance)	(922)	5,924
Increase/(decrease) in Capital Financing Requirement	<u>2,013</u>	<u>8,682</u>
Closing Capital Financing Requirement	<u>495,646</u>	<u>504,328</u>

6.39 Leases**Authority as Lessee***Operating Leases*

The Authority leases in property under operating leases for the following purposes:

- for the provision of community services, such as sports facilities, tourism services and community centres
- for economic development purposes to provide suitable affordable accommodation for local businesses.

The future minimum lease payments due under non-cancellable leases in future years are:-

	2022-23 £'000	2023-24 £'000
Not later than one year	696	1,108
Later than one year and not later than five years	2,097	2,812
Later than five years	<u>3,303</u>	<u>3,435</u>
	<u>6,096</u>	<u>7,355</u>

The expenditure charged to the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

	2022-23 £'000	2023-24 £'000
Minimum Lease payments	922	1,272

Authority as Lessor*Operating Leases*

The Authority leases out property under operating leases for the following purposes:

- for the provision of community services, such as sports facilities, tourism services and community centres
- for economic development purposes to provide suitable affordable accommodation for local businesses.

The income credited to the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

	2022-23 £'000	2023-24 £'000
Not later than one year	1,427	1,302
Later than one year and not later than five years	3,602	2,767
Later than five years	24,714	24,458
	<u>29,743</u>	<u>28,527</u>

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into.

In 2023/24 £4,807 contingent rents were receivable by the Authority (£5,866 in 2022/23).

The Authority also holds various capital assets, principally vehicles, plant and office equipment financed under the terms of operating leases and accounted for as such, the rentals being charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement.

6.40 Impairment Losses

An assessment has been made at the year-end which indicates that there are no instances of impairment to the Authority's assets.

6.41 Pensions Schemes Accounted for as Defined Contribution Schemes

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

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

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

In 2023/24, £17.8m was payable by Carmarthenshire County Council to the Department for Education in respect of teachers' pension costs, which represents 23.68% of teachers and lecturers pensionable pay. The figures for 2022/23 were £16.5m and 23.68%. There was £1.5m remaining payable at year-end. The contributions due to be paid in the next financial year are estimated to be £22.1m with the employer contribution rate increasing to 28.68% effective 1st April 2024.

In addition, the County Council is responsible for all pension payments relating to added years it has awarded together with the related increases. In 2023/24 these amounted to £0.29m.

The Authority is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the Teachers' scheme. These benefits are fully accrued in the pensions liability described above.

6.42 Defined Benefit Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the Authority makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments. Liabilities for these payments need to be disclosed at the time employees earn their future entitlement.

The Dyfed Pension Fund (the Fund) is a member of the Local Government Pension Scheme (LGPS). It is administered by Carmarthenshire County Council and is a funded defined benefit scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The Dyfed Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Dyfed Pension Fund Panel. Policy is determined in accordance with the Pensions Fund Regulations. The investment managers of the fund are appointed by the Committee and are advised by an Independent Investment Adviser and officers of Carmarthenshire County Council.

The principal risks to the Authority of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and Housing Revenue Account the amounts required by statute as described in the accounting policies note.

Discretionary Post-retirement Benefits

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities.

Transactions relating to Post-employment Benefits

The cost of retirement benefits is recognised in the Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is required to be made 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 Comprehensive Income and Expenditure Statement via the Movement in Reserves Statement.

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

	2022-23 £'000	2023-24 £'000
Comprehensive Income and Expenditure Statement		
Cost of Services:		
Current Service Cost	64,489	31,484
Past Service Costs	68	0
Settlements and Curtailments	162	110
Financing and Investment Income and Expenditure		
Net Interest Expense	13,486	(3,154)
Total Post Employment Benefit charged to the Surplus or Deficit on the Provision of Services	78,205	28,440
Other Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement		
Remeasurement of the net defined benefit liability comprising:		
Return on plan assets	81,768	(81,907)
Experience gain on liabilities	128,850	6,435
Actuarial gains and losses arising on changes in demographic assumptions	(52,697)	(17,100)
Actuarial gains and losses arising on changes in financial assumptions	(768,354)	(20,829)
Total Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement	(532,228)	(84,961)
Movement in Reserves Statement		
Reversal of net charges made to the Surplus or Deficit for Provision of Services for Post Employment Benefits in the accordance with the code	(78,205)	(28,440)
Actual amount charged against the Council Fund Balance for pensions in the year:		
Employers' Contributions payable to Scheme	30,585	30,782

Assets and Liabilities in Relation to Post-employment Benefits**Carmarthenshire County Council**

Change in plan assets:

	2022-23	2023-24
	£'000	£'000
Balance as at 1 April	1,392,785	1,346,392
Interest on plan assets	39,698	64,680
Experience gain on assets	(81,768)	81,907
Administration expenses	(609)	(680)
Settlements	0	0
Employer contributions	30,585	30,782
Contributions by scheme participants	9,844	10,764
Benefits paid	(44,143)	(48,343)
Balance as at 31 March	<u>1,346,392</u>	<u>1,485,502</u>

Change in benefit obligation:

	2022-23	2023-24
	£'000	£'000
Balance as at 1 April	(1,894,891)	(1,285,685)
Current Service Cost	(64,489)	(31,484)
Interest cost	(52,575)	(60,846)
Contributions by scheme participants	(9,844)	(10,764)
Experience gain on liabilities	(128,850)	(6,435)
Actuarial gains and losses arising on changes in demographic assumptions	52,697	17,100
Actuarial gains and losses arising on changes in financial assumptions	768,354	20,829
Curtailments	(162)	(110)
Settlements	0	0
Benefits paid	44,143	48,343
Past service costs	(68)	0
Balance as at 31 March	<u>(1,285,685)</u>	<u>(1,309,052)</u>
Net Scheme (Liabilities)/Assets	<u>60,707</u>	<u>176,450</u>

The Dyfed Pension Fund assets comprised:

		Quoted	31 March 2023 £'000	31 March 2024 £'000
Equities	UK	Yes	256,891	182,068
	Global	Yes	550,001	721,496
	Japan	Yes	47,528	59,574
	Emerging Markets	No	108,519	84,812
	European ex UK	Yes	38,641	32,779
Bonds	UK Index linked	Yes	7,271	0
	Global Credit	Yes	95,325	139,779
Property	Property Funds	No	181,090	182,977
Alternatives	SAIF	No	51,432	56,764
	Infrastructure	No	0	10,321
	infrastructure	No	0	1,171
	Private Credit	No	0	6,326
Cash	Cash accounts	Yes	9,694	7,435
Total			1,346,392	1,485,502

Scheme History

	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000
Present value of liabilities in the Local Government Pension Scheme	(1,559,351)	(1,865,382)	(1,894,891)	(1,285,685)	(1,309,052)
Fair value of assets in the Local Government Pension Scheme	1,031,889	1,304,924	1,392,785	1,346,392	1,485,502
Surplus/(deficit) in the scheme	(527,462)	(560,458)	(502,106)	60,707	176,450

The assets show the underlying commitments that the Authority has in the long-run to pay post-employment benefits. The total net asset of £176m has an impact on the net worth of the Authority as recorded in the balance sheet.

The total contributions expected to be made to the Local Government Pension Scheme by the Authority in the year to 31st March 2025 is £30.8m.

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, returns on investments, future inflation etc. The Fund's assets and liabilities within the Balance Sheet and the current and past service costs included within the Comprehensive Income and Expenditure Statement have been assessed by Mercer Ltd, an independent firm of actuaries, estimates for the Fund being based on the latest full valuation of the scheme as at 31st March 2022.

The main assumptions used in its calculations are shown below:

	2022-23	2023-24
	%	%
Financial Assumptions:		
Rate of CPI inflation	2.7	2.7
Rate of increase in salaries	4.2	4.2
Rate of increase in pensions	2.8	2.8
Rate for discounting Fund liabilities	4.8	4.9
	2022-23	2023-24
	%	%
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	21.9	21.5
Women	24.1	23.8
Longevity at 65 for future pensioners:		
Men	23.3	22.9
Women	26.0	25.6

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 reasonable 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. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

	<u>Impact on the Defined Benefit Obligation of the</u>	
	Increase in assumption	Decrease in assumption
	£'000	£'000
Longevity (increase or decrease of 1 year)	32,541	(32,541)
Rate of inflation (increase or decrease by 0.25% p.a.)	52,066	(52,066)
Rate of increase in salaries (increase or decrease by 0.25% p.a.)	10,946	(10,946)
Rate of increase in pensions (increase or decrease by 0.25% p.a.)	52,066	(52,066)
Rate for discounting scheme liabilities (increase or decrease by 0.5% p.a.)	(98,172)	98,172

6.43 Contingent Liabilities

Until March 2023, the Authority acted as a collection agent on behalf of Dwr Cymru in respect of Housing Revenue Account (HRA) Tenants water and sewerage charges. In return for this service the Authority received a commission which has been treated as an income stream to the HRA. The treatment of this arrangement has been called in to question due to a Court ruling during 2015/16 (Kim Jones versus London Borough of Southwark) which ruled that Local Authorities collecting water rates via the HRA were doing so as a water supplier and not as an agent of the water supplier. Traditionally this has been viewed as an agency arrangement, but the Court ruling concludes that the Authority concerned was acting as a water supplier, which has significant financial implications for those affected, both in terms of the agency fee and where action has been taken against rent arrears that could be deemed to include water rates. As at 31st March 2024 we have not received any correspondence relating to potential claims.

Whilst the Authority purchases a range of insurance cover, part of the risk remains with the Authority through the acceptance of "Policy Excesses" and the setting of "Indemnity Limits". On Liability and Property Policies there is a "Stop Loss" which is the aggregate maximum exposure that the Authority could face provided the Indemnity Limit is not breached. The Indemnity Limit is set by the Insurer and is the maximum exposure that they are contracted to cover.

A number of insurance claims have been registered but not yet finalised. Where it is probable that costs will fall on the authority, expenditure has been recognised in the Comprehensive Income and Expenditure Statement and as a movement in the Insurance Provision (see note 6.20). It is possible that the Authority may incur costs relating to other registered claims or to claims that have yet to be submitted. Funds have been set aside in an Insurance Reserve (see note 6.22) for this purpose.

At the year-end there were a small number of employment claims against the authority that were unresolved. It is not possible to reliably estimate either the likelihood or value to the authority. No provision has therefore been made in these financial statements.

In November 2020, there was a court ruling regarding Guaranteed Minimum Pension (GMP) Equalisation. The court ruled that scheme trustees are required to revisit past Cash Equivalent Transfer Values (CETV's) to ensure GMP equalisation. This may result in additional top-ups where GMP equalisation means that members did not receive their full entitlement. For public service pension schemes, Government Actuary's Department expect that this ruling will be taken forward on a cross scheme basis and will need legal input. This may require revisiting past CETV cases for members with State Pension age after 5 April 2016 and who took a CETV from the scheme before CETV was equalised.

Whilst it is expected to represent a relatively small uplift for a relatively small subset of members, it is not possible to reliably estimate the likely costs. As such, no liability has been recognised in these financial statements.

From December 2023, the Renting Homes (Wales) Act 2016 brought into effect a change in rights for tenants and increased safety responsibilities for landlords. This has potential financial implications for the Housing Revenue Account, however this cannot be estimated at this stage. The council is taking legal advice to clarify its responsibilities and any potential remedial actions.

6.44 **Financial Instruments**

Disclosure Notes for Financial Liabilities, Financial Assets and Risk

Financial Instruments Balances

The borrowings and investments disclosed in the Balance Sheet include the following categories of financial instruments:

	Long Term		Current	
	31 March	31 March	31 March	31 March
	2023	2024	2023	2024
	£'000	£'000	£'000	£'000
Financial liabilities (principal amount)	400,122	400,833	10,447	9,290
Accrued Interest	0	0	2,554	2,522
Other accounting adjustments	112	112	0	
Financial liabilities at amortised cost	400,234	400,945	13,001	11,812
Total borrowings				
Loans and receivables (principal amount)	0	0	62,500	52,000
Accrued Interest	0	0	435	577
Investments at amortised cost	0	0	62,935	52,577
Equity at Fair Value through other comprehensive income				
Unquoted equity investment at cost	1,071	1,009	0	0
Total investments	1,071	1,009	62,935	52,577

Financial Instruments Gains/Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

	Financial Liabilities		Financial Assets		Totals	
	Liabilities measured at amortised cost		Loans and Receivables at amortised cost			
	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24
	£'000	£'000	£'000	£'000	£'000	£'000
Interest expense	(16,416)	(16,488)	0	0	(16,416)	(16,488)
Impairment losses	0	0	0	0	0	0
Interest payable and similar charges	(16,416)	(16,488)	0	0	(16,416)	(16,488)
Interest Income	0	0	3,196	6,839	3,196	6,839
Interest and investment income	0	0	3,196	6,839	3,196	6,839
Net gain/(loss) for the year	(16,416)	(16,488)	3,196	6,839	(13,220)	(9,649)

Employee Car Loans

The authority makes loans for car purchase to employees in the authority who are in posts that require them to drive regularly on the authority's business. Interest is charged at 1% above base rate on the loans.

Employee Car Loans	31 March 2023	31 March 2024
	£'000	£'000
Opening Balance	37	17
New Loans	0	17
Loans repaid	(20)	(11)
Closing Balance	17	23

Fair value of Assets and Liabilities carried at Amortised Cost

Financial liabilities and financial assets represented by loans and receivables are carried on the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- For loans from the Public Works Loans Board (PWLb) and other loans payable, premature repayment rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures;

- For loans receivable prevailing benchmark market rates have been used to provide the fair value;
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the principal outstanding or the billed amount;
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

	31 March 2023		31 March 2024	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	£'000	£'000	£'000	£'000
PWLB Debt	400,098	420,616	399,907	390,634
Non - PWLB debt	13,137	10,889	12,849	10,296
Total Financial Liabilities	413,235	431,505	412,756	400,930

The fair value is greater than the carrying amount because the Authority's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans in the market at the balance sheet date.

	31 March 2023		31 March 2024	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	£'000	£'000	£'000	£'000
Money market loans < 1year	62,935	62,935	52,577	52,577
Money market loans > 1year	0	0	0	0
Total investments	62,935	62,935	52,577	52,577
Trade Debtors	30,652	30,652	36,012	36,012
Total Loans and Receivables	93,587	93,587	88,589	88,589

The fair values for financial liabilities have been determined by reference to the Public Works Loans Board (PWLB) redemption rules and prevailing PWLB redemption rates as at each balance sheet date, and include accrued interest. The fair values for non-PWLB debt have also been calculated using the same procedures and interest rates and this provides a sound approximation for fair value for these instruments.

The fair values for loans and receivables have been determined by reference to similar practices, as above, which provide a reasonable approximation for the fair value of a financial instrument, and include accrued interest. The comparator market rates prevailing have been taken from indicative investment rates at each balance sheet date. In practice rates will be determined by the size of the transaction and the counterparty, but it is impractical to use these figures, and the difference is likely to be immaterial.

The fair value of Public Works Loan Board (PWLB) loans of £390.634m measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date. The difference between the carrying amount and the fair value measures the additional interest that the Authority will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing market rates, the PWLB redemption interest rates.

However, the Authority has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets. A supplementary measure of the additional interest that the Authority will pay as a result of its PWLB commitments for fixed rate loans is to compare the terms of these loans with the new borrowing rates available from the PWLB, the PWLB Certainty rates. If a value is calculated on this basis, the carrying amount of £399.907m would be valued at £346.259m.

The valuation of financial instruments has been classified into three levels according to the quality and reliability of information used to determine fair values.

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

Fair Value of Financial Assets

Some of the Authority's financial assets are measured at fair value on a recurring basis and are described in the following table, including the valuation techniques used to measure them.

Financial assets measured at fair value

Recurring fair value measurements	Input level in fair value hierarchy	Valuation technique used to measure fair value	31 March 2023 £'000	31 March 2024 £'000
Fair Value through Other Comprehensive Income				
Equity shareholding in CWM Environmental Ltd	Level 3	At cost	329	329
Equity shareholding in Egni Sir Gar Cyfyngedig	Level 3	At cost	742	680
Total			1,071	1,009

Fair value hierarchy for financial assets and financial liabilities that are not measured at fair value.

Recurring fair value measurements using:	31 March 2023		31 March 2024	
	Other significant observable inputs (Level 2) £'000	Total £'000	Other significant observable inputs (Level 2) £'000	Total £'000
Financial Liabilities				
Financial liabilities held at amortised cost:				
PWLB	420,616	420,616	390,634	390,634
NON PWLB	10,889	10,889	10,296	10,296
Total	431,505	431,505	400,930	400,930
Financial assets				
Loans and Receivables	62,935	62,935	52,577	52,577
Total	62,935	62,935	52,577	52,577

Disclosure of Nature and Extent of Risk Arising from Financial Instruments

Key Risks

The Authority's activities expose it to a variety of financial risks, the key risks are:

- Credit risk – the possibility that other parties might fail to pay amounts due to the Authority;
- Liquidity risk – the possibility that the Authority might not have funds available to meet its commitments to make payments;
- Re-financing risk – the possibility that the Authority might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms.
- Market risk - the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates movements.

Overall Procedures for Managing Risk

The Authority's overall risk management procedures focus on the unpredictability of financial markets, and implementing restrictions to minimise these risks. The procedures for risk management are set out through a legal framework set out in the *Local Government Act 2003* and the associated regulations. These require the Authority 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. Overall these procedures require the Authority to manage risk in the following ways:

- by formally adopting the requirements of the Revised editions of the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice.
- by the adoption of a Treasury Policy Statement and treasury management clauses;

- by approving annually in advance prudential indicators for the following three years limiting:
 - The Authority's overall borrowing;
 - Its maximum and minimum exposures to fixed and variable rates;
 - Its maximum and minimum exposures of the maturity structure of its debt;
 - Its maximum annual exposures to investments maturing beyond a year.
- by approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with the Government Guidance;

These are required to be reported and approved at or before the Authority's annual Council Tax setting budget or before the start of the year to which they relate. These items are reported with the annual Treasury Management Policy and Strategy which outlines the detailed approach to managing risk in relation to the Authority's financial instrument exposure. Actual performance is also reported quarterly to Members. These policies are implemented by the Treasury and Pension Investments Section.

The annual Treasury Management Strategy which incorporates the prudential indicators was approved by Council on 1st March 2023 and is available on the Authority website. The Authority stayed within the Authorised Limit and Operational Boundary during the year.

The Authority 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). These TMPs are a requirement of the Code of Practice and are reviewed regularly.

Credit Risk

Investments

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Authority's customers. This risk is minimised through the Annual Investment Strategy (which forms part of the Authority's Treasury Management Policy and Strategy Report), which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poors Ratings Services. The Treasury Management Policy and Strategy report also imposes a maximum amount and time to be invested with a financial institution located within each category. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above.

The annual Treasury Management Strategy sets out the Counterparty list and limits. Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in line with parameters set by the council.

The Authority's maximum exposure to credit risk in relation to its investments in banks and building societies of £54k cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments.

The following analysis summarises the Council's maximum exposure to credit risk on other financial assets, based on experience of default.

	Amount at 31 March 2024 £'000	Historical Experience of default %	Estimated maximum exposure to default £'000
<u>Deposits with banks and financial institutions</u>			
AAA rated counterparties	45,000	0.04	18.0
AA rated counterparties	74,500	0.02	14.9
A rated counterparties	41,500	0.05	20.8
Trade debtors	36,012	3.50	1,260.4
	197,012		1,314.1

No breaches of the Council's counterparty criteria occurred during the reporting period and the Council does not expect any other losses from non-performance by any of its counterparties in relation to deposits and bonds.

Trade Debtors

The trade debtors figure of £36.012m shown above includes £25.590m which is past its due date for payment. The past due amount can be analysed by age as follows:

	31 March 2023 £'000	31 March 2024 £'000
Less than three months	5,450	8,796
Three to six months	1,487	1,376
Six months to one year	2,018	3,326
More than one year	11,478	12,092
	20,433	25,590

The Council initiates a legal charge on property where, for instance, clients require the assistance of social services but cannot afford to pay immediately. The total collateral as at 31st March 2024 was £2.157m.

Liquidity Risk

The Authority 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 (although it will not provide funding to a council whose actions are unlawful). The Authority is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The Authority manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury management policy and strategy), as well as through a comprehensive cash flow management system, as required by the Code of Practice. This seeks to ensure that cash is available when it is needed.

Refinancing and Maturity Risk

The Authority maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer term risk to the Authority relates to managing the exposure to replacing financial instruments as they mature. 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 placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Authority approved Treasury Management Policy and Strategy addresses the main risks and the Treasury Management Team addresses the operational risks within the approved parameters. This includes:

- monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Authority's day to day cash flow needs, and 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 financial liabilities is shown below together with the maximum and minimum exposures.

	2022-23			2023-24		
	Approved Maximum Limit	Approved Minimum Limit	31 March 2023 £'000	Approved Maximum Limit	Approved Minimum Limit	31 March 2024 £'000
	%	%		%	%	
Less than one year	15	0	10,844	15	0	11,812
Between one and two years	15	0	11,447	15	0	8,704
Between two and five years	50	0	24,685	50	0	24,240
Between five and ten years	50	0	34,451	50	0	37,088
More than ten years	50	0	331,809	50	0	330,910
			413,236			412,755

The maturity analysis of financial assets is as follows:

	2022-23 £'000	2023-24 £'000
Less than one year	62,935	52,577
Greater than one year	0	0
	62,935	52,577

All trade and other payables are due to be paid in less than one year and trade debtors of £36.012m are not shown in the table above.

Market Risk

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

- borrowings at variable rates – the interest expense charged to the Income and Expenditure Account will rise;
- borrowings at fixed rates – the fair value of the borrowing liability will fall (no impact on revenue balances);
- investments at variable rates – the interest income credited to the Income and Expenditure Account will rise; and
- investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Income and Expenditure Account and effect the Council Fund Balance, subject to influences from Government grants. Movements in the fair value of fixed rate investments will be reflected in the Movements in Reserves Statement, unless the investments have been designated as Fair Value through the Income and Expenditure Account.

The Authority has a number of strategies for managing interest rate risk. The Annual Treasury Management Policy and Strategy Report and the 5 year Capital Programme Report draws together the Authority's prudential indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a prudential indicator is set which provides maximum and minimum limits for fixed and variable interest rate exposure.

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

	£'000
Increase in interest payable on variable rate borrowings	0
Increase in interest receivable on variable rate investments	(706)
Increase in Government grant receivable for financing costs	203
Impact on Surplus or Deficit on the Provision of Services	(503)
Share of overall impact debited to the HRA	491
Decrease in fair value of fixed rate investment assets	0
Impact on Other Comprehensive Income and Expenditure	(12)
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	(48,489)

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed. These assumptions are based on the same methodology as used in the Note – Fair value of Assets and Liabilities carried at Amortised Cost

Price risk - The Authority, excluding the pension fund, does not invest in equity shares. It therefore has no exposure to loss arising from movements in price.

Foreign exchange risk - The Authority has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

6.45 Accounting Standards that have been issued but have not yet been adopted.

The CIPFA Code of Practice on Local Authority Accounting requires the expected impact of any accounting standards that have been issued but not yet adopted to be disclosed. At the balance sheet date, there are no relevant standards or amendments to existing standards that have been published but not yet been adopted by the Code that will have any impact on the financial statements. The following details have been provided for information purposes:

- IFRS 16 Leases – issued in January 16.
This standard removes the classification of operating and finance leases for lessees and requires local authorities to recognise all leases on their balance sheet as right-of-use assets with a corresponding lease liability representing the lessee's obligation to make lease payments for the asset. There are some exemptions for short-term and low value leases. CIPFA/LASAAC have a compulsory implementation date for IFRS16 being 1st April 2024 impacting the financial statements for year end 2024/25.
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020.
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022.
- Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022.
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023.
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023.

As the Code requires implementation of these standards from 1st April 2024 there is no impact on the 2023/24 Statement of Accounts. With the exception of IFRS 16, it is not anticipated that the other items above will have a significant impact on the information provided in the 2024/25 financial statements.

6.46 Events after the Reporting Period

There are no events after the reporting period to report.

7 HOUSING REVENUE ACCOUNT (HRA)**7.1 HRA Income and Expenditure Statement**

2022-23 £'000		Note	2023-24 £'000
	Expenditure		
	Repairs and Maintenance		
4,879	- Responsive		6,832
5,081	- Planned/Cyclical		6,828
4,467	- Voids		3,999
11,615	Supervision and Management		14,162
1,530	Central Support Charges		1,560
645	Rents, Rates Taxes and other charges		1,242
335	Movement in the allowance for Bad Debts		260
37,194	Depreciation and Impairment of non current assets	8.7	42,747
	Revenue Expenditure funded from Capital under		
1	Statute		0
39	Debt Management Costs		41
<u>65,786</u>	Total Expenditure		<u>77,671</u>
	Income		
(43,505)	Dwelling rents	8.1	(47,274)
(128)	Non-Dwelling Rents		(140)
(26)	Leaseholders	8.2	(36)
(775)	Service Fees	8.2	(913)
(538)	Grants		(672)
(577)	Other Income		(686)
(394)	Commission - Water Rates	8.5	3
<u>(45,943)</u>	Total Income		<u>(49,718)</u>
	Net cost of HRA Services as included in the Comprehensive Income & Expenditure Statement		27,953
19,843	HRA services' share of Corporate and Democratic Core		331
20,158	Net (Income)/cost for HRA Services		28,284
	HRA Share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement		
(3)	(Gain) or loss on the sale of HRA Non Current		(3)
9,681	Interest Payable and similar charges		9,894
(353)	Interest and Investment Income		(674)
490	Net interest on the net defined benefit liability (asset)		(144)
(10,429)	Capital grants and contributions receivable		(13,714)
<u>19,544</u>	(Surplus) or Deficit for the year on HRA Services		<u>23,643</u>

7.2 Movement on the HRA Statement

The overall objectives for Movement on the HRA Statement and the general principles for its construction are the same as those generally for the Movement in Reserves Statement, into which it is consolidated. The statement takes the outturn on the HRA Income and Expenditure Statement and reconciles it to the surplus or deficit for the year on the HRA Balance, calculated in accordance with the requirements of the Local Government and Housing Act 1989.

2022-23		Note	2023-24	2023-24
£'000			£'000	£'000
(21,895)	Balance on the HRA at the end of the previous year			(16,998)
	(Surplus) or deficit for the year on the HRA			
19,544	Income and Expenditure Account		23,643	
	Adjustments between accounting basis and			
(14,786)	funding basis under statute	7.3	(15,649)	
	Net Increase or (decrease) before transfers			
4,758	to or from reserves		7,994	
139	Transfers (to) or from reserves	7.4	(2,992)	
4,897	(Increase) or decrease in year on the HRA			5,002
(16,998)	Balance on the HRA at the end of the current year			(11,996)

7.3 Adjustments between accounting basis and funding basis under statute

2022-23		2023-24
£'000		£'000
0	Amortisation of Premiums and Discounts	0
(28)	Transfers to / (from) Accumulated Absences Account	(135)
3	Gain or loss on sale of HRA noncurrent assets	4
(1,801)	HRA share of contributions to or from the Pensions Reserve	(13)
9,218	Capital expenditure funded by the HRA	8,910
(22,178)	Transfer to / from the Capital Adjustment Account	(24,415)
(14,786)		(15,649)

7.4 Transfers to or (from) Earmarked Reserves

2022-23			2023-24		
£'000	£'000	£'000	£'000	£'000	£'000
Trfs from	Trfs to	Net	Trfs from	Trfs to	Net
(54)	193	139	(78)	196	118
0	0	0	(3,110)	0	(3,110)
(54)	193	139	(3,188)	196	(2,992)

8 NOTES TO THE HRA INCOME AND EXPENDITURE STATEMENT**Introduction**

The Housing Revenue Account (HRA) is a record of revenue expenditure and income relating to an authority's housing stock. Its primary purpose is to ensure that expenditure on managing tenancies and maintaining dwellings is balanced by rents charged to tenants. Consequently, the HRA is a statutory account, ringfenced from the rest of the Council Fund, so that rents cannot be subsidised from council tax (or vice versa).

8.1 Gross Rent Income

This is the total rent income due for the year after allowance is made for voids etc. For 2023/24 this totalled £47.3m (£43.5m for 2022/23). At the 31st March 2024 1.9% of lettable properties were vacant (2.83% at 31st March 2023). Average rents were £98.58 a week in 2023/24 (£93.82 in 2022/23).

8.2 Charges for Services & Facilities

This represents the income of the Authority from charges for services and facilities etc in connection with the provision of houses and other property within the account. This totalled £950k in 2023/24 (£801k in 2022/23).

8.3 Housing Stock

The Council was responsible for managing on average 9,335 dwellings during 2023/24 (9,234 in 2022/23). The stock at 31st March was as follows:

	2022-23	2023-24
Houses	5,135	5,162
Flats / Maisonettes / Bedsits	1,996	2,028
Bungalows	2,172	2,176
	9,303	9,366

The change in stock can be summarised as follows:

	2022-23	2023-24
Opening Stock as at 1 April	9,164	9,303
Sales	(1)	0
Demolitions/Deactivated	(2)	(22)
New Building/Acquisitions/Conversions	142	85
Closing Stock as at 31 March	9,303	9,366

8.4 Rent Arrears

	As at 31 March 2023 £'000	As at 31 March 2024 £'000
Arrears	2,644	3,082
Arrears as a percentage of Gross Rent Income	5.87%	6.44%

There is a 0.2% year on year increase of current tenants rent arrears as a percentage of gross collectable rent debit. Performance is outside margins of what is considered good practice level (2%) at 3.8%. There is a 0.04% year on year increase in former tenants rent arrears as a percentage of gross collectable rent debit. This is 0.3% increase after allowing for the £155k write-offs.

Provision for Bad Debts at 31st March 2024 was £1,442,551 (£1,176,162 at 31st March 2023).

8.5 Commission

The Authority previously collected water rates on behalf of Dwr Cymru Welsh Water and received commission on the monies due. In 2022/23 this amounted to £394k net of void loss on properties. This service reverted back to Dwr Cymru from the 1st April 2023.

8.6 Capital Expenditure

Capital Expenditure in 2023/24 on HRA land and dwellings totalled £33.288m (£26.428m in 2022/23).

	2022-23	2023-24
	£'000	£'000
Funded by :		
Major Repairs Allowance	6,196	6,200
Borrowing	6,061	10,906
Capital Receipts - Sales of Dwellings/Land	386	166
External Funding	4,263	7,106
Section 106 Income	304	0
Direct Revenue Financing	9,218	8,910
	26,428	33,288
Spent on:		
Dwellings	25,785	32,763
Land	0	0
Other	643	525
	26,428	33,288

8.7 Depreciation

Depreciation and Impairment losses have been debited to the Income and Expenditure Statement in accordance with the general provisions of the Code and reversed out in the Movement on the HRA Balance. The depreciation charge has then been replaced with the HRA Minimum Revenue Provision via a credit from the Capital Adjustment Account to avoid having an effect on rent levels.

HRA dwellings are revalued on a 5 year cycle, which was last undertaken on the 1st April 2020. A desktop exercise was undertaken as at the 31st March 2024 to review whether the carrying amount was materially different from the current value at the year end. Adopting the Land Registry index which showed a decrease of 5% for Carmarthenshire, resulted in a material change. This percentage has therefore been applied across all housing types.

Depreciation and Impairment Losses:

	2022-23	2023-24
	£'000	£'000
Depreciation	15,919	15,903
Revaluation losses & impairments	21,275	26,844
	<u>37,194</u>	<u>42,747</u>

Revaluation losses and impairments were incurred on:

	2022-23	2023-24
	£'000	£'000
Dwellings	17,639	20,987
Land	306	14
Other	3,330	5,843
	<u>21,275</u>	<u>26,844</u>

9 DYFED WELSH CHURCH FUND ACCOUNT

The Dyfed Welsh Church Fund is a scheme that mainly awards grants towards the costs of maintaining places of worship. However, registered charities which benefit residents may apply for help towards running costs, or the cost of a specific project or purchasing a piece of equipment. Besides nationally recognised charities, the Fund supports local charities responsible for providing recreational facilities or other services which are of benefit to the Community.

At Local Government Reorganisation 1996 the fund was split among the new Unitary Authorities with the amount available to each new authority being calculated on the following agreed percentages:

Carmarthenshire County Council	41%
Ceredigion County Council	25%
Pembrokeshire County Council	34%

It was agreed that Carmarthenshire County Council would take responsibility for administering the investment portfolio.

Carmarthenshire's balance of the fund as at 31st March 2024 was £1.868m (£1.847m as at 31st March 2023).

10 TRUST FUNDS 2023/24

The Authority operates trust funds for Education Services, Cultural Services and Social Services. These represent total net assets of £932k as at 31st March 2024 (£868k as at 31st March 2023).

11 SOCIAL CARE / CHILDREN'S SERVICES – SAFEKEEPING, SAFE CUSTODY, AMENITY FUNDS & STAFF BENEFIT ACCOUNTS**11.1 Residents Safekeeping**

People in residential homes are allowed a personal allowance payable to them each week. If the resident does not wish to spend all of this allowance in any given week, the balance is paid into the Residents Safekeeping account. The balance as at 31st March 2024 was £682,325 (£619,078 as at 31st March 2023) and this reflects the amount of personal allowances held by the Authority on behalf of its residents.

11.2 Safe Custody Accounts

The Communities Department maintains individual Safe Custody accounts for service users living in the community who are unable to deal with their financial affairs due to their mental incapacity. The Director of Communities is appointee with The Department of Work and Pensions for each of these service users. The balance as at 31st March 2024 was £1,443,744 (£1,759,748 as at 31st March 2023) and this reflects the amount of money held by the Authority on behalf of its service users.

11.3 Amenity Funds & Staff Benefit Accounts

Amenity funds represent funds held on behalf of establishments such as day centres, residential homes and children's centres/playgroups. Payments are for items purchased for the benefit of residents and clients of these establishments and the income is generated from donations and gifts etc from families of clients and bequests from the estates of deceased clients.

Staff Benefit Accounts represent funds held on behalf of staff working within particular establishments. Income is derived from donations received from families of clients and bequests from the estate of deceased clients. Payments are for items that benefit all staff working in a particular establishment.

The balance on these accounts at 31st March 2024 was £137,535 (£122,947 at 31st March 2023).

11.4 Managed Accounts – Direct payments

Direct Payments allow service users to receive cash payments from the local authority instead of care services. This can allow the service user more flexibility and control of their support package. Accounts are managed by a team in the Communities Department providing support services and advice to recipients of direct payments including managed banking and payroll services for the Personal Assistants providing care.

The balance on 31st March 2024 was £3,084,526 on behalf of service users. The balance on 31st March 2023 was £2,901,864.

12 GLOSSARY OF TERMS

The following section attempts to explain the meaning of some of those technical terms that are used in the Statements. The section is split into General and those terms relating to the Pension Fund Accounts.

General

Accrual

An accrual is a sum shown in our accounts to cover income or expenditure for the accounting period that was not paid at the date of the balance sheet.

Assets Held for Sale

These are assets which are no longer being used to provide a service and are being actively marketed with the likelihood of sale being highly probable within 1 year.

Audit

An audit is an independent examination of our activities.

Balance

The surplus or deficit on any account at any point in time.

Balance Sheet

This is a statement of our assets, liabilities and other balances at the end of the financial year.

Bid Price

The price that a third party would pay the scheme in an arm's length transaction for the investment.

Billing Authority

A local authority responsible for collecting the council tax and non-domestic rates.

Budget

A budget is a spending plan, usually for the following financial year.

Capital Expenditure

Capital expenditure is spending on non-current assets such as Property, Plant and Equipment, Investment Properties and Heritage Assets. This would include the purchase or construction of new assets, together with subsequent expenditure on major maintenance or development work.

Capital Receipt

These are the sales proceeds from the disposal of land and buildings which are restricted in their use by statute. They can only be used to fund new capital expenditure or set aside to finance historic capital expenditure.

Council Fund

The main revenue fund of the local authority. Day to day spending on services is met from this fund.

Council Tax

The main source of local taxation to local authorities. Council tax is levied on households within its area by the Billing Authority and the proceeds are used to meet the Billing Authority's council tax requirement and to pay the precepting authorities.

Creditor

A creditor is someone to whom money is owed at the end of the financial year for work done, goods received or services rendered.

Current Assets

These are short-term assets that are available for the Authority to use in the following accounting year.

Current Liabilities

These are short-term liabilities that are due for payment by the Authority in the following accounting year.

Debtor

A debtor is someone who owes money to the Authority at the end of the financial year.

Depreciation

Depreciation is a method of allocating the cost of Property Plant and Equipment assets over their useful lives.

Direct Revenue Financing

Resources provided from an authority's revenue budget to finance the cost of capital projects.

Earmarked Reserves

These are reserves that have been set aside for a specific purpose.

Fees And Charges

Income raised by charging users of services for the facilities, e.g. charges for the use of leisure facilities, car parking, the collection of trade refuse etc.

Financial Year

This is the accounting period. For local authorities it starts on 1 April and finishes on 31st March in the following year.

Finance Leases

A means by which capital items are bought. (When the Authority uses finance leases it takes on most of the risks (and rewards) of owning the assets.)

Gross Expenditure

The total cost of providing the council's services before taking into account income, such as fees and charges for services etc.

Heritage Assets

Heritage Assets are defined as those that are held and maintained principally for their contribution to knowledge and culture.

Housing Benefit

An allowance to persons on low income (or none) to meet in whole or part their rent. Benefit is allowed or paid by local authorities but central government refunds part of the costs of the benefits and of the running costs of the service to local authorities. Benefit paid to the Authority's own tenants is known as 'rent rebate' and that paid to private sector tenants as 'rent allowance'.

Housing Revenue Account (HRA)

This account contains all our housing income and expenditure.

IFRS

International Financial Reporting Standard.

IFRIC

International Financial Reporting Interpretations Committee.

The above two are accounting standards which provide a guideline for financial accounting.

Investment Properties

These are properties that are being held solely to earn rentals or for capital appreciation or both, rather than for the provision of services

Liability

A liability is an amount due and payable at some time in the future.

Minimum Revenue Provision (MRP)

This is the amount the Authority has to set aside to repay loans.

National Non-Domestic Rates (NNDR)

The NNDR, or Business Rate, is the charge occupiers of business premises pay to finance part of local Authority spending. The NNDR is set by Government and is a percentage of the rateable values. The percentage is the same throughout Wales. The total collected is split among individual authorities in proportion to their adult populations.

Net Realisable Value

The selling price of the asset reduced by the relevant costs of selling it.

Operating Leases

A means by which capital items are bought.

These are leases where risks (and rewards) of ownership of the asset remain with the owner.

Pensions Assets/Liabilities (Notes to the Movement in Net Pension Liabilities)

The Current Service Costs - the value of the increase in liabilities for active members as a result of their service increasing by one year (i.e. from the start of the year to the end of the year), less any employee contributions.

Employer Contributions - The employer contributions are the amounts actually paid by the employer during the year. They include any amounts paid in respect of early retirement strains and any recharges in respect of compulsory added years benefits.

Past Service Costs - Past service costs arise when the employer makes a commitment to provide a higher level of benefit than previously promised, for example the creation of a pension benefit for a spouse where such a benefit did not previously exist or a grant of early retirement with added-on years of service.

Interest Costs - The interest cost is based on the discount rate and the present value of the scheme liabilities at the beginning of the period. Another way of viewing the "interest on liabilities" is the unwinding of 1 year's discounting in relation to the liabilities.

Interest on Pension Assets – This is the interest on assets held at the start of the period and cashflows occurring during the period, calculated using the discount rate at the start of the year.

Remeasurements (assets) – This is the return on plan assets net of administration expenses and interest income. It replaces actuarial gains and losses on assets. For the LGPS, any change as a result of reviewing an employer's allocation of assets as at an actuarial valuation will also be included within remeasurements.

Remeasurements (liabilities) – Remeasurements (liabilities) can be sub-divided into ‘Changes in actuarial assumptions’ and ‘Experience (gains) losses on liabilities’. ‘Changes in actuarial assumptions’ is not shown as its own separate entry but instead the changes in demographic and financial assumptions are shown separately.

Gains or Losses on Settlements or Curtailment - Where under the scheme rules the employees have the option to retire early or transfer out of the scheme, the resulting settlements and curtailments are allowed for in the normal demographic assumptions made by the actuary and any gains and losses arising are actuarial gains and losses. Losses arising on a settlement or curtailment not allowed for in the actuarial assumptions are measured at the date on which the employer becomes demonstrably committed to the transaction and recognised in the profit and loss account covering that date. Gains arising on a settlement or curtailment not allowed for in the actuarial assumptions are measured at the date on which all parties whose consent is required are irrevocably committed to the transaction and recognised in the profit and loss account covering that date.

Pension Fund

The fund maintained to meet pension payments on the retirement of participants.

Precepting Authorities

Those authorities which are not billing authorities, i.e. do not collect the council tax and non-domestic rates. For Carmarthenshire County Council the precepting authorities are Dyfed Powys Police and the Town & Community Councils.

Precepts

This is the amount that the Authority levy/pay to a Non-Billing Authority (for example a Community Council) so that it can cover its expenses (after allowing for its income).

Property, Plant and Equipment

These are assets with a physical substance that are held for use in the production or supply of goods and services, for rental to others (as part of a service) or for administrative purposes. Any asset included in this category is expected to be used for more than one financial year.

Provision

Provisions are amounts set aside for liabilities or losses which are likely or certain to be incurred, but the amounts or the dates on which they will arise are uncertain.

Prudential Code

The Prudential Code is a professional code of practice to support local authorities in making capital investment decisions.

Public Works Loan Board (PWLB)

This is a Government agency that provides longer-term loans to local authorities. It charges interest rates only slightly higher than those at which the Government itself can borrow.

Reserve

Reserves are amounts set aside that do not fall within the definition of provisions and include general reserves (or ‘balances’) which every Authority must maintain as a matter of prudence.

Revenue Account

This is an account that records our day-to-day spending and income on items such as salaries and wages, running costs of services and the financing of capital expenditure.

Revenue Support Grant

The main grant paid by Welsh Government to support the local authority budget.

Securities

These are investments such as stocks, shares and bonds.

SeRCoP

Service Reporting Code of Practice - establishes proper practices with regard to consistent financial reporting for services – all local authorities in the United Kingdom are expected to adopt its mandatory requirements and detailed recommendations. It is also expected that CIPFA members will comply with all the discretionary requirements of SeRCoP as it defines best practice in terms of financial reporting.

Inventories

Inventories are raw materials purchased for day-to-day use. The value of those items not used at the end of the financial year is shown within current assets in the balance sheet.

Subjective Analysis

An analysis of income and expenditure according to type. Such expenditure headings include employee, premises and transport expenses. Income includes government grants and fees and charges.

Variance

The difference between actual expenditure and budget - expressed in cash or percentage terms.

Wales Audit Office (Audit Wales)

An independent body led by the Auditor General for Wales who is responsible for the appointment of external auditors to local authorities.