



Statement of Accounts 2024/25



Rhondda Cynon Taf County Borough Council
Statement of Accounts 2024/25

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Narrative Report

1. Introduction

Rhondda Cynon Taf is one of twenty-two local authorities in Wales with a population of 241,178 (2023 mid-year estimate), serving an area in the South Wales Valleys covering 424 square kilometres, stretching from the Bannau Brycheiniog National Park in the north to the Capital City of Cardiff in the south.

The accounts for 2024/25 have been prepared in accordance with:

- Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 based on International Financial Reporting Standards (IFRS).
- Accounts and Audit (Wales) Regulations 2014 (as amended).

The accounts set out on pages 1 to 169 comply with the above.

2. Impact of Major Events

2.1 The Council's Response to Extreme Weather

In January 2024, a Local Flood Risk Management Strategy (LFRMS) and Action Plan was adopted by the Council and is a key duty under Section 10 of the Flood and Water Management Act 2010. The LFRMS sets out:

- The roles and responsibilities and the risk management functions of authorities;
- Strategic objectives for managing local flood risk;
- Timescales and implementation costs;
- Benefits of these measures;
- Assessment of local flood risk;
- Method and timescales for review of the plan; and
- How the Strategy contributes to the achievement of wider environmental objectives.

Since Storm Dennis, the Council has invested significant resources in preparedness and resilience for flood events, with 265 projects completed with an investment of over £23m which has benefitted approximately 2,728 properties.

The Council has in place a "Flood Response Protocol", this being designed to pro-actively determine the agreed requisite response and resource levels related to potential storm events and is based on the available data in advance of action.

The Major Incident Recovery Board (Cabinet Steering Group) was established to ensure an authority wide approach in the delivery of services and the prioritisation of resources in relation to any major incident, causing detrimental effect to the communities of the County Borough.

The Recovery Board leads business continuity planning in the immediate period following weather events and will continue to monitor the progress of associated action(s) agreed as part of the recovery plan determined by the Board.

This work will help the Council continue to deliver an on-going programme of flood alleviation schemes and communication measures across the County Borough, in line with its flood risk management responsibilities, to help enhance the resilience of communities against severe flood events.

On the 23rd and 24th November 2024 “Storm Bert” brought extremely wet and windy weather conditions across South Wales, with the Council declaring a major incident due to significant flooding. This was followed by Storm Darragh in December 2024.

As an immediate response to Storm Bert, a delegated decision was made on 25th November 2024 to allocate £0.5m to provide Community Flood Recovery Grants for eligible residential and business properties. A further delegated decision was made on 2nd December 2024 to allocate an additional £0.5m in order to ensure sufficiency of immediately available funding for the continuation of our recovery actions and for initial targeted resilience across our businesses. The additional £0.5m includes £0.25m for Business Flood Alleviation grants supporting SMEs to implement anti-flood measures.

3. Impact of Economic Climate

On the 27th February 2024, the Minister for Finance and Local Government (Rebecca Evans MS) announced the 2024/25 Local Government Settlement. This included an overall increase in Revenue Support Grant (RSG) and Non-Domestic Rates funding of 3.3%, with an increase for Rhondda Cynon Taf of 3.0%. Council officers and Members continue to take their fiduciary duty extremely seriously and this has been demonstrated by the setting of prudent, equitable and fair budgets. The financial results and position demonstrated in this Statement of Accounts reflect sound financial stewardship.

Given the continuing financial pressures the Council is working under, it remains the view of the Deputy Chief Executive and Group Director – Finance, Digital and Frontline Services (Section 151 Officer) that the Council should hold a minimum of £10m as General Fund Balances, (i.e. its working balance). This level is set given the context of the need for continued strong financial management that is felt to be essential to ensure that the Council maintains financial flexibility and stability going forward. During financial year 2024/25, the reserves were used to support our residents and businesses for recovery actions and targeted resilience following Storm Bert in November 2024. The Deputy Chief Executive and Group Director – Finance, Digital and Frontline Services is satisfied that plans are in place to manage the implications without adversely impacting on the level of General Fund Balances. Alongside this and as part of the Council’s Medium Term Financial Planning arrangements, the 2025/26 Revenue Budget Strategy includes budget provision for General Fund balances to be replenished to the

minimum level, ensuring the continued adequacy of the financial reserves in place.

4. Medium Term Financial Plan (MTFP) 2025/26 to 2028/29

The Council's latest Medium Term Financial Plan 2025/26 to 2028/29 was reported to Council on 24th September 2025 and set out that medium term financial planning is the cornerstone of good governance and is an enabler of service delivery and service improvement within the constraints of available resources. The Plan also set out the wider operational context, in that the public sector has faced a sustained period of real term reductions in funding levels for a number of years and, looking ahead, the picture for local government over the medium term remains challenging as a result of forecasted difficult economic conditions, the on-going impacts of the pandemic and cost-of-living pressures on both household and local authority budgets. These conditions are resulting in sustained increases in demand and costs associated with many Council services, in particular Social Care Services.

Notwithstanding these challenges, the Council's Corporate Plan well-being objectives represent an ambitious programme of work to improve well-being across Rhondda Cynon Taf, with the MTFP being central to ensuring this work is delivered in an affordable and sustainable way. This includes robust and methodical planning to forecast the Council's financial position, taking into account known pressures, major issues affecting the Council's finances, including geo-political and national issues, and local challenges.

Locally, this Council has demonstrated its ability and willingness to invest in services over a long-term period, linked to our well-being objectives as set out in the Council's Corporate Plan "[Working with our communities - 2024 – 2030](#)", in order to meet the changing needs of our residents and communities. The significant 'additional' investment already agreed by Members during recent years is providing real improvements across many areas including Schools, Town Centres, Roads and Parks and Play Areas.

Whilst the approach of providing additional investment into Corporate Plan well-being objective areas through the use of one-off funds has been very positive, the Council recognises that it must still address projected base budget shortfalls and make difficult decisions to balance its ongoing revenue budget into the medium term and, in doing so, ensure services are sustainable.

The Council continues to focus on the budget gap position over the medium term that includes the successful implementation of a strategy of early identification and delivery of base budget reducing measures in-year. This has enabled the Council to deliver financial savings and make use of the Medium Term Financial Planning and Service Transformation Reserve which has been used proactively as part of the budget strategy for a number of years.

Where Local Authorities cannot produce balanced budgets, a Section 114 notice might be issued by the Section 151 Officer. This notice would restrict expenditure

to fund statutory services only. There is then a period of time whereby the Council must agree a way forward including spending cuts in order to produce a balanced budget. This Council is not intending to produce such a Notice.

5. Local Development Plan

The Council is revising the Local Development Plan which covers the period 2022-2037. The revised plan will build on the existing plan and will have a significant role to play in shaping the County Borough to ensure that it grows in a sustainable manner, whilst meeting community needs. It will be the statutory land-use planning document and will set out the amount and location of new development as well as being the basis for future development management decisions (planning applications). The Revised LDP (RLDP) should seek to:

- Have a clear and deliverable vision, based on sound place-making principles, embedded into local policy to facilitate sustainable development;
- Provide a coherent strategy that reflects the aspirations of the Council, key stakeholders and our communities;
- Facilitate growth in settlements that have identified capacity, in line with the Settlement Hierarchy;
- Identify areas that can accommodate infrastructure and employment/housing provision, whilst simultaneously protecting RCT's distinctive built and natural environments;
- Facilitate, in land-use terms, the objectives of the Well-Being of Future Generations (Wales) Act, the National Sustainable Place-making Outcomes, the Council's Corporate Plan and the Cwm Taf Morgannwg Well-Being Plan;
- Utilise national policy, plans and guidance, particularly Planning Policy Wales and Future Wales, to provide a robust framework for development within RCT, which defines the role and function of places; and
- Identify how RCT will change and develop over the lifetime of the RLDP (to 2037).

The current LDP has a plan period of 2006 to 2021, with the RLDP for the period 2022 to 2037. However, the current LDP remains in force until the RLDP is adopted (which is currently timetabled for early 2026).

6. The Council's Corporate Planning Arrangements

For 2024/25 the Council's Corporate Plan 2024-2030 was the key strategic plan, focusing on 4 Well-being objectives:

- People and communities – Supporting and empowering RCT residents and communities to live safe, healthy and fulfilling lives;
- Work and Business – Helping to strengthen and grow RCT's economy;

- Nature and the environment – A green and clean RCT that improves and protects RCT's environment and nature; and
- Culture, Heritage and Welsh Language – Recognising and celebrating RCT's past, present and future.

The delivery of the above priorities is underpinned by applying the 5 ways of working:

- Involving local people, a range of stakeholders and Councillors in shaping the plan;
- Working with others to implement the plan;
- Looking ahead at the challenges and opportunities;
- Integration, to consider the work of other organisations to complement the plan; and
- Preventing problems from occurring or getting worse across each of the well-being objectives.

The Corporate Plan also provides the framework that will guide and shape what we do, direct how and where we spend our budgets, manage, and mitigate strategic risks and inform how we train and develop our staff and Councillors to meet current and future challenges.

During 2024/25, the Council's Cabinet received progress updates on the delivery of the four Corporate Plan Well-being objectives, these being reported as part of the Council's quarterly performance reporting arrangements and Cabinet confirmed that they were satisfied with the progress made. Following this, the Performance Reports were reported to the Council's Overview and Scrutiny Committee for review and challenge.

The Council also approved its 'Annual Self-Assessment 2023/24 – Incorporating the Council's Corporate Performance Report' in [November 2024](#), following review by the Governance and Audit Committee and in line with the Local Government and Election (Wales) Act 2021 for each Council in Wales to keep under review the extent to which it is meeting the performance requirements of: exercising its functions effectively; using resources economically, efficiently and effectively; and governance is effective for securing the aforementioned requirements. The Annual Self-Assessment also set out the Council's work to meet the requirements of the Well-Being of Future Generations Act sustainable development principle.

The Council also continued its commitment to a strategic capital investment programme, a number of which link in with and complement the Cardiff Capital Region City Deal (South East Wales Corporate Joint Committee from 1st April 2024):

- Town Centre regeneration and supporting local businesses;
- Improving school buildings and facilities;
- Improving adult social care provision through a long-term programme of creating new Extra Care facilities and specialist care accommodation;
- Supporting housing improvements and availability through Disabled Facilities Grants / Adaptations and bringing empty properties back into use;

- Improving the condition of roads and investing in transportation schemes to support the development of the South Wales Metro;
- Investing in community assets such as parks, leisure and playgrounds;
- A programme of work to deliver flood alleviation projects, recovery from storm damage and projects to tackle climate change; and
- Solar Farm investment.

The Cwm Taf Morgannwg Public Services Board is a Joint Board comprising a collection of public bodies working together to improve the cultural, economic, environmental and social well-being of people who live, work and visit the Cwm Taf Morgannwg areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil. Alongside this, a Well-being Plan for the period 2023 – 2028 was approved by Rhondda Cynon Taf Council, as one of the statutory partners, on [29th March 2023](#).

The Cwm Taf Morgannwg Well-being Objectives 2023 – 2028 are:

- Healthy local neighbourhoods; and
- Sustainable and resilient local neighbourhoods.

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

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

7. **Explanation of Core Financial Statements**

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

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

- **Cash Flow Statement** – analyses the movement in cash and cash equivalents for the year.

In the financial statements for 2024/25, two joint committees are consolidated:

- Central South Consortium Joint Education Service Joint Committee (CSCJES); and
- Cardiff Capital Region City Deal (CCRCD) and its successor the South East Wales Corporate Joint Committee (SEWCJC).

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

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

8. **Revenue Income and Expenditure 2024/25**

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

The broad objectives of [The Council's 2024/25 Revenue Budget Strategy](#) were to:

- Support the delivery of our key strategic priorities;
- Retain the support of Audit Wales for the approach the Council has adopted to securing strong financial management;
- Continue with the delivery of our key services and protect as many local jobs as possible whilst continuing to maximise efficiency; and
- Take a responsible approach to the level of Council Tax.

The Council's services are reported via four groups:

- **Chief Executive** - Providing the authority wide functions of Human Resources, Legal and Democratic Services; the frontline services of Regeneration, Housing, Planning Services, Housing Benefits and Council Tax administration and key support services of Corporate Estates and Procurement.
- **Finance, Digital & Frontline Services** - Providing Finance and Digital Services together with the frontline services of Highways; Transportation; Strategic Projects; Streetcare (including Waste and Street Cleansing) and Parks Services.
- **Education & Inclusion Services** - Providing support services to children and their families via a range of service areas. These include Schools; Access and

Inclusion; School Admissions; School Governance; Attendance and Wellbeing; Sustainable Communities for Learning; Asset, Systems and Data Management; Music; Catering Services; Childcare and Early Years; School Improvement, including the commissioned services provided by CSCJES.

- **Community & Children's Services** - Providing Adult Services (Community Care Services and Health and Social Care Services); Children's Services; Community Housing Services; Public Health & Protection; Leisure, Countryside and Cultural Services (including Theatres); Visitor Attractions & Heritage; Community Learning Services; Libraries; Welsh Language Services; Youth Engagement & Participation; and Employment Programmes.

The following table details each of the service groups' actual net expenditure and budget during 2024/25. Further details are published on the Council's website within the year-end Performance Report for 2024/25.

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

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

Service Group	Budget	Spend	Variance
	£'000	£'000	£'000
Chief Executive	27,317	27,036	(281)
Community & Children's Services	205,958	207,964	2,006
Education & Inclusion Services	234,153	233,899	(254)
Finance, Digital & Frontline Services	82,124	82,249	125
Total	549,552	551,148	1,596
Authority Wide Budgets	82,243	82,564	321
Total	631,795	633,712	1,917

	£'000
Council Fund Balance as at 31st March 2024	10,240
Release of Council Fund Reserves to support Storm Bert recovery work	(1,000)
Revenue Budget Outturn	(1,917)
Utilisation of additional Welsh Government Funding	1,917
Council Fund Balance as at 31st March 2025	9,240

Expenditure on services amounted to £979m and this can be analysed over the following expenditure categories:

Type of Expenditure	£'m	%
Employees	428	44
Premises	37	5
Transport	28	3
Supplies and Services	101	11
Payments to Third Parties	188	19
Transfer Payments	80	9
Capital Charges	113	9
Other Operating Costs (e.g. Support Services)	4	0
Total Gross Expenditure	979	100

Income during the year totalled £1,063m and came from the following sources:

Income Analysis	£'m	%
Direct Service Income		
Specific Grants	231	20
Sales, Fees & Charges	42	4
Other Income	52	4
Sub-Total Direct Service Income	325	28
Other Income		
Council Tax	168	15
Non-Domestic Rates	86	8
Non-Ringfenced Government Grants	408	39
Capital Grants and Contributions	73	10
Other	3	0
Total Income	1,063	100

9. Capital Expenditure and Income 2024/25

During the year the Council incurred £152.251m of capital expenditure, as summarised below:

Group	£'000
Chief Executive	39,400
Finance, Digital & Frontline Services	55,792
Community & Children's Services	10,466
Education & Inclusion Services	46,593
Total	152,251

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

Capital Expenditure	£'000
Tangible Long-Term Assets	124,334
Intangible Long-Term Assets	4,497
Revenue Expenditure Funded from Capital under Statute	23,420
Total	152,251

The above table excludes finance leases and the Mutual Investment Model (MIM).

This capital expenditure was financed as follows:

Capital Financing	£'000
Revenue Funding	32,594
Capital Development Fund	4,548
Capital Receipts	163
Borrowing	19,372
Grants	94,224
Third Party Contributions	1,350
Total	152,251

Significant expenditure was incurred on:

- Disabled Facilities Grants/Adaptations (DFG);
- Pontypridd Placemaking Plan;
- Highway Improvements;
- Transportation and Travel Schemes;
- Transportation Infrastructure;
- Coal Tips Safety Programme; and
- New schools and modernisation of existing schools, for example, YGG Llyn Y Forwyn; Ysgol Bro Taf (Pontypridd 3-16); and Ysgol Afon Wen (Hawthorn 3-16).

10. Summary of Future Capital and Revenue Plans

The well-being objectives included within the Council's Corporate Plan 2024 – 2030 “Working With Our Communities” need to be underpinned by robust financial management. Forward looking financial and service planning arrangements are critical in ensuring the Council's objectives are affordable and lead the work to become more efficient, transform services and deliver investment priorities.

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

A summary of the Capital Programme 2025/26-2027/28 agreed by Council in March 2025 is as follows:

Group Expenditure	2025/26	2026/27	2027/28	Total
	£'000	£'000	£'000	£'000
Chief Executive	47,023	9,651	14,865	71,539
Finance, Digital & Frontline Services	49,257	5,687	5,087	60,031
Education & Inclusion Services	51,125	16,861	4,008	71,994
Community & Children's Services	18,631	2,330	790	21,751
Total	166,036	34,529	24,750	225,315

Estimated resources required to fund the future Capital Programme are:

Estimated Resources Required to Fund Capital Programme	2025/26	2026/27	2027/28	Total
	£'000	£'000	£'000	£'000
Supported Borrowing	6,870	6,870	6,870	20,610
Unsupported Borrowing	2,077	0	0	2,077
Local Government Borrowing (Highways Investment)	3,749	0	0	3,749
Capital Grants	95,721	21,740	9,620	127,081
Third Party Contributions	105	0	0	105
General Fund Capital Resources	11,381	4,064	4,625	20,070
Revenue Contributions	46,133	1,855	3,635	51,623
Total	166,036	34,529	24,750	225,315

As at 31st March 2025, major capital commitments over the next three years (per the Capital Programme 2025-2028) include the following schemes:

Scheme	£'000
Coed Ely Solar Farm	5,090
Cardiff Capital Region City Deal	8,463
Disabled Facilities Grants/Adaptations (DFG)	11,125
National Empty Homes Grant Scheme - Other LAs	16,689
Highways Improvements	9,560
Structures	10,340
Transportation Infrastructure	9,202
Coal Tips Safety Programme	11,337
Vehicles	7,093
Ysgol Glyn-Coch	19,569
New Special School Clydach	38,046
Modernisation Programme (Adults)	14,471

A summary of the Council's revenue budget for 2025/26 (agreed in March 2025) is outlined below:

Service Area	£'000
Authority Wide	82,775
Individual Schools Budget	212,333
Community & Children's Services	224,501
Finance, Digital and Frontline Services	83,841
Chief Executive	27,432
Education & Inclusion Services	37,297
Total	668,179

11. Borrowing Arrangements and Sources of Funds

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

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

The Authorised borrowing limit approved at the start of the year was £588.0m

The Council's actual borrowing totals £341.8m, of which £317.3m is long-term and £24.5m is short-term. This external borrowing is from the Public Works Loan Board (PWLB) £187.5m, £97.5m from market loans and £56.8m from other long-term liabilities. These borrowing figures do not match the Balance Sheet as the figures in the Statement of Accounts include the adjustment for fair value, as required by the Code of Practice.

The Council is required to prepare a Treasury Management Strategy and a Capital Strategy for the forthcoming year, and these were approved by full Council on 6th March 2024 for the 2024/25 financial year. The Council's Treasury Management Practices allow the Council to raise funds from a variety of sources, including the PWLB and the money market. The Section 151 Officer is authorised to take the most appropriate form of borrowing from approved sources within the overall borrowing limits set by Council.

12. Pensions Assets and Liabilities

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

	£'000
Net Assets excluding Pensions Reserve	1,351,580
Net Assets as per Balance Sheet	1,345,635

13. Mutual Investment Model (MIM) / Sustainable Communities for Learning

During 2024/25, the Council opened 3 replacement primary schools, being Llanilltud Faerdref (April 2024), Penygawsi (July 2024) and Pontyclun (March 2025), funded by the Mutual Investment Model (MIM).

MIM schemes are projects for the design, build, finance and maintenance of public sector assets by a private sector partner, in this Council's case, WEPCO. At the end of the 25 year contract, the assets will be transferred into Council ownership. Under MIM, WEPCO build and maintain public assets. In return, the Council makes annual service payments, which cover the cost of construction, maintenance, lifecycling and financing of the project.

The Annual Service Charge (ASC) comprises of an initial split of a 70% unindexed element and 30% indexed element. Welsh Government fund 85.6% of the total ASC.

The assets are recognised as Long Term Assets on the Balance Sheet along with the liability for the unindexed (capital) element of the ASC. The indexed element of the ASC is charged to revenue.

14. Cardiff Capital Region City Deal (CCRCD) / South East Wales Corporate Joint Committee (SEWCJC)

On 15th March 2016, the ten Council Leaders in South East Wales, the First Minister, the Welsh Government Minister for Finance and Government Business, the Secretary of State for Wales and the Chief Secretary to the Treasury signed the Cardiff Capital Region City Deal, an agreement between the UK Government, the Welsh Government and the ten Councils to develop and manage £1.2 billion investment in the Cardiff Capital Region's infrastructure through a 20-year Investment Fund. This investment comprises £734m on a Metro scheme and £495m for Investment in infrastructure, housing, skills and training, innovation, business growth and "Metro plus" transport proposals.

On the 20th September 2021, Cardiff Capital Region Cabinet agreed to transition CCR's existing operational and delivery model into a single corporate body, the South East Wales Corporate Joint Committee (SEWCJC) which became fully operational from 1st April 2024.

The South East Wales Corporate Joint Committee (SEWCJC) is the main decision-making body for the Cardiff Capital Region. The Joint Committee is responsible for the following functions:

- Preparing a Strategic Development Plan;
- Preparing a Regional Transport Plan; and
- Doing whatever is deemed necessary to enhance or promote the economic wellbeing of the area.

The Committee also has responsibility for the SEWCJC's Constitution, policy setting, setting the annual budget, agreeing the terms of reference of its sub-committees and appointing Chief Officers.

The SEWCJC Joint Overview and Scrutiny Committee is administered by Rhondda Cynon Taf County Borough Council and is responsible for reviewing and scrutinising decisions made by the SEWCJC and making reports or recommendations to the SEWCJC regarding the discharge of its functions.

The draft 2024/25 Joint Committee accounts of CCRCD have been consolidated into the Council's accounts based upon the population figures as specified in the Joint Working Agreement approved by Council on 25th January 2017.

15. Central South Consortium Joint Education Service (CSCJES)

Further to the outcome of Welsh Government's review of school improvement services (the 'Middle Tier Review'), the Cabinets of the 5 local authorities that comprise the CSC agreed that the delivery of school improvement functions be undertaken by the individual local authorities and the model for Professional Learning and Support continues to be organised and delivered across the CSC regional footprint (i.e. the new Regional Professional Learning and Support Service).

In line with the agreed way forward, the 5 local authorities have and continue to work together to put in place the necessary arrangements to enable both the orderly close-down of the CSC and implementation of the new Regional Professional Learning and Support Service from 1st September 2025. The new service will be governed by an inter authority collaborative agreement and no longer subject to the governance requirements of a joint committee.

The joint committee accounts are consolidated into the Council's Statement of Accounts on the assumption that going concern remains in place due to the school improvement activities being transferred to local authorities and also due to the regional service remaining in place, albeit at a reduced level.

16. WSP Glamorgan Consultancy Ltd. (formerly Capita Glamorgan Consultancy Ltd.) trading as Redstart Ltd

WSP Glamorgan Consultancy Ltd is a Joint Venture between WSP and Bridgend, Merthyr Tydfil and Rhondda Cynon Taf County Borough Councils. The Council owns 27.93% of the shares of the company and holds voting rights to this value on the Board. The Joint Venture has been accounted for as an associate in the 2024/25 Statement of Accounts of the Council. The company will be wound down during 2025/26 whilst the residual matters are concluded.

Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is required:

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

I confirm that these accounts were approved by Council.

Signature: *W Lewis* Date: 22/10/25

Presiding Officer
Rhondda Cynon Taf CBC
Llys Cadwyn 2
Pontypridd
CF37 4TH

The Deputy Chief Executive/Group Director – Finance, Digital & Frontline Services' Responsibilities

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

In preparing this Statement of Accounts, the Director has:

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

The Director has also throughout the financial year:

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

Certificate of the Deputy Chief Executive/Group Director – Finance, Digital & Frontline Services on the Accounts of Rhondda Cynon Taf CBC for 2024/25

I certify that the accounts present a true and fair view of the financial position of Rhondda Cynon Taf CBC as at 31st March 2025 and its income and expenditure for the year.

Signature:  Date: 22/10/25

Barrie Davies
Deputy Chief Executive/Group Director – Finance, Digital & Frontline Services
Rhondda Cynon Taf CBC
Llys Cadwyn 2
Pontypridd
CF37 4TH

Movement in Reserves Statement (MiRS)

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

Movement in Reserves Statement for the year ending 31st March 2024

	Council Fund Balance	Earmarked Reserves: Capital and Investment / Infrastructure	Earmarked Reserves: Other Revenue Related	Delegated Schools Reserve	Usable Capital Receipts Reserve	Capital Grants Unapplied Account	MGCC Insurance Reserve	Total Usable Reserves	Unusable Reserves	Total Reserves of the Council
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Notes:	13.1	13.2	13.2	13.3	13.4	13.5			14.0	
Balance at 1st April 2023	10,240	105,125	94,349	15,248	10,658	33,541	237	269,398	796,741	1,066,139
Movement in reserves during 2023/24:										
Total Comprehensive Income and Expenditure	57,893	0	(27)	0	0	0	0	57,866	166,795	224,661
Adjustments between accounting basis and funding under regulations:										
Adjustments primarily involving the Capital Adjustment Account:										
Reversal of items debited/credited to CI&ES:										
Charges for depreciation and impairment of long-term assets	37,719	0	0	0	0	0	0	37,719	(37,719)	0
Revaluation losses on property, plant & equipment	27,888	0	0	0	0	0	0	27,888	(27,888)	0
Movement in the fair value of Investment Properties	0	0	0	0	0	0	0	0	0	0
Capital Grants and Contributions applied	0	0	0	0	0	0	0	0	0	0
Government Grant Deferred Adjustment	0	0	0	0	0	0	0	0	0	0
Amortisation of intangible assets	2,283	0	0	0	0	0	0	2,283	(2,283)	0
Movement in the Donated Assets Account	0	0	0	0	0	0	0	0	0	0
Revenue expenditure funded from capital under statute	15,929	0	0	0	0	0	0	15,929	(15,929)	0

Continued Overleaf...

Amounts of long-term assets written off on disposal or sale as part of the gain/loss on disposal to the CI&ES	0	0	0	0	0	0	0	0	0	0
Insertion of items not debited/ credited to CI&ES:										
Statutory provision for the financing of capital investment	(15,482)	0	0	0	0	0	0	(15,482)	15,482	0
Capital expenditure charged against the Council Fund Balances	(28,472)	0	0	0	0	0	0	(28,472)	28,472	0
Adjustments primarily involving the Capital Grants Unapplied Account:										
Capital grants and contributions unapplied credited to CI&ES	(108,005)	0	64	0	0	108,004	0	63	(63)	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0	0	0	(114,683)	0	(114,683)	114,683	0
Adjustments involving the Capital Receipts Reserve:										
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CI&ES	217	0	0	0	1,398	0	0	1,615	(1,615)	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	0	0	(165)	0	0	(165)	165	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	0	0	0	0	0	0	0	0
Adjustments involving the Financial Instruments Adjustment Account:										
Amount by which finance costs charged to the CI&ES are different from finance costs chargeable in the year in accordance with statutory requirements	(97)	0	(1)	0	0	0	0	(98)	98	0
Adjustments involving the Pensions Reserve:										
Reversal of items relating to retirement benefits debited or credited to the CI&ES	45,680	0	178	0	0	0	0	45,858	(45,858)	0
Continued Overleaf...										

Employer's pensions contributions and direct payments to pensioners payable in the year	(40,590)	0	(94)	0	0	0	0	(40,684)	40,684	0
Adjustment involving the Accumulated Absences Account:										
Amount by which officer remuneration charged to the CI&ES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(4,024)	0	(8)	0	0	0	0	(4,032)	4,032	0
Other adjustments include:										
Adjustment between the Capital Adjustment Account and the Revaluation Reserve	0	0	0	0	0	0	0	0	0	0
Depreciation of long-term asset revaluation gains	0	0	0	0	0	0	0	0	0	0
Net increase or (decrease) before transfers to Earmarked Reserves	(9,061)	0	112	0	1,233	(6,679)	0	(14,395)	239,056	224,661
Transfers to or from Earmarked Reserves	9,061	14,407	(15,966)	(7,428)	0	0	(74)	0	0	0
Increase or (decrease) in the year	0	14,407	(15,854)	(7,428)	1,233	(6,679)	(74)	(14,395)	239,056	224,661
Balance at 31st March 2024	10,240	119,532	78,495	7,820	11,891	26,862	163	255,003	1,035,797	1,290,800

Movement in Reserves Statement for the year ended 31st March 2025

	Council Fund Balance	Earmarked Reserves: Capital and Investment / Infrastructure	Earmarked Reserves: Other Revenue Related	Delegated Schools Reserve	Usable Capital Receipts Reserve	Capital Grants Unapplied Account	MGCC Insurance Reserve	Total Usable Reserves	Unusable Reserves	Total Reserves of the Council
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Notes:	13.1	13.2	13.2	13.3	13.4	13.5			14.0	
Balance at 1st April 2024	10,240	119,532	78,495	7,820	11,891	26,862	163	255,003	1,035,797	1,290,800
Adjustments on transition to new accounting arrangements for leases	(2,172)	0	0	0	0	0	0	(2,172)	2,172	0
Movement in reserves during 2024/25:										
Total Comprehensive Income and Expenditure	267	0	7,634	0	0	0	0	7,901	46,934	54,835
Adjustments between accounting basis and funding under regulations:										
Adjustments primarily involving the Capital Adjustment Account:										
Reversal of items debited/credited to CI&ES:										
Charges for depreciation and impairment of long-term assets	51,082	0	151	0	0	0	0	51,233	(51,233)	0
Revaluation losses on property, plant & equipment	34,600	0	0	0	0	0	0	34,600	(34,600)	0
Movement in the fair value of Investment Properties	0	0	0	0	0	0	0	0	0	0
Capital Grants and Contributions applied	0	0	0	0	0	0	0	0	0	0
Government Grant Deferred Adjustment	0	0	0	0	0	0	0	0	0	0
Amortisation of intangible assets	2,771	0	0	0	0	0	0	2,771	(2,771)	0
Movement in the Donated Assets Account	0	0	0	0	0	0	0	0	0	0
Revenue expenditure funded from capital under statute	23,420	0	0	0	0	0	0	23,420	(23,420)	0
Continued Overleaf...										

Amounts of long-term assets written off on disposal or sale as part of the gain/loss on disposal to the CI&ES	0	0	0	0	0	0	0	0	0	0
Insertion of items not debited/ credited to CI&ES:										
Statutory provision for the financing of capital investment	(17,280)	0	0	0	(1,794)	0	0	(19,074)	19,074	0
Capital expenditure charged against the Council Fund Balances	(37,142)	0	0	0	0	0	0	(37,142)	37,142	0
Adjustments primarily involving the Capital Grants Unapplied Account:										
Capital grants and contributions unapplied credited to CI&ES	(77,121)	0	0	0	0	77,121	0	0	0	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	(9,688)	0	0	(95,574)	0	(105,262)	105,262	0
Adjustments involving the Capital Receipts Reserve:										
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CI&ES	13,354	0	160	0	3,090	0	0	16,604	(16,604)	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	0	0	(163)	0	0	(163)	163	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	0	0	0	0	0	0	0	0
Adjustments involving the Financial Instruments Adjustment Account:										
Amount by which finance costs charged to the CI&ES are different from finance costs chargeable in the year in accordance with statutory requirements	(100)	0	(317)	0	0	0	0	(417)	417	0
Adjustments involving the Pensions Reserve:										
Reversal of items relating to retirement benefits debited or credited to the CI&ES	36,811	0	105	0	0	0	0	36,916	(36,916)	0
Continued Overleaf...										

Employer's pensions contributions and direct payments to pensioners payable in the year	(41,500)	0	(97)	0	0	0	0	(41,597)	41,597	0
Adjustment involving the Accumulated Absences Account:										
Amount by which officer remuneration charged to the CI&ES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	3,299	0	6	0	0	0	0	3,305	(3,305)	0
Other adjustments include:										
Adjustment between the Capital Adjustment Account and the Revaluation Reserve	0	0	0	0	0	0	0	0	0	0
Depreciation of long-term asset revaluation gains	0	0	2,194	0	0	0	0	2,194	(2,194)	0
Net increase or (decrease) before transfers to Earmarked Reserves	(7,539)	0	148	0	1,133	(18,453)	0	(24,711)	79,546	54,835
Transfers to or from Earmarked Reserves	8,711	(1,475)	(4,713)	(2,012)	1,341	0	(14)	1,838	(1,838)	0
Increase or (decrease) in the year	1,172	(1,475)	(4,565)	(2,012)	2,474	(18,453)	(14)	(22,873)	77,708	54,835
Transitional adjustment between accounting basis and funding basis	(2,172)	0	0	0	0	0	0	(2,172)	2,172	0
Balance at 31st March 2025	9,240	118,057	73,930	5,808	14,365	8,409	149	229,958	1,115,677	1,345,635

Comprehensive Income and Expenditure Statement (CI&ES)

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

Comprehensive Income and Expenditure Statement for the year ended 31st March 2025

2023/24				Note:	2024/25		
Gross Exp	Gross Income	Net Exp			Gross Exp	Gross Income	Net Exp
£'000	£'000	£'000			£'000	£'000	£'000
122,298	(16,730)	105,568	Finance, Digital & Frontline Services		129,901	(19,720)	110,181
64,363	(12,171)	52,192	Chief Executive		65,597	(29,861)	35,736
311,997	(75,361)	236,636	Education & Inclusion Services		351,944	(87,458)	264,486
311,960	(117,725)	194,235	Community & Children's Services		333,080	(127,688)	205,392
87,945	(62,642)	25,303	Authority Wide Budgets		88,412	(58,750)	29,662
1,833	(1,773)	60	Joint Committees		10,162	(1,653)	8,509
900,396	(286,402)	613,994	Cost of Services		979,096	(325,130)	653,966
			Other Operating Expenditure				
27,909	0	27,909	Precepts	29.3	30,877	0	30,877
14,933	0	14,933	Levies	29.3	15,924	0	15,924
218	0	218	(Gains) or Losses on Disposal of Non-Current Assets		13,513	0	13,513
			Financing and Investment Income and Expenditure				
10,785	0	10,785	Interest Payable and Similar Charges	7.2	12,983	0	12,983
5,100	(77)	5,023	Net Interest on Net Defined Liability	33.2	0	(1,705)	(1,705)
0	(1,554)	(1,554)	Interest Receivable and Similar Income	7.2	0	(1,663)	(1,663)
0	(324)	(324)	Income, Expenditure and Changes in the Fair Value of Investment Properties		497	(320)	177
			Taxation and Non-Specific Grant Income				
0	(157,467)	(157,467)	Council Tax Income	26.0	0	(167,561)	(167,561)
0	(77,189)	(77,189)	NDR Distribution	25.0	0	(85,978)	(85,978)
0	(397,788)	(397,788)	Non-Ringfenced Government Grants		0	(408,055)	(408,055)
0	(96,438)	(96,438)	Capital Grants and Contributions		0	(72,739)	(72,739)
0	32	32	Corporation Tax - Joint Committees		0	88	88
959,341	(1,017,207)	(57,866)	(Surplus) or Deficit on the Provision of Services		1,052,890	(1,063,063)	(10,173)
7,422	(50,054)	(42,632)	(Surplus) or Deficit on Revaluation of Property, Plant & Equipment Assets		2,768	(50,097)	(47,329)
0	(124,163)	(124,163)	Remeasurement of the Net Defined Benefit Liability		2,667	0	2,667
7,422	(174,217)	(166,795)	Other Comprehensive Income and Expenditure		5,435	(50,097)	(44,662)
966,763	(1,191,424)	(224,661)	Total Comprehensive Income and Expenditure		1,058,325	(1,113,160)	(54,835)

Balance Sheet

The Balance Sheet shows the value of the assets and liabilities recognised by the Council at the financial year end. The net assets (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves are those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example, the Revaluation Reserve) and reserves that hold timing differences shown in the Movement in Reserves Statement section 'Adjustments between accounting basis and funding basis under regulations'.

Balance Sheet as at 31st March 2025

31/03/2024				31/03/2025	
£'000			Note:	£'000	£'000
	Long-Term Assets	Property, Plant & Equipment:	6.0		
876,828		Other Land & Buildings		1,010,280	
589,657		Infrastructure		634,930	
13,301		Vehicles, Plant & Equipment		12,965	
4,831		Community Assets		4,876	
61,558		Assets Under Construction		16,295	
145		Heritage Assets		145	
13,009		Investment Properties		12,870	
1,349		Defined Benefit Pension Scheme Asset		427	
5,553		Long-Term Intangible Assets		7,279	
5,079		Long-Term Investments	7.1	10,165	
3,027		Investment in Subsidiaries		3,038	
5,209		Long-Term Debtors		7,202	
1,579,546		TOTAL LONG-TERM ASSETS			1,720,472
	Current Assets				
66,405		Short-Term Investments	7.1	35,713	
2,256		Assets Held for Sale		584	
1,239		Inventories		981	
120,437		Short-Term Debtors	8.0	160,939	
0		Cash and Cash Equivalents	9.0	0	
190,337		TOTAL CURRENT ASSETS			198,217
	Current Liabilities				
(2,284)		Cash and Cash Equivalents	9.0	(3,333)	
(13,585)		Short-Term Borrowing	7.1	(25,541)	
(1,501)		Short-Term Provisions	11.0	(1,586)	
(166,442)		Short-Term Creditors	10.0	(187,456)	
0		Other Short-Term Liabilities	12.0	(2,046)	
(183,812)		TOTAL CURRENT LIABILITIES			(219,962)
	Long-Term Liabilities				
(6,151)		Long-Term Creditors	10.0	(23,534)	
(7,011)		Long-Term Provisions	11.0	(4,972)	
(272,057)		Long-Term Borrowing	7.1	(263,196)	
(9,929)		Other Long-Term Liabilities	12.0	(61,267)	
(123)		Long-Term Donated Assets Account		(123)	
(295,271)		TOTAL LONG-TERM LIABILITIES			(353,092)
1,290,800	NET ASSETS				1,345,635

Continued Overleaf...

10,240	Usable Reserves	Council Fund Balance	13.1	9,240	
		Earmarked Reserves:	13.2		
119,532		Capital and Investment / Infrastructure	13.2	118,057	
78,495		Other Revenue Related Reserves	13.2	73,930	
7,820		Delegated Schools Reserve	13.3	5,808	
11,891		Usable Capital Receipts Reserve	13.4	14,365	
26,862		Capital Grant Unapplied Account	13.5	8,409	
163		MGCC Insurance Reserve		149	
255,003		TOTAL USABLE RESERVES			229,958
	Unusable Reserves				
305,825		Revaluation Reserve	14.1	327,562	
748,416		Capital Adjustment Account	14.2	807,748	
(5,116)		Financial Instruments Adjustment Account	14.3	(5,016)	
(7,961)		Pensions Reserve	14.4	(5,945)	
(5,367)		Short-Term Accumulating Compensated Absence Account		(8,672)	
1,035,797		TOTAL UNUSABLE RESERVES			1,115,677
1,290,800	TOTAL RESERVES				1,345,635

Cash Flow Statement

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

Cash Flow Statement 2024/25

2023/24			2024/25	
£'000		Note:	£'000	£'000
(57,866)	Net (Surplus) or Deficit on the Provision of Services		(10,173)	
(65,621)	Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements	15.0	(119,199)	
97,835	Adjustments for Items Included in the Net (Surplus) or Deficit on the Provision of Services that are Investing and Financing Activities	16.0	70,305	
(25,652)	Net Cash Flows from Operating Activities			(59,067)
(23,437)	Investing Activities	18.0	58,746	
61,645	Financing Activities	19.0	(728)	58,018
12,556	Net Increase or Decrease in Cash or Cash Equivalents			(1,049)
(14,840)	Cash and Cash Equivalents at the Beginning of the Reporting Period	9.0		(2,284)
(2,284)	Cash and Cash Equivalents at the End of the Reporting Period	9.0		(3,333)

Expenditure and Funding Analysis

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

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

The Expenditure and Funding Analysis;

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

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

Expenditure and Funding Analysis Statement for the year ended 31st March 2024

	2023/24		
	Income and Expenditure Chargeable to the Council Fund	Adjustments Between Funding and Accounting Basis	Net Expenditure for the Equivalent Amounts for CI&ES
	£'000	£'000	£'000
Finance, Digital & Frontline Services	79,293	26,275	105,568
Chief Executive	27,627	24,565	52,192
Education & Inclusion Services	222,702	13,934	236,636
Community & Children's Services	203,871	(9,636)	194,235
Authority Wide Budgets	78,567	(53,264)	25,303
Joint Committees	0	60	60
Cost of Services	612,060	1,934	613,994
Other Income and Expenditure	(612,060)	(59,800)	(671,860)
(Surplus) or Deficit	0	(57,866)	(57,866)
Opening Council Fund at 31 st March 2023	10,240		
Less (Surplus) Deficit on Council Fund in Year	(2,104)		
Transfers to or (from) Earmarked Reserves	2,104		
Closing Council Fund at 31st March 2024	10,240		

Expenditure and Funding Analysis Statement for the year ended 31st March 2025

	2024/25		
	Income and Expenditure Chargeable to the Council Fund	Adjustments Between Funding and Accounting Basis	Net Expenditure for the Equivalent Amounts for CI&ES
	£'000	£'000	£'000
Finance, Digital & Frontline Services	82,249	27,932	110,181
Chief Executive	27,036	8,700	35,736
Education & Inclusion Services	233,899	30,587	264,486
Community & Children's Services	207,964	(2,572)	205,392
Authority Wide Budgets	82,368	(52,706)	29,662
Joint Committees	0	8,509	8,509
Cost of Services	633,516	20,450	653,966
Other Income and Expenditure	(632,516)	(31,623)	(664,139)
(Surplus) or Deficit	1,000	(11,173)	(10,173)
Opening Council Fund at 31 st March 2024	10,240		
Release of Council Fund Reserves to support Storm Bert recovery work	(1,000)		
Revenue Budget Outturn	(1,917)		
Utilisation of additional Welsh Government Funding	1,917		
Closing Council Fund at 31st March 2025	9,240		

Notes to the Core Financial Statements

1.0 Material Accounting Policies

1.1 Accruals of Expenditure and Income

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

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

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

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

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

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

1.2 Cash and Cash Equivalents

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

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

1.3 Contingent Liabilities

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

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

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

1.4 Employee Benefits

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

Termination Benefits

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

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

Pensions

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

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

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

- The liabilities of the Rhondda Cynon Taf Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 5.8% in 2024/25 (4.8% in 2023/24).

- The assets of the pension fund attributable to the Council are included in the Balance Sheet at their fair value:

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

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

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

Discretionary Benefits

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

Accumulated Absence

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

1.5 Events after the Reporting Period

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

Two types of events can be identified:

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

1.6 Financial Instruments

Financial Instruments consist of Financial Liabilities and Financial Assets.

Financial Liabilities

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

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

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

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

Financial Assets

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

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

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

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

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

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

1.7 Intangible Assets

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

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

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

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

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

1.8 **Leases**

The Council adopted IFRS 16 from 1st April 2024, to recognise all right of use assets. In accordance with IFRS 16, the Council recognises a “right-of-use” (ROU) asset for leases where it is the lessee. The right-of-use asset is measured at the present value of the lease liability as at 1st April 2024, which includes any lease payments made at or before the commencement date, plus any initial direct costs incurred.

The main impact of the new requirements is that, for arrangements previously accounted for as operating leases (i.e. without recognising the leased vehicles, plant, equipment, property and land as an asset and future rents as a liability), a right-of-use asset and a lease liability are now on the balance sheet at 1st April 2024. Leases for items of low value and leases that expire on or before 31st March 2025 are exempt from the new arrangements. Depreciation is charged over the remaining asset life.

As a lessee, the Council has previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Council. Under IFRS 16, the Council recognises right-of-use assets and lease liabilities for these operating leases.

The Council has decided to apply recognition exemptions to short-term leases and has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a term of 12 months or less and leases of low value assets, under £10k. The Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Where the Council is lessor and the lease is a finance lease (where the terms of the lease transfer substantially all the risks and rewards incidental to ownership from the lessor to the lessee), the lease payment receivable is recognised as a repayment of principal with the interest element of the payment being recognised in the Comprehensive Income and Expenditure Statement. No asset is recognised.

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

1.9 **Overhead and Support Services**

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

1.10 **Property, Plant and Equipment**

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment. Depreciation is charged on a straight-line basis on most tangible assets with a finite useful life, excluding non-depreciable land. Asset lives have been identified on an individual basis.

1.10.1 **Recognition**

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

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

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

1.10.2 **Measurement**

Assets are initially measured at cost, comprising:

- The purchase price.
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Council does not capitalise borrowing costs.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash

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

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

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

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

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

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

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

In the accounts there are approximately 53 Surplus Assets with a recurring fair value of £2.2m. All of the assets are valued at level 2 inputs.

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

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

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

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value. Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

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

1.10.3 Impairment

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

Where impairment losses are identified, they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

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

1.10.4 Depreciation

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

Exceptions are made for:

- Heritage Assets.
- Assets without a determinable finite useful life such as freehold land.
- Assets that are not yet available for use i.e. assets under construction and assets held for sale.

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

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

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

1.10.5 Disposals and Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. These assets are measured at the lower of the value they had when it was agreed they would be sold and fair value less costs to sell.

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

	£'000
Fair value	510
Carrying value	74
Total Value in Balance Sheet	584

The non-recurring fair value is measured using level 2 in the input hierarchy (refer to note 1.10.2 for explanation of levels). Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the (Surplus) or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale. If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to long-term assets and valued at the lower of their carrying amount before they were classified as held for sale (adjusted for depreciation, amortisation or revaluations), and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale. The criteria for recognising assets as being held for sale are:

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

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

Amounts received for a disposal in excess of £10k are categorised as capital receipts. Receipts are required to be credited to the Usable Capital Receipts Reserve, and can then be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the Capital Financing Requirement). Receipts are appropriated to the Usable Capital Receipts Reserve from the Council Fund Balance in the Movement in Reserves Statement.

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

1.11 Reserves

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

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

1.12 Schools

The CIPFA Code confirms that the balance of control for local authority maintained schools (i.e. those categories of school identified in the School Standards and Framework Act 1998, as amended) lies with the local authority. The Code also stipulates that those schools' assets, liabilities, reserves and cash flows are recognised in the local authority financial statements. Therefore, schools' transactions, cash flows and balances are recognised in each of the

financial statements of the Council as if they were the transactions, cash flows and balances of the Council.

1.13 Revenue Expenditure Funded from Capital Under Statute

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

1.14 Government Grants and Other Contributions

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

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

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

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

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

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

Where a grant claim requires auditor sign off and is as yet unaudited, Balance Sheet values in relation to grants are included on an unaudited draft claim basis.

1.15 Charges to Revenue for Long-Term Assets

Services are debited with the following items to record the cost of holding Long-Term Assets during the year:

- Depreciation attributable to the assets used by the relevant service.
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- Amortisation of Intangible Assets attributable to the service.

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

1.16 **Minimum Revenue Provision/Provision for the Repayment of Debt**

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

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

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

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

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

1.17 **Provisions**

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

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

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

1.18 Interests in Companies and Other Entities

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

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

Capita Glamorgan Consultancy Ltd. changed its name to WSP Glamorgan Consultancy Ltd on 31st October 2022 and meets the criteria of an associated company.

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

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

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

- Glamorgan Archives
- Vale, Valleys and Cardiff Regional Adoption Collaborative (VVC)
- Coychurch Crematorium
- Llwydcoed Crematorium

1.19 Inventories

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

2.0 Accounting Standards Issued but not Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. In the interim potentially relevant standards include:

- a) IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
- b) IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts
- c) The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy.

Amendments a) and b) should not materially affect this Council. The indexation requirements will be actioned, and its effect will be shown in 2025/26 Statement of Accounts. As the Code requires implementation after 1st April 2025, there is no impact on the 2024/25 Statement of Accounts.

3.0 Critical Judgements in Applying Accounting Policies

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

3.1 Grants and Contribution Conditions

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

3.2 Voluntary Aided and Voluntary Controlled Schools

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

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

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

This Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because assets and liabilities cannot always be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Council's Balance Sheet at 31st March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

4.1 Pensions Asset/Liability

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

Goodwin Ruling

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

Pension Surplus Restriction

Recognition of a pension surplus in the Balance Sheet is detailed in Financial Reporting Standard (FRS) 102, which states “If the present value of the defined benefit obligation at the reporting date is less than the fair value of the plan assets at that date, the plan has a surplus. An entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan”.

There is a requirement to disclose any restrictions on the current realisability of the surplus or the basis used to determine the amount of the economic benefit available.

The principles of International Financial Reporting Interpretations Committee (IFRIC) 14 have been applied to limit the economic benefit available through reduced contributions. The actuary has undertaken calculations of the potential surplus that could be recognised through reduced contributions in the future and not a surplus that could be recognised through future refunds as refunds are only possible when the employer exits the fund.

The value of the surplus restriction, calculated by the actuary, applied to the Net Asset is £212.561m.

4.2 Insurance Provision

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

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

4.3 Property, Plant and Equipment

External valuers undertake formal valuations within a maximum of a 5-year rolling programme to ensure that assets in the Balance Sheet are represented at “current value”. There has been no significant increases in construction costs reflected in the General Building Cost Index in 2024/25, and therefore there has been no update to the current value of DRC assets due to indexation.

Valuations are undertaken in accordance with guidance issued by the Royal Institute of Chartered Surveyors (RICS). Within the computation of the current value valuation,

assumptions are made upon the useful lives of assets which could be subject to change in future years.

5.0 Events After the Reporting Period

The audited Statement of Accounts was authorised for issue by the Deputy Chief Executive/Group Director – Finance, Digital and Frontline Services, as Chief Finance Officer, on 22nd October 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provide information about conditions existing at 31st March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

6.0 Property, Plant and Equipment**6.1 Movements on Balances****Movements in 2023/24**

	Other Land & Buildings	Vehicles, Plant & Equipment	Community Assets	Assets Under Construction	Total Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000
Cost or Valuation					
At 1 st April 2023	850,817	34,956	6,356	36,924	929,053
Joint Committees Opening Balance	0	896	0	226	1,122
Additions	45,945	4,453	136	45,430	95,964
Revaluation Increases/ (Decreases) Recognised in the Revaluation Reserve	26,821	0	0	0	26,821
Revaluation Increases/ (Decreases) Recognised in the Surplus/Deficit on the Provision of Services	(27,574)	0	(314)	0	(27,888)
Derecognition – Disposals	(1,418)	(2,053)	0	0	(3,471)
Derecognition – Other	0	(2,283)	0	0	(2,283)
Assets Reclassified (to)/from Held for Sale	(1,921)	0	0	0	(1,921)
Other Reclassifications	20,187	0	0	(21,022)	(835)
Other Movements in Cost or Valuation	0	0	0	0	0
At 31st March 2024	912,857	35,969	6,178	61,558	1,016,562
Continued Overleaf...					

Accumulated Depreciation and Impairment					
At 1 st April 2023	(38,161)	(19,939)	(1,301)	0	(59,401)
Joint Committees Opening Balance	0	(194)	0	0	(194)
Depreciation Charge	(21,489)	(4,588)	0	0	(26,077)
Depreciation Written Out of the Revaluation Reserve	15,775	0	0	0	15,775
Depreciation Written Out to the Surplus/Deficit on the Provision of Service	3,691	0	0	0	3,691
Impairment (Losses)/Reversals Recognised in the Revaluation Reserve	(613)	0	0	0	(613)
Impairment (Losses)/Reversals Recognised in the Surplus/Deficit on the Provision of Services	4,670	(2,283)	(46)	0	2,341
Derecognition – Disposals	98	2,053	0	0	2,151
Derecognition – Other	0	2,283	0	0	2,283
Assets Reclassified (to)/from Held for Sale	0	0	0	0	0
Other Reclassifications	0	0	0	0	0
Other Movements in Cost or Valuation	0	0	0	0	0
At 31st March 2024	(36,029)	(22,668)	(1,347)	0	(60,044)

Net Book Value:

At 31st March 2024	876,828	13,301	4,831	61,558	956,518
At 31st March 2023	812,656	15,719	5,055	37,150	870,580

Movements in 2024/25

	Other Land & Buildings	Vehicles, Plant & Equipment	Community Assets	Assets Under Construction	Total Property, Plant and Equipment	Mutual Investment Model(MIM) included within Other Land & Buildings	Operating Leases included within Other Land & Buildings and Vehicle, Plant & Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
At 1st April 2024	912,857	35,073	6,178	61,332	1,015,440	5,209	0
IFRS 16 Transition	4,669	2,243	0	0	6,912	0	6,912
Joint Committees Opening Balance	0	896	0	226	1,122	0	0
Additions	106,909	6,183	46	13,635	126,773	54,392	0
Donated Assets	17	0	0	0	17	0	0
Revaluation Increases/ (Decreases) Recognised in the Revaluation Reserve	21,076	0	0	0	21,076	1,294	1,199
Revaluation Increases/ (Decreases) Recognised in the Surplus/Deficit on the Provision of Services	(34,435)	0	0	0	(34,435)	(3,189)	0
Derecognition – Disposals	(9,681)	(2,084)	0	(6,618)	(18,383)	0	0
Derecognition – Other	0	(3,205)	0	0	(3,205)	0	0
Assets Reclassified (to)/from Held for Sale	(786)	0	0	0	(786)	0	0
Other Reclassifications	38,144	0	(1)	(52,124)	(13,981)	0	0
Other Movements in Cost or Valuation	0	225	0	(156)	69	0	0
At 31st March 2025	1,038,770	39,331	6,223	16,295	1,100,619	57,706	8,111
Continued Overleaf...							

Accumulated Depreciation and Impairment							
At 1 st April 2024	(36,029)	(22,474)	(1,347)	0	(59,850)	(14)	0
Joint Committees Opening Balance	0	(194)	0	0	(194)	0	0
Depreciation Charge	(25,416)	(5,493)	0	0	(30,909)	(823)	(1,698)
Depreciation Written Out of the Revaluation Reserve	26,507	0	0	0	26,507	13	0
Depreciation Written Out to the Surplus/Deficit on the Provision of Service	7,297	0	0	0	7,297	0	0
Impairment (Losses)/Reversals Recognised in the Revaluation Reserve	2,108	0	0	0	2,108	0	0
Impairment (Losses)/Reversals Recognised in the Surplus/Deficit on the Provision of Services	(4,947)	(3,205)	0	0	(8,152)	0	0
Derecognition – Disposals	1,917	1,925	0	0	3,842	0	0
Derecognition – Other	0	3,205	0	0	3,205	0	0
Assets Reclassified (to)/from Held for Sale	73	0	0	0	73	0	0
Other Reclassifications	0	0	0	0	0	0	0
Other Movements in Cost or Valuation	0	(130)	0	0	(130)	0	0
At 31st March 2025	(28,490)	(26,366)	(1,347)	0	(56,203)	(824)	(1,698)

Net Book Value:

At 31st March 2025	1,010,280	12,965	4,876	16,296	1,044,417	56,882	6,413
At 31st March 2024	876,828	13,301	4,831	61,558	956,518	5,195	0

The MIM long term assets (Land and Buildings) are the 3 replacement primary schools (Llanilltud Faerdref, Penygawsi and Pontyclun) designed, built, financed and maintained by a private sector partner. The assets are recognised as Long Term Assets on the Balance Sheet along with the liability for the unindexed (capital) element of the Annual Service Charge. The change in the gross book value and net book value of these assets are shown in the table above.

The Right of Use (ROU) assets have been included on transition for IFRS16, as at 1st April 2024. The additions and in year movements have been shown within the appropriate asset category.

6.2 Infrastructure Assets

Temporary Relief for Infrastructure Assets Disclosure Requirements

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

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

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

	2023/24	2024/25
	£'000	£'000
Net Book Value at 1st April	551,824	589,657
Additions	54,654	50,942
Depreciation	(16,262)	(17,658)
Impairment	(1,394)	(1,918)
Reclassifications	835	13,907
Net Book Value at 31st March	589,657	634,930

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

6.3 Investment Properties

	2023/24	2024/25
	£'000	£'000
Balance at 1st April	13,009	13,009
Net Gains/Losses from fair value adjustments	0	(139)
Balance at 31st March	13,009	12,870

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

6.4 Capital Commitments

At 31st March 2025 the Council has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2025/26 and future years, budgeted to cost £21m. Similar commitments at 31st March 2024 were £26.2m.

Within this amount the significant contract values as at 31st March 2025 are:

Scheme	£'000
Coed Ely Solar Farm	4,068
A4059 Afon Cynon Bridge	1,653
Berw Road Bridge	1,538
Castle Inn Bridge	3,668
Tylorstown Tip Landslip (Upper Llanwonno Tip)	2,418
M&S Redevelopment	2,945
Total	16,290

6.5 Revaluations

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

The significant assumptions applied in estimating the current values are:

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

7.0 Financial Instruments

7.1 Categories of Financial Instruments

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

Assets	Long-Term		Current	
	31/03/24	31/03/25	31/03/24	31/03/25
	£'000	£'000	£'000	£'000
Investments: Loans and Receivables	5,079	10,165	66,405	35,713
Debtors: Financial Assets Carried at Contract Amounts	5,209	7,202	120,437	160,939
Total	10,288	17,367	186,842	196,652

Liabilities	Long-Term		Current	
	31/03/24	31/03/25	31/03/24	31/03/25
	£'000	£'000	£'000	£'000
Borrowings: Financial Liabilities at Amortised Cost	272,057	263,196	13,585	25,541
Finance Lease Liabilities	380	54,646	1	2,046
Creditors: Financial Liabilities at Amortised Cost	0	0	19,485	26,819
Total	272,437	317,842	33,071	54,406

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

The majority of the finance lease liabilities relates to the MIM projects which are detailed in note 31.2.

7.2 Income, Expense, Gains and Losses

	2023/24			2024/25		
	Financial Liabilities Measured at Amortised Cost	Financial Assets: Loans and Receivables	Total	Financial Liabilities Measured at Amortised Cost	Financial Assets: Loans and Receivables	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Interest Expense	10,785		10,785	12,983		12,983
Impairment Losses			0			0
Total Expense in (Surplus) or Deficit on the Provision of Services	10,785	0	10,785	12,983	0	12,983
			0			0
Interest Income	0	(1,554)	(1,554)		(1,663)	(1,663)
Interest Income Accrued on Impaired Financial Assets	0		0			0
Total Income in (Surplus) or Deficit on the Provision of Services	0	(1,554)	(1,554)	0	(1,663)	(1,663)
Net (Gain)/Loss for the Year	10,785	(1,554)	9,231	12,983	(1,663)	11,320

7.3 Fair Value of Assets and Liabilities

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

- Loans borrowed by the Council have been valued by discounting the contractual cashflows over the whole life of the instrument at the appropriate market rate for Local Authority loans.

- No early repayment or impairment is recognised.
- Where a financial instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.
- Short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

The fair values of the Rhondda Cynon Taf CBC element of financial instruments are as follows:

	31/03/24		31/03/25	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
PWLB Debt	200,062	185,449	189,537	162,374
Short Term Debt	0	0	12,060	12,060
Market Debt	85,494	89,538	85,485	80,605
Local Authority Debt	0	0	0	0
Welsh Government Repayable Funding	0	0	0	0
Other Debt	75	75	78	78
Finance Lease	381	381	56,692	56,692
Trade Creditors	19,485	19,485	26,819	26,819
Total	305,497	294,928	370,671	338,628

	31/03/24		31/03/25	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Loans and Receivables	68,300	68,300	26,644	26,644

The fair values for PWLB debt and market debt have been calculated using level 2 in the fair value hierarchy. Please see note 1.10.2 in the accounting policies for the explanation of these levels.

7.4 Nature and Extent of Risks Arising from Financial Instruments

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

Key Risks

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

7.5 Overall Procedures for Managing Risk

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

- Formally adopting the requirements of the Code of Practice.
- By adopting a Treasury Management Policy Statement and Treasury Management Clauses being incorporated into Financial Procedure Rules.
- Approving annually in advance Prudential and Treasury Indicators for the following three years.
- Approving an Investment Strategy for the forthcoming year setting out criteria for both investing and selecting investment counterparties in compliance with guidance from the Welsh Government.
- Approving a Capital Strategy report which provides a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of Council services along with an overview of the associated risk, its management and the implications for future financial sustainability.

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

Policies are implemented by a corporate Treasury Management team. The Council maintains written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash through Treasury Management Practices (TMPs). The TMPs are a requirement of the Code of Practice and are reviewed periodically.

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

7.6 Credit Risk

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

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

regarding counterparty selection, further details of which can be found in the approved Treasury Management Strategy.

The following analysis summarises the potential maximum exposure to credit risk (Rhondda Cynon Taf CBC element only). The default rates give details of the Council's experience of its customer collection levels.

	31/03/25	Historical Experience of Default	Adjustment for Market Conditions at 31/03/25	Estimated Maximum Exposure to Default at 31/03/25	Estimated Maximum Exposure to Default at 31/03/24
	(a)	(b)	(c)	(a*c)	
	£'000	%	%	£'000	£'000
Deposits with Government Departments & Cynon Taf Community Housing	26,644	0	0	0	0
Trade Debtors	14,247	0.40	0.40	58	59

The 0.40% Historical Experience of Default represents debt written off in 2024/25 expressed as a percentage of invoices raised during that year. This percentage is not the basis of the Bad Debt Provision, which is calculated using various percentages designed to reflect the risk of debts of various ages not being collectable, as opposed to the far lower rate of actual write-offs for the year.

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

The Council does not generally allow credit for its trade debtors. However, £7.3m of the £14.2m balance is debt greater than 30 days old. This debt can be analysed as follows:

	31/03/2024	31/03/2025
	£'000	£'000
Less than 3 months	1,162	1,847
3 – 6 months	148	1,399
6 months to 1 year	1,454	1,094
More than 1 year	2,787	3,053
Total	5,551	7,394

7.7 Liquidity Risk

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

The Council has ready access to borrowings from the money markets to cover any day-to-day cash flow need, and whilst the PWLB provides access to longer-term funds, it also acts as a lender of last resort to Councils. However, as per the PWLB guidance in August 2021, loans

are no longer available to Council's planning to buy investment assets primarily for yield or solely for exploiting commercialisation opportunities. The Council is also required to produce a balanced budget in accordance with the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

7.8 **Refinancing and Maturity Risk**

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

The approved prudential indicator limits for the maturity structure of debt and the limits set on investments placed for greater than one year in duration are the key parameters used to address this risk. The Council approved treasury and investment strategies address the main risks and the Council's Treasury Management team manage operational risks within approved parameters.

This includes;

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

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

	31/03/24	31/03/25
	£'000	£'000
Less than 1 year	10,494	22,495
Between 1 and 2 years	10,421	10,421
Between 2 and 5 years	38,219	34,219
Between 5 and 10 years	31,050	26,266
More than 10 years	193,694	192,058
Total	283,878	285,459

The maturity analysis of financial assets is as follows:

	31/03/2024	31/03/2025
	£'000	£'000
Maturity greater than one year	2,000	1,900
Maturity less than one year	66,300	24,744
Total	68,300	26,644

Trade Debtors are not included in the table above.

7.9 Market Risk

Interest Rate Risk

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

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

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

	£'000
Increase in interest payable on variable rate borrowings	1
Increase in interest receivable on variable rate investments	(5)
Impact on Comprehensive Income and Expenditure Statement	(4)
Decrease in fair value of fixed rate borrowing liabilities (no impact on CI&ES)	28,278

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

8.0 Short-Term Debtors

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

31/03/24		31/03/25
£'000		£'000
63,917	Central Government Bodies	90,431
15,464	Other Local Authorities	13,175
9,731	NHS Bodies	8,004
1,370	Public Corporations and Trading Funds	1,506
29,955	Other Entities and Individuals	47,823
120,437	Total	160,939

Debtors for Local Taxation

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

2023/24		2024/25
£'000		£'000
5,328	Less than 1 year	5,483
2,325	1 year to 2 years	2,645
1,515	2 years to 3 years	1,778
1,075	3 years to 4 years	1,311
855	4 years to 5 years	950
1,901	More than 5 years	2,472
12,999	Total	14,639

9.0 Cash and Cash Equivalents

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

31/03/24		31/03/25
£'000		£'000
10,618	Cash Held by the Council	9,131
(12,902)	Bank Current Accounts	(12,464)
(2,284)	Total Cash and Cash Equivalents	(3,333)

Short-term cash surpluses are invested in line with the investment strategy and are represented in the Balance Sheet as "Short-Term Investments". Bank Current Accounts represent the position of the bank account as at 31st March 2025 adjusted for unrepresented cheques.

10.0 Short-Term and Long-Term Creditors

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

Short-Term Creditors

31/03/24		31/03/25
£'000		£'000
(45,790)	Central Government Bodies	(4,245)
(44,455)	Other Local Authorities	(92,770)
(4,270)	NHS Bodies	(5,378)
(5,239)	Public Corporations and Trading Funds	(230)
(66,688)	Other Entities and Individuals	(84,833)
(166,442)	Total	(187,456)

Long-Term Creditors

31/03/24		31/03/25
£'000		£'000
(6,071)	Central Government Bodies	(23,362)
(80)	Other Entities and Individuals	(172)
(6,151)	Total	(23,534)

11.0 Provisions

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

Movements in provisions during the year were:

Short-Term Provision	Land Purchases and Part 1 Claims	Insurance Claims	Total
	£'000	£'000	£'000
Balance at 1st April 2024	(477)	(1,024)	(1,501)
Additional provisions made in 2024/25	0	(950)	(950)
Amounts used in 2024/25	4	861	865
Balance at 31st March 2025	(473)	(1,113)	(1,586)

Long-Term Provision	Insurance Claims	Joint Committees	Total
	£'000	£'000	£'000
Balance at 1 st April 2024	(2,149)	(4,862)	(7,011)
Additional provisions made in 2024/25	(2,414)	(195)	(2,609)
Amounts used in 2024/25	950	2,209	3,159
Unused amounts reversed in 2024/25	1,489	0	1,489
Balance at 31 st March 2025	(2,124)	(2,848)	(4,972)

12.0 Other Short Term and Long-Term Liabilities

An analysis of Short-Term and Long-Term Liabilities in the Balance Sheet is as follows:

Short-Term Liabilities

31/03/24		31/03/25
£'000		£'000
0	Liability under IFRS16	(953)
0	Mutual Investment Model (MIM)	(1,093)
0	Total	(2,046)

Long-Term Liabilities

31/03/24		31/03/25
£'000		£'000
(9,310)	Pension Liability (IAS19)	(5,960)
0	Liability under IFRS16	(3,082)
0	Mutual Investment Model (MIM)	(51,564)
(619)	Other	(661)
(9,929)	Total	(61,267)

13.0 Usable Reserves

31/03/24			31/03/25
£'000			£'000
10,240	Council Fund Balance	13.1	9,240
119,532	Capital and Investment / Infrastructure Reserves	13.2	118,057
78,495	Other Revenue Related Reserves	13.2	73,930
7,820	Delegated Schools Reserve	13.3	5,808
11,891	Usable Capital Receipts Reserve	13.4	14,365
26,862	Capital Grant Unapplied Account	13.5	8,409
163	MGCC Insurance Reserve		149
255,003	Total Usable Reserves		229,958

13.1 Council Fund Balance

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

Movements in the Council Fund Balance during 2024/25 were:

	£'000
Balance as at 31st March 2024	10,240
Release of Council Fund Reserves to support Storm Bert recovery work	(1,000)
Revenue Budget Outturn	(1,917)
Utilisation of additional Welsh Government Funding	1,917
Balance as at 31st March 2025	9,240

13.2 Earmarked Reserves

This note sets out the amounts set aside from the Council Fund Balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet Council Fund expenditure in 2024/25. All earmarked reserves are deemed to be revenue reserves.

Capital and Investment / Infrastructure

Reserve	Purpose	Balance at 31/03/24	Transfers Out	Transfers In	Balance at 31/03/25
		£'000	£'000	£'000	£'000
Capital Developments	Resources set-aside from revenue budget, earmarked to fund the Council's approved 3-year capital programme.	96,807	(39,088)	31,081	88,800
Investment / Infrastructure	To fund current and future costs of maintaining and enhancing infrastructure across the County Borough	22,725	(15,594)	22,126	29,257
Total		119,532	(54,682)	53,207	118,057

Other Revenue Related Reserves

Reserve	Purpose	Balance at 31/03/24	Transfers Out	Transfers In	Balance at 31/03/25
		£'000	£'000	£'000	£'000
Revenue Budget Strategy 2024/25	Medium Term Financial Planning & Service Transformation (transitional funding) to be released to fund the 2024/25 budget.	7,502	(7,502)	0	0
Revenue Budget Strategy 2025/26	Medium Term Financial Planning & Service Transformation (transitional funding) to be released to fund the 2025/26 budget.	0	0	457	457
Joint Committee Reserve	Reflects the Council's share of General and Earmarked Reserves of the Joint Committees in which it has an interest.	2,987	(2,987)	3,632	3,632
Revenue Grant Reserves (IFRS)	Carry forward of Revenue Grants not yet applied to spend - required accounting treatment to comply with International Financial Reporting Standards.	6,467	(6,467)	2,931	2,931
Financial Management and Human Resources Risk Management	Resources set aside as cover for future liabilities relating to various risks identified and being managed.	24,213	(16,546)	18,809	26,476
Treasury Management Reserve	Funding for known and potential future pressures upon the Capital Financing budget.	2,465	0	0	2,465
Insurance Reserve	To provide for estimated costs of incidents that have occurred during the policy year but have not yet resulted in a claim being received.	6,505	(1,547)	1,000	5,958
Prior Year Commitments	Carry forward of existing funding to finance projects for which commitments have already been made in the prior year.	19,333	(6,271)	7,321	20,383
Medium Term Financial Planning and Service Transformation	Resources set aside as transitional (one-off) funding to support the Council's medium-term financial and service planning requirements.	2,027	(456)	2,697	4,268
Other Specific Reserves	Represents a number of reserves held for specific and identified purposes.	4,291	(2,198)	1,685	3,778
Invest to Save	Funding identified (pump priming) to support Invest to Save opportunities as and when they arise.	2,705	(986)	1,863	3,582
Total		78,495	(44,960)	40,395	73,930
Total Earmarked		198,027	(99,642)	93,602	191,987

13.3 Delegated Schools Reserve

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

The movements on the reserve are as follows:

	Balance at 31/03/24	Balance at 31/03/25
	£'000	£'000
Delegated Primary Schools	3,982	3,984
Delegated Secondary Schools	2,535	290
Delegated Special Schools	193	671
Delegated All Through Schools	1,110	863
Total	7,820	5,808

13.4 Usable Capital Receipts Reserve

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

The movements on the reserve are as follows:

2023/24		2024/25
£'000		£'000
10,658	Balance as at 1st April	11,891
	Receipts during the year:	
1,397	Sale of assets	3,090
1	Mortgage repayments	0
0	Loan repayments	1,341
	Application during the year:	
(165)	Financing of capital expenditure	(163)
	Repayment of debt	(1,794)
11,891	Balance as at 31st March	14,365

13.5 Capital Grant Unapplied Account

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

2023/24		2024/25
£'000		£'000
33,541	Balance at 1 st April	26,862
108,004	Grants received	77,122
(114,683)	Grants utilised to fund capital expenditure	(95,575)
26,862	Balance at 31 st March	8,409

14.0 Unusable Reserves

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

31/03/24			31/03/25
£'000			£'000
305,825	Revaluation Reserve	14.1	327,562
748,416	Capital Adjustment Account	14.2	807,748
(5,116)	Financial Instruments Adjustment Account	14.3	(5,016)
(7,961)	Pensions Reserve	14.4	(5,945)
(5,367)	Short-Term Accumulating Compensated Absence Account		(8,672)
1,035,797	Total Unusable Reserves		1,115,677

14.1 Revaluation Reserve

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

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

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

2023/24		2024/25					
		RCT		Joint Committees		Total	
		£'000	£'000	£'000	£'000	£'000	£'000
272,429	Balance at 1st April	305,140		685		305,825	
53,835	Upward revaluation of assets/equity	61,219		318		61,537	
(11,203)	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(11,642)		(2,194)		(13,836)	
315,061	Surplus or Deficit on revaluation of Long-Term Assets not posted to the Surplus or Deficit on the Provision of Services		354,717		(1,191)		353,526
(8,827)	Difference between Current Value Depreciation and Historical Cost Depreciation	(23,122)		0		(23,122)	
(409)	Accumulated Gains on Assets sold or scrapped	(2,842)		0		(2,842)	
(9,236)	Amount written off to the Capital Adjustment		(25,964)		0		(25,964)
305,825	Balance at 31st March		328,753		(1,191)		327,562

14.2 Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of Long-Term Assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisation are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

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

2023/24		2024/25	
£'000		£'000	£'000
665,876	Balance at 1st April	748,416	
	Reversal of items relating to Capital Expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
(37,719)	Charges for depreciation and impairment of Long-Term Assets*	(56,147)	
(27,888)	Revaluation losses on Property, Plant and Equipment	(31,826)	
0	Movement in the market value of Investment Properties	0	
(2,283)	Amortisation of Intangible Assets	(2,771)	
(15,929)	Revenue Expenditure Funded from Capital Under Statute	(23,420)	
(1,615)	Amounts of Long-Term Assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(16,603)	
9,236	Adjusted items written out of the Revaluation Reserve	25,964	
0	Joint Committee Adjustments	1,512	
589,678	Net written out amount of the cost of Long-Term Assets consumed in the year		645,125
	Capital Financing Applied in the Year:		
165	Use of the Capital Receipts Reserve to finance new Capital Expenditure	163	
104,697	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	99,430	
9,922	Application of grants to capital financing from the Capital Grants Unapplied Account	5,983	
15,482	Statutory provision for the financing of capital investment charged against the Council Fund	19,074	
28,472	Capital Expenditure charged against the Council Fund	37,142	
0	Peppercorn Assets set up	2,172	
0	Transfer of Assets	(1,341)	
158,738			162,623
748,416	Balance at 31st March		807,748

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

14.3 Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account represents the accumulated difference between the financing costs included in the Comprehensive Income and Expenditure Statement and the accumulated financing costs required in accordance with regulations to be charged to the Council Fund Balance. As at 31st March 2025 there was a debit balance of £5.0m (debit balance of £5.1m as at 31st March 2024).

14.4 Pensions Reserve

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

2023/24		2024/25
£'000		£'000
(126,951)	Balance at 1st April	(7,961)
124,163	Actuarial gains or (losses) on Pensions Assets and Liabilities	(2,667)
(45,858)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(36,915)
40,685	Employer's pensions contributions and direct payments to pensioners payable in the year	41,598
(7,961)	Balance at 31st March	(5,945)

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

2023/24		2024/25
£'000		£'000
(65,607)	Depreciation and Impairment	(85,833)
(2,283)	Amortisation	(2,771)
(1,122)	(Increase)/Decrease in Creditors	(34,910)
587	Increase/(Decrease) in Debtors	42,496
(141)	Increase/(Decrease) in Stock	(259)
(5,173)	Movement in Pension Liability	4,682
(4,036)	Contribution to Provisions	1,954
4,031	Short-Term Accumulated Absence Accrual	(3,304)
(1,615)	Carrying amount of Long-Term Assets and Assets Held For Sale, sold or derecognised	(16,884)
9,738	Other non-cash items charged to the Net (Surplus) or Deficit on the Provision of Services	(24,370)
(65,621)	Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements	(119,199)

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

2023/24		2024/25
£'000		£'000
1,397	Proceeds from the sale of Property, Plant & Equipment, Investment Property and Intangible Assets	3,090
96,438	Any other items for which the cash effects are investing or financing cash flows	67,215
97,835		70,305

17.0 Cash Flow Statement – Interest within Operating Activities

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

2023/24		2024/25
£'000		£'000
(1,878)	Interest received	(1,983)
10,785	Interest paid	12,983
8,907	Interest within Operating Activities	11,000

18.0 Cash Flow Statement - Investing Activities

2023/24		2024/25
£'000		£'000
170,109	Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	151,779
(95,648)	Purchase and Redemption of Short-Term and Long-Term Investments	(33,480)
(1,397)	Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets	(3,090)
(96,501)	Other Receipts from Investing Activities	(56,463)
(23,437)	Net Cash Flows from Investing Activities	58,746

19.0 Cash Flow Statement - Financing Activities

2023/24		2024/25
£'000		£'000
0	Cash receipts of Short and Long-Term Borrowing	(13,577)
1	Cash payments for the reduction of the outstanding liabilities relating to Finance Leases	3,683
61,644	Repayments of Short and Long-Term Borrowing	10,419
0	Partnership Contributions	(1,253)
61,645	Net Cash Flows from Financing Activities	(728)

20.0 Notes to the Expenditure and Funding Analysis**20.1 Adjustments between Funding and Accounting Basis 2023/24**

Adjustments from General Fund to Arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other Differences	Total Adjustments
	£'000s	£'000s	£'000s	£'000s
Finance, Digital & Frontline Services	21,317	2,904	2,054	26,275
Chief Executive	27,137	(488)	(2,084)	24,565
Education & Inclusion Services	21,691	(1,001)	(6,756)	13,934
Community & Children's Services	7,244	(1,425)	(15,455)	(9,636)
Authority Wide Budgets	(49,029)	0	(4,235)	(53,264)
Joint Committees	0	0	60	60
Net Cost of Services	28,360	(10)	(26,416)	1,934
Other income and expenditure from the Expenditure and Funding Analysis	(96,283)	5,100	31,383	(59,800)
Difference between General Fund (surplus) or deficit and CI&ES (Surplus) or Deficit on the Provision of Services	(67,923)	5,090	4,967	(57,866)

Adjustments between Funding and Accounting Basis 2024/25

Adjustments from General Fund to Arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other Differences	Total Adjustments
	£'000s	£'000s	£'000s	£'000s
Finance, Digital & Frontline Services	23,688	2,339	1,905	27,932
Chief Executive	9,970	(911)	(359)	8,700
Education & Inclusion Services	45,782	(1,903)	(13,292)	30,587
Community & Children's Services	7,590	(2,629)	(7,533)	(2,572)
Authority Wide Budgets	(52,306)	4	(404)	(52,706)
Joint Committees	(24)	0	8,533	8,509
Net Cost of Services	34,700	(3,100)	(11,150)	20,450
Other income and expenditure from the Expenditure and Funding Analysis	21,685	(1,590)	(51,718)	(31,623)
Difference between General Fund (surplus) or deficit and CI&ES (Surplus) or Deficit on the Provision of Services	56,385	(4,690)	(62,868)	(11,173)

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

20.2 Expenditure and Income Analysed by Nature

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

	2023/24	2024/25
Expenditure	£'000	£'000
Employee Benefits Expenses	403,418	428,865
Other Services Expenses	418,195	432,710
Depreciation, Amortisation and Impairment	83,883	118,018
Interest Payments	10,785	12,983
Precepts and Levies	42,842	46,801
Loss On The Disposal Of Assets	218	13,513
Total Expenditure	959,341	1,052,890
Income		
Fees, Charges and Other Service Income	(286,383)	(325,041)
Interest and Investment Income	(1,879)	(1,984)
Net Interest on Net Defined Liability (Asset)	0	(1,705)
Income from Council Tax and NNDR	(234,656)	(253,539)
Gain on the Disposal of Assets	0	0
Government Grants and Contributions	(494,289)	(480,794)
Total Income	(1,017,207)	(1,063,063)
(Surplus) or Deficit on the Provision of Services	(57,866)	(10,173)

21.0 **Members' Allowances**

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

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

	2023/24	2024/25
	£'000	£'000
Allowances	1,636	1,737
Expenses	31	7
Total	1,667	1,744

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

22.0 **Officers' Remuneration**

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

Rhondda Cynon Taf CBC's remuneration ratio is 1:6 (1:6 in 2023/24) with the median earnings being £30,201 (£28,785 in 2023/24). This is the ratio between the Chief Executive's pay and the median earnings of the workforce within the Council, using current pay levels.

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

Remuneration Band	2023/24	2024/25		
	No. of Employees	No. of Employees		
	Total	At 31/03/25	Left in Year	Total
£60,000 - £64,999	93	153	5	158
£65,000 - £69,999	89	76	10	86
£70,000 - £74,999	41	36	11	47
£75,000 - £79,999	62	40	8	48
£80,000 - £84,999	20	58	1	59
£85,000 - £89,999	19	13	2	15
£90,000 - £94,999	4	5	2	7
£95,000 - £99,999	6	3	1	4
£100,000 - £104,999	2	8	1	9
£105,000 - £109,999	3	3	0	3
£110,000 - £114,999	2	3	0	3
£115,000 - £119,999	4	2	0	2
£120,000 - £124,999	2	1	0	1
£125,000 - £129,999	0	3	0	3
£130,000 - £134,999	2	0	2	2
Total	349	404	43	447

The above table is based on full time equivalent posts and does not represent the actual payments to employees.

Officers employed by Voluntary Aided Schools have been excluded.

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

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

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

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

Post Holder Information (Post Title)	2023/24			2024/25						
	Total Remuneration	Employer's Pension Contributions	Total Remuneration Including Employer's Pension Contributions	Salary	Taxable Benefits in Kind	Compensation for Loss of Employment		Total Remuneration	Employer's Pension Contributions	Total Remuneration Including Employer's Pension Contributions
						Redundancy	Early Access Costs			
	£'000	£'000			£'000					
Chief Executive (Paul Mee)	164	31	195	168	0	0	0	168	32	200
Deputy Chief Executive & Group Director Finance, Digital & Frontline Services (& Section 151 Officer)	132	25	157	143	0	0	0	143	27	170
Director of Education & Inclusion Services	108	20	128	110	0	0	0	110	21	131
Director of Human Resources	108	20	128	110	0	0	0	110	21	131
Continued Overleaf...										

Director of Legal & Democratic Services	108	20	128	110	0	0	0	110	21	131
Director of Legal & Democratic Services - Returning Officer	0	0	0	13	0	0	0	13	0	13
Director of Corporate Estates	108	20	128	110	0	0	0	110	21	131
Director of Prosperity & Development	108	20	128	110	0	0	0	110	21	131
Director of Public Health, Protection & Community Services	105	20	125	110	0	0	0	110	21	131
Director of Frontline Services to 31/08/2023	185	8	193					0		0
Director of Highways, Streetcare & Transportation wef 01/09/2023	58	11	69	106	0	0	0	106	20	126
Service Director - Democratic Services & Communications	77	14	91	78	0	0	0	78	15	93
Director of Adult Services - Acting Director of Social Services to 20/09/23	50	9	59	0	0	0	0	0	0	0
Director of Social Services wef 21/09/2023	57	10	67	110	0	0	0	110	21	131

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

23.0 Severance Costs

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

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

Severance Cost Band	Number of Compulsory Terminations		Number of Other Terminations		Total Number of Terminations		Total Cost of Severance	
							£'000	
£	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
£0 - £20,000	24	44	182	229	206	273	1,186	1,265
£20,001 - £40,000	3	10	47	46	50	56	1,431	1,469
£40,001 - £60,000	1	2	33	30	34	32	1,651	1,604
£60,001 - £80,000	0	3	23	12	23	15	1,609	1,060
£80,001 - £100,000	0	1	14	17	14	18	1,274	1,616
£100,001 - £150,000	1	1	11	13	12	14	1,374	1,809
£150,001 - £200,000	0	0	1	4	1	4	187	677
£200,001 - £250,000	0	0	0	0	0	0	0	0
£250,001 - £300,000	0	0	1	0	1	0	269	0
Total	29	61	312	351	341	412	8,981	9,500

During 2024/25, the Council saved annual payroll costs of £7,044k (£5,160k 2023/24) through Voluntary Redundancy and Voluntary Early Retirement. Severance Costs for Joint Committees are not included in the above note but can be found in the relevant Joint Committee Statement of Accounts. However, a percentage of Joint Committee severance costs has been consolidated into the Net Cost of Services within the Comprehensive Income and Expenditure Statement.

24.0 External Audit Costs

The estimated costs to the Council for financial year 2024/25 in relation to the audit of the Statement of Accounts for certification of grant claims, statutory inspections and other services provided by the Council's external auditors are set out in the table below:

	2023/24	2024/25
	Estimated	Estimated
Fees Payable to the Auditor General for Wales	£'000	£'000
External audit services carried out by the Statutory Auditor for the year	291	282
Local Government Measure Work	109	110
Certification of Grant Claims and Returns for the year	69	51
Total	469	443

25.0 Non-Domestic Rates

The level of Non-Domestic Rates (NDR) is based on a “multiplier” set nationally by the Welsh Government, multiplied by the rateable value of a particular property. This calculation will give the property a rate liability for the year. The multiplier for 2024/25 was 56.2p (53.5p for 2023/24). The Council is responsible for collecting rates due from ratepayers in its areas but pays the proceeds into the NDR pool administered by the Welsh Government. The sums collected are redistributed back to Councils on the basis of a fixed amount per head of population. The total rateable value as at 31st March 2025 was £138.1m (£135.4m as at 31st March 2024).

26.0 Council Tax

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

The Council Tax base for 2024/25 was calculated to be £79,697 (compared with £77,978 for 2023/24). This represents the anticipated yield for every £1 of Council Tax levied.

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

Band	A*	A	B	C	D	E	F	G	H	I
No. of Properties	210	40,501	22,534	15,177	8,795	6,574	3,255	1,095	187	38
Multiplier	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	21/9

The resultant number of Band D properties is reduced by a percentage to reflect anticipated non-collection. The target collection rate for 2024/25 was 97.25%.

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

Council Tax Analysis	2023/24	2024/25
	£'000	£'000
Council Tax Collectable	157,467	167,561
Net Proceeds from Council Tax	157,467	167,561
Less Payable:		
Police and Crime Commissioner for South Wales	(25,301)	(28,107)
Community Councils	(2,608)	(2,770)
Total	129,558	136,684

27.0 Grant Income

The following grants, contributions and donations were credited to the Comprehensive Income and Expenditure Statement in 2024/25:

27.1 Credited to Services

A number of grants and contributions have been recognised as income within Net Cost of Services. This income amounts to £273m in 2024/25 (in 2023/24 these grants and contributions amounted to £224m).

27.2 Capital Grants Receipts in Advance

All Capital Grants received have been recognised as income within the Comprehensive Income and Expenditure Statement.

28.0 Agency Transactions

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

2023/24	Scheme	2024/25
£'000		£'000
84	Energy Bill Support Scheme	0
275	Ukraine Sponsor Payments	239
4	Ukrainian Support £200 Fixed Fee	4
43	Ukrainian Sponsor Payments (WG)	27
406	Total	270

29.0 Related Parties

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

29.1 Welsh Government

The Welsh Government is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other

parties (e.g. Council Tax bills). Transactions between the Council and Welsh Government are as follows:

	2023/24	2024/25
	£'000	£'000
Non-Ringfenced Government Grants	(397,788)	(407,021)
Capital Grants and Contributions	(96,501)	(72,502)
Credited to Services	(166,093)	(209,017)
Total	(660,382)	(688,540)

29.2 **Chief Officers and Members**

Members of the Council

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

Members of the Council are nominated to serve on numerous outside bodies some of which either receive funding from the Council or issue levies and precepts to be paid by the Council. When sitting on these bodies Members are expected to act independently and not to represent the views of the County Borough Council. Membership details are available from the Service Director - Democratic Services & Communications, Llys Cadwyn 2, Pontypridd.

During 2024/25 there were no Members identified as having a controlling interest in any company commissioned to supply works or services to the Council of any material value. However, Members have identified interests with organisations with which the Council has had financial transactions during 2024/25. The value of these transactions amounted to payments of £4,298k (£2,736k in 2023/24), of which £176k was outstanding at year end (£27k in 2023/24), and receipts of £440k (£324k in 2023/24), of which £41k was outstanding at year end (£60k in 2023/24).

A Member of the Council declared that a relative is a director within a transport company that leases a Council owned property. In respect of the same organisation, another Member declared they are an employee and another Member declared they are an observer as part of Board meetings. Payments to the company amount to £2,398k (£19k in 2023/24) with no balances outstanding for 2023/24 or 2024/25 year ends, and receipts of £900k (£1,000k in 2023/24 (restated)), of which nil was outstanding (£36k in 2023/24). The Members did not take part in any decisions relating to the services.

Chief Officers (Senior Leadership Team)

Under the Employees' Code of Conduct, Officers are required to declare potential conflicts of interest arising from employment arrangements together with gifts or hospitality and offers thereof and, under Section 117 of the 1972 Local Government

Act, contractual arrangements where there is a conflict of interest. Most professional bodies also have codes of professional conduct to which members of those bodies are expected to adhere.

The Council has transactions with a construction company that carries out work on Council owned properties. A Member of the Senior Leadership Team of the Council declared that a relative is a director of the company. The value of these transactions amounted to payments of £2,579k (£2,561k in 2023/24), of which £44k was outstanding at year end (£22k in 2023/24), with no receipts. (Nil in 2023/24). The Officer did not take part in any discussion, decision or administration relating to the services.

The Council has transactions with a South Wales based Electrical and Renewables contractor that carries out work for the Council. A Member of the Senior Leadership Team of the Council declared that a relative is a director of the company. The value of these transactions amounted to payments of £466k of which £26k was outstanding at year end, with no receipts for 2024/25. The Officer did not take part in any discussion, decision or administration relating to the services.

The Council has transactions with another Local Authority for which a member of the Senior Leadership Team of the Council acted as section 151 officer for 4 months during 2024/25. The value of these transactions amounted to payments of £39,722k of which £20,530k was outstanding at year end, with receipts of £12,031k of which £4,097k was outstanding at year end.

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

29.3 Precepts and Levies

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

An analysis of precepts is given in the following table:

	2023/24	2024/25
	£'000	£'000
Police and Crime Commissioner for South Wales	25,301	28,107
Community Councils	2,608	2,770
Total	27,909	30,877

An analysis of levies is given in the following table:

	2023/24	2024/25
	£'000	£'000
South Wales Fire and Rescue Service	13,942	14,865
Coroner	713	779
Bannau Brycheiniog National Park	53	53
Glamorgan Archives Joint Committee	225	227
Total	14,933	15,924

29.4 Rhondda Cynon Taf Pension Fund

The Deputy Chief Executive/Group Director – Finance, Digital & Frontline Services is also the responsible Finance Officer to the Rhondda Cynon Taf Pension Fund. The Council charged the Pension Fund an amount of £2.0m (£2.0m in 2023/24) in respect of administration and support during financial year 2024/25. The amount owed from the Council to the Pension Fund as at 31st March 2025 is nil (nil as at 31st March 2024).

29.5 Associated and Subsidiary Companies

The Council has an interest in three companies: namely; Amgen Cymru Ltd., Amgen Rhondda Ltd. and Redstart Ltd (WSP Glamorgan Consultancy Ltd). Officers of the Council are directors of these companies. During 2024/25 the following related party transactions took place with these companies.

Amgen Cymru Ltd.

The Council paid Amgen Cymru £11,236k (£8,774k in 2023/24) in respect of waste management and waste disposal charges, with £1,788k (£1,311k in 2023/24) due to the company at the year-end. Amgen Cymru paid the Council £943k (£1,286k in 2023/24) in respect of goods and services, with £311k (£37k in 2023/24) due to the Council at the year-end.

In December 2019, Amgen Cymru's new Materials Recycling Facility (MRF) was opened which was jointly funded by Rhondda Cynon Taf CBC and Cynon Valley Waste Disposal Company Limited (CVWDCL) (trading as Amgen Cymru). The total cost of the asset was £10,518k with RCTCBC funding £6,128k and the remaining £4,390k funded from CVWDCL. As ultimate parent undertaking of CVWDCL, Rhondda Cynon Taf CBC provided a loan for the £4,390k over a 10 year period at market rates. As at 31st March 2025 £2,085k was outstanding (as at 31st March 2024 £2,524k was outstanding).

Amgen Rhondda Ltd.

The Council paid Amgen Rhondda £176k (£177k in 2023/24) in respect of site management fees, with nil (nil in 2023/24) outstanding at 31st March 2025. Amgen Rhondda paid the Council £5k (nil in 2023/24), with £6k outstanding at 31st March 2025 (£21k in 2023/24).

WSP Glamorgan Consultancy Ltd. (formerly Capita Glamorgan Consultancy Ltd.) Redstart Ltd

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

During 2024/25, the Council was charged £3,083k (£3,873k in 2023/24) in respect of goods, services and capital works. The balance owed to WSP Glamorgan Consultancy Ltd at 31st March 2025 was £406k (£417k in 2023/24).

WSP Glamorgan Consultancy Ltd paid the Council nil (nil in 2023/24) in respect of goods and services, with nil (nil in 2023/24) due to the Council at the year-end.

The company will be wound down during 2025/26 whilst the residual matters are concluded.

29.6 Joint Committees

The Council participates in the following Joint Committees.

Glamorgan Archives Joint Committee

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

During 2024/25, the Council contributed to the Joint Committee an amount of £227.5k (£225k in 2023/24). This was calculated proportionately based upon population.

Llwydcoed Crematorium

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

During 2024/25, the Council charged Llwydcoed Crematorium £50k (£48k in 2023/24) in respect of central establishment charges. As at 31st March 2025 the Council held cash balances relating to the Crematorium of £1,193k (£1,379k in 2023/24).

Education School Improvement Service (ESIS)

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

Exit agreement negotiations are ongoing.

Central South Consortium Joint Education Service (CSCJES)

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

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

During 2024/25, the Council received income of £53k from CSCJES (received income of £169k in 2023/24) in respect of advisory and training services, along with grants of £277k (£12,120k in 2023/24), and charged CSCJES £174k (£186k in 2023/24) in respect of central establishment charges. The Council also paid CSCJES expenditure of £2,755k (£1,133k in 2023/24). As at 31st March 2025 the Council owed cash balances of £2,460k relating to CSCJES (the Council owed cash balances to CSCJES of £2,037k as at 31st March 2024). As part of the Joint Committee consolidation process, offsetting transactions and balances are removed from the accounts to ensure individual values are not overstated.

Further to the outcome of Welsh Government's review of school improvement services (the 'Middle Tier Review'), the Cabinets of the 5 local authorities that comprise the CSC agreed that the delivery of school improvement functions be undertaken by the individual local authorities and the model for Professional Learning and Support will continue to be organised and delivered across the CSC regional footprint (i.e. the new Regional Professional Learning and Support Service).

In line with the agreed way forward, the 5 local authorities have and continue to work together to put in place the necessary arrangements to enable both the orderly close-down of the CSC and implementation of the new Regional Professional Learning and Support Service from 1st September 2025. The new service will be governed by an inter authority collaborative agreement and no longer subject to the governance requirements of a joint committee.

The joint committee accounts are consolidated into the Council's Statement of Accounts on the assumption that going concern remains in place due to the school improvement activities being transferred to local authorities and also due to the regional service remaining in place, albeit at a reduced level.

Coychurch Crematorium

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

At 31st March 2025 there were no outstanding balances between the Council and Coychurch Crematorium (no balances outstanding as at 31st March 2024).

Vale, Valleys and Cardiff Regional Adoption Collaborative (VVC)

The Vale, Valleys and Cardiff Regional Adoption Collaborative (VVC) became operational on 1st June 2015 and is administered by the Vale of Glamorgan Council. It is comprised of the adoption services of the Vale of Glamorgan Council, Rhondda Cynon Taf CBC, Merthyr Tydfil CBC and Cardiff City and County Council. It is one of five regional Collaboratives which form part of the National Adoption Service in Wales (NAS).

During 2024/25, the Council contributed £563k to the Vale, Valleys and Cardiff Regional Adoption Collaborative (£603k in 2023/24).

South East Wales Corporate Joint Committee (SEWCJC) formerly Cardiff Capital Region City Deal (CCRCD)

On 15th March 2016, the ten Council Leaders in South East Wales, the First Minister, the Welsh Government Minister for Finance and Government Business, the Secretary of State for Wales and the Chief Secretary to the Treasury signed the Cardiff Capital Region City Deal, an agreement between the UK Government, the Welsh Government and the ten Councils to develop and manage £1.2 billion investment in the Cardiff Capital Region's infrastructure through a 20-year Investment Fund.

The Council consolidates 15.77% of the assets, liabilities and transactions of CCRCD into its financial statements.

During 2024/25, there was a revenue contribution to SEWCJC of £202k (£202k in 2023/24 to CCRCD), there was a nil capital contribution (nil in 2023/24).

From 1st April 2024, the activities of CCRCD transitioned to the South East Wales Corporate Joint Committee (SEWCJC), a regional corporate body with broadly similar powers and duties to local authorities.

29.7 Partnership Agreement

Biogen Tomorrow's Valley Food Waste Plant

The Biogen Food Waste Plant became fully operational on the 19th July 2015. The 3 local authorities who form the Hub (Rhondda Cynon Taf CBC, Merthyr CBC and Newport City Council) send a combined annual contracted guaranteed minimum tonnage of 13,500 tonnes to be treated at the facility. In 2024/25 a total amount of £1,225k (£1,115k in 2023/24) associated costs have been incurred by the parties, of which RCT's associated costs in 2024/25 were £683k (£617k in 2022/23), with Welsh Government contributing £124k (£124k in 2023/24) of grant funding.

29.8 Other Related Parties

Trivallis

Trivallis is one of Wales' largest registered social landlords providing homes for thousands of families in Rhondda Cynon Taf. There is 1 Rhondda Cynon Taf CBC Member on the board of Trivallis. Two other members expressed a relationship.

During 2024/25, the Council paid Trivallis £1,143k (£1,201k in 2023/24) and received income of £1,586k (£2,487k in 2023/24). At year-end, Trivallis owed £57k to the Council (£1k in 2023/24).

Cynon Taf Community Housing Group

The Council holds a commercially agreed loan with Cynon Taf Community Housing Group. The balance outstanding at 31st March 2025 is £2.0M (£2.1M as at 31st March 2024).

30.0 Capital Expenditure and Capital Financing

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

	2023/24	2024/25
	£'000	£'000
Opening Capital Financing Requirement	503,255	514,322
Capital Investment:		
Property, Plant & Equipment	150,619	184,570
Intangible Assets	3,321	4,497
Revenue Expenditure Funded from Capital Under Statute	15,928	23,420
	169,868	212,487
Sources of Finance:		
Adjustments on transition to new accounting arrangements for leases	0	(2,172)
Donated Asset	0	(16)
Capital Receipts	(165)	(163)
Capital Development Fund	(366)	(4,548)
Government Grants and Other Contributions	(114,683)	(95,575)
	(115,214)	(102,474)
Sums Set Aside from Revenue:		
Direct Revenue Contributions	(28,105)	(32,594)
Minimum Revenue Payment	(15,482)	(19,074)
	(43,587)	(51,668)
Closing Capital Financing Requirement	514,322	572,667
Explanation of Movements in Year		
Increase/(Decrease) in underlying need to borrowing supported by government financial assistance	(1,156)	(1,355)
Increase in underlying need to borrowing (unsupported by government financial assistance)	12,224	4,989
Finance Leases and MIM liabilities	(1)	54,711
Increase/(Decrease) in Capital Financing Requirement	11,067	58,345

31.0 Leases

31.1 Transitional Disclosure IFRS 16:

In 2024/25, the Authority applied IFRS 16 *Leases* as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (ie without recognising the leased property as an asset and future rents as a liability) a right-of-use asset and a lease liability are to be brought onto the Balance Sheet at 1st April 2024. Leases for items of low value and leases that expire on or before 31st March 2025 are exempt from the new arrangements.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1st April 2024. This means that right-of-use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024/25 and not by adjusting prior year figures. However, some practical expedients have been applied as required or permitted by the Code:

- lease liabilities are measured at the present value of the remaining lease payments at 1st April 2024, discounted by the Authority's incremental borrowing rate at that date;
- right-of-use assets are measured at the amount of the lease liability; and
- all leases were assessed as to whether they were onerous at 31st March 2024, so right-of-use assets have not been subject to an impairment review.

This has resulted in the following additions into the Balance Sheet:

- £6.9m property, plant and equipment – land and buildings (right-of-use assets ROU). This ROU value includes £2.2m peppercorn leases, where there are no corresponding liabilities as there are no rental payments.
- £893k current lease liabilities.
- £3.8m non-current lease liabilities.

This table shows the change in the value of right-of-use assets held under leases by the authority, where the Council is lessee:

	2024/25		
	Land and Buildings	Vehicles, Plant and Equipment	Total
	£'000	£'000	£'000
Balance at 1st April - on Transition			
Additions	4,669	2,243	6,912
Revaluations	1,199	0	1,199
Depreciation and Amortisation	(1,116)	(582)	(1,698)
Balance at 31st March	4,752	1,661	6,413

The Authority incurred the following expenses and cash flows in relation to leases:

Transactions under Leases	2024/25		
	Land and Buildings	Vehicles, Plant and Equipment	Total
	£'000	£'000	£'000
Comprehensive Income and Expenditure Statement			
Interest Expense on Lease Liabilities	113	80	193
Expense Relating to Short-Term Leases	27	105	132
Expense Relating to Exempt Leases of Low-Value Items	8	746	754
Cash Flow Statement			
Total Cash Outflow for Leases	126	1,508	1,634

The following table shows the maturity analysis of lease liabilities as at 31st March 2025, presenting the undiscounted cash flows over the remaining periods for which the lease liabilities are expected to be settled. This analysis includes both finance lease liabilities and lease liabilities arising from right-of-use assets:

	Minimum Lease Payments 2024/25		Finance Lease Liabilities 2024/25		Minimum Lease Payments 2023/24		Finance Lease Liabilities 2023/24	
	Land and Buildings	Vehicles, Plant and Equipment	Land and Buildings	Vehicles, Plant and Equipment	Land and Buildings	Vehicles, Plant and Equipment	Land and Buildings	Vehicles, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Less than 1 year	421	663	338	613	23	0	1	0
1 to 5 years	1426	1087	1180	1060	113	0	5	0
Greater than 5 years	929	0	844	0	1,368	0	375	0
Total	2,776	1,750	2,362	1,673	1,504	0	381	0

31.2 MIM (Mutual Investment Model)

MIM schemes are projects for the design, build, finance and maintenance of public sector assets by a private sector partner, in this Council's case, WEPCO. At the end of the 25 year contract, the assets will be transferred into Council ownership. In return, the Council makes annual service payments, which cover the cost of construction, maintenance, lifecycling and financing of the project. Schools funded under the MIM are recognised as Long Term Assets on the Balance Sheet along with the liability for the unindexed (capital) element of the Annual Service Charge (ASC). The capital element of the ASC (initial 70% unindexed) is split between MRP and interest and the service charge (initial 30% indexed) is charged to revenue annually. Welsh Government fund 85.6% of the total ASC. The following table shows the maturity of these payments:

	MIM (Mutual Investment Model)			
	Finance Liability 2024/25	Interest Payment 2024/25	Service Charges 2024/25	Total 2024/25
	£'000	£'000	£'000	£'000
Within 1 Year	1,093	2,837	2,096	6,026
Within 2-5 years	4,993	10,726	8,383	24,102
Within 6-10 Years	7,912	11,737	10,478	30,127
Within 11-15 Years	10,285	9,364	10,478	30,127
Within 16-20 Years	13,371	6,278	10,478	30,127
Within 21-25 Years	15,004	2,228	9,189	26,421
Total	52,658	43,170	51,102	146,930

31.3 Sub-Leases

The Council has sub-let buildings. Non-cancellable sub-lease payments are expected to be received until expiry of the lease agreement, as shown in the table below:

	2023/24	2024/25
	£'000	£'000
Less than 1 year	292	355
1 to 5 years	1,013	1,017
Greater than 5 years	836	657
Total	2,141	2,029

31.4 Operating Leases with Council as Lessor

The Authority has entered into a number of operating leases with lessees in respect of land and buildings. The total future annual lease payments due to the Authority are as follows:

	2023/24	2024/25
	£'000	£'000
Less than 1 year	1,224	2,713
1 to 5 years	4,794	10,019
Greater than 5 years	6,168	6,049
Total	12,186	18,781

32.0 Impairment Losses

During 2024/25, the Council has recognised an impairment loss of £19m (a loss of £34.2m in 2023/24) in relation to its Long-Term Assets. This impairment charge is included within the Long-Term Asset note 6.1, which also includes reversal of impairment from previous years.

33.0 Retirement Benefits - Defined Benefit Schemes

33.1 Participation in Pension Schemes

As part of their terms and conditions Members and Officers are offered retirement benefits by the Council. Although these benefits will not actually be payable until retirement, the Council has a commitment to make these payments. The liability for these payments needs to be accounted for at the time the future entitlement is earned.

The Council participates in two pension schemes:

- Teachers - Please refer to note 34.0.
- Other Employees and Members - The Local Government Pension Scheme administered by Rhondda Cynon Taf CBC. This is a funded defined benefit career average scheme. The Council and participants pay contributions into the fund calculated at a level intended to balance the pensions liabilities with investment assets. The pension costs that are charged to the Council's accounts are defined by IAS 19 "Employee Benefits".

The CSCJES Joint Committee charges pension costs to their accounts in line with IAS 19. The Rhondda Cynon Taf CBC share of these entries is consolidated into the main accounts and disclosed in the following notes.

33.2 Transactions Relating to Post-Employment Benefits

The cost of retirement benefits is recognised in the cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against Council Tax is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the Council Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the Council Fund Balance via the Movement in Reserves Statement during the year:

	2023/24	2024/25		
		RCT	Joint Comm's	Total
	£'000	£'000	£'000	£'000
Comprehensive Income and Expenditure Statement:				
Cost of Services:				
Current Service Cost	37,405	35,090	220	35,310
Past Service Cost	3,430	3,310	0	3,310
<i>Financing and Investment Income and Expenditure:</i>				
Net Interest Expense	5,023	(1,590)	(115)	(1,705)
Total Post Employment Benefit charged to the Surplus or Deficit on the Provision of Services	45,858	36,810	105	36,915
<i>Remeasurement of the Net Defined Benefit Liability Comprising:</i>				
Return on Plan Assets (Excluding the Amount Included in the Net Interest Expense)	(89,006)	58,190	366	58,556
Actuarial (Gains) and Losses Arising on Liabilities - Demographic Assumptions	(23,531)	(10,600)	(52)	(10,652)
Actuarial (Gains) and Losses Arising on Liabilities - Financial Assumptions	(52,931)	(256,540)	(1,280)	(257,820)
Actuarial (Gains) and Losses Arising on Liabilities - Experience	20,901	10	12	22
Surplus Restriction	20,402	210,280	2,281	212,561
Total Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement	(78,307)	38,150	1,433	39,583
Movement in Reserves Statement:				
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the code	(45,858)	(36,811)	(105)	(36,916)
<i>Actual amount charged against the Council Fund Balance for pensions in the year:</i>				
Employers' contributions payable to scheme	40,684	41,500	97	41,597

The total remeasurement of the Net Defined Benefit Liability recognised in Other Comprehensive Income and Expenditure to the 31st March 2025 is a loss of £2.7m (£124.2m gain in 2023/24).

The cumulative amount of actuarial gains and losses recognised in the Comprehensive Income and Expenditure Statement to the year ending 31st March 2025 is a gain of £658.9m.

33.3 Reconciliation of Present Value of the Scheme Liabilities

	2023/24	2024/25		
		RCT	Joint Comm's	Total
	£'000	£'000	£'000	£'000
Balance at 1st April	1,504,670	1,501,100	7,120	1,508,220
Current Service Cost	37,405	35,090	220	35,310
Interest Cost on Defined Obligation	69,555	70,540	338	70,878
Contributions by scheme participants	12,083	12,330	106	12,436
Remeasurement (Gains) and Losses	0			0
Actuarial (Gains) and Losses Arising on Liabilities - Demographic Assumptions	(23,531)	(10,600)	(52)	(10,652)
Actuarial (Gains) and Losses Arising on Liabilities - Financial Assumptions	(52,931)	(256,540)	(1,280)	(257,820)
Actuarial (Gains) and Losses Arising on Liabilities - Experience	20,901	10	11	21
Benefits paid	(63,362)	(72,100)	(272)	(72,372)
Past service costs	3,430	3,310	0	3,310
Balance at 31st March	1,508,220	1,283,140	6,193	1,289,333

33.4 Reconciliation of Fair Value of the Scheme Assets

	2023/24	2024/25		
		RCT	Joint Comm's	Total
	£'000	£'000	£'000	£'000
Balance at 1st April	1,377,719	1,511,180	9,481	1,520,661
Interest Income	64,532	72,130	453	72,583
Remeasurement (Gains) and Losses:	0			0
The Return on Plan Assets, Excluding the Amount Included in the Net Interest Expense	89,006	(58,190)	(366)	(58,556)
Employer contributions	40,684	41,500	98	41,598
Contributions by scheme participants	12,082	12,330	106	12,436
Benefits paid	(63,362)	(72,100)	(272)	(72,372)
Balance at 31st March	1,520,661	1,506,850	9,500	1,516,350

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date.

Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets. The actual return on scheme assets in the year was a gain of £14.03m (£153.54m gain in 2023/24).

33.5 Scheme History

	2020/21 Inc Joint Comm's	2021/22 Inc Joint Comm's	2022/23 Inc Joint Comm's	2023/24 Inc Joint Comm's	2024/25 Inc Joint Comm's
	£'000	£'000	£'000	£'000	£'000
Present Value of the Defined Obligation	(2,180,257)	(2,107,141)	(1,504,670)	(1,508,220)	(1,289,333)
Fair Value of Plan Assets	1,471,559	1,502,181	1,377,719	1,520,661	1,516,350
Unrecognised Asset	0	0	0	(20,402)	(232,963)
Surplus/(Deficit)	(708,698)	(604,960)	(126,951)	(7,961)	(5,945)

The liabilities show the underlying commitments that the Council has in the long run to pay post-employment (retirement) benefits. The total liability of £6m has a substantial impact on the Net Worth of the Council as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Council is not impacted upon. The deficit on the local government scheme will be made good in line with actuarial assumptions.

33.6 Local Government Pension Scheme Assets

As at 31st December 2024, the Rhondda Cynon Taf Pension Fund Assets used in IAS19 calculations comprised of:

Fair Value of Scheme Assets		
	2023/24	2024/25
	£'000	£'000
UK Equities	171,014	159,387
Overseas Equities	2,702,245	3,014,977
UK Fixed Interest Gilts	548,487	530,651
UK Corporate Bonds	702,339	719,179
Property	291,347	296,374
Infrastructure	17,628	129,971
Cash and Net Current Assets	58,587	25,590
Total	4,491,647	4,876,129

33.7 Basis for Estimating Assets and Liabilities**Roll-forward of Assets**

The valuation results from the last full valuation of the Fund (or results at the previous accounting date as appropriate) are adjusted to the accounting year-end allowing for:

- Investment returns, and
- Cash-flows including investment returns on those cashflows.

The asset value at the start of the accounting period is accumulated with the Fund investment return over the accounting period. Net cashflows are assumed to be paid halfway through the period and accrue half of the Fund investment return over the period.

Roll-forward of Liabilities

The valuation results from the last full valuation of the Fund (or results at the previous accounting date as appropriate) are adjusted to allow for the later calculation date (by adding interest to the liabilities) and make allowance for changes in liabilities due to:

- The accrual of new benefits and the discharge of liabilities from the payment of benefits.
- The financial and demographic assumptions adopted at the year-end.
- The impact of any known experience affecting the liabilities, such as the impact of actual pension increases on pensions in payment and deferred benefits.
- If applicable, the impact of events which result in a change in the liability such as past service costs, settlements and curtailments.

The full valuation was based on funded benefits and the principal assumptions used by the actuary have been:

	31/03/24	31/03/25
Long-Term Expected Rate of Return on Assets in the Scheme (in line with the discount rate)	4.30%	4.30%
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	21.0	20.9
Women	23.8	23.7
Longevity at 65 for future pensioners:		
Men	22.3	21.8
Women	25.2	24.8
Rate of inflation (CPI)	2.6%	2.5%
Rate of increase in salaries	3.85%	3.75%
Rate of increase in pensions	2.6%	2.5%
Rate for discounting scheme liabilities	4.8%	5.8%
Take-up of option to convert annual pension into retirement lump sum	85%	85%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant.

	RCT		Joint Committes		Total	
	Increase in Assumption	Decrease in Assumption	Increase in Assumption	Decrease in Assumption	Increase in Assumption	Decrease in Assumption
	£'000	£'000	£'000	£'000	£'000	£'000
Longevity (Increase or Decrease in 1 Year)	28,100	(28,100)	136	(136)	28,236	(28,236)
Rate of Increase in Salaries (Increase or Decrease by 0.1%)	2,550	(2,550)	12	(12)	2,562	(2,562)
Rate of Increase in Pensions (Increase or Decrease by 0.1%)	16,600	(16,600)	87	(87)	16,687	(16,687)
Rate for Discounting Scheme Liabilities (Increase or Decrease by 0.1%)	(19,160)	19,160	(99)	99	(19,259)	19,259

33.8 Contributions for the Accounting Period ending 31st March 2026

The Employer's regular contributions to the Fund for the accounting period 31st March 2026 are estimated to be £39.6m. In addition, "strain on fund" contributions may be required.

Further information can be found in the Pension Fund Annual Report, which is on the [RCT Pension Fund website](#) and also available on request from the Deputy Chief Executive/Group Director – Finance, Digital & Frontline Services, Oldway House, Porth, Rhondda, CF39 9ST.

34.0 Retirement Benefits - Defined Contribution Schemes

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

The Scheme is technically a defined benefit scheme. However, the Scheme is unfunded, and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The Council is not able to identify its share of underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2024/25, the Council paid £27.9m to Teachers' Pensions in respect of teachers' retirement benefits, representing 28.68% of pensionable pay. The figures for 2023/24 were £22.5m, representing 23.68% of pensionable pay. In addition, the Council is responsible for all pension payments relating to added years that it has awarded, together with related increases. In 2024/25 these amounted to £674k (£681k in 2023/24).

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

35.0 Contingent Liabilities

35.1 Insurance

The Council is liable for insurance claims made against it in respect of certain events. A provision is made in respect of claims received as at 31st March 2025. There is a further contingent liability in respect of events which will have occurred, but which have not resulted in a claim being made as at the date of the accounts. The "statute of limitation" sets out the timescale by which a claim will have to be made in respect of such past events. An earmarked reserve has been set up to provide towards the costs of these incidents.

Due to the volume and differing circumstances of each potential claim it is impractical to provide an estimate of the possible financial effect. Similarly, it is impractical to provide an indication of uncertainties relating to the amount and timing of such liabilities.

Insurance claims are also referenced in note 4.2.

35.2 Municipal Mutual Insurance Ltd.

The former authorities of Rhondda Borough Council, Cynon Valley Borough Council, Taff Ely Borough Council and Mid Glamorgan County Council are creditors of Municipal Mutual Insurance Ltd. (MMI). MMI ceased to write new insurance business from 30th September 1992 and a Scheme of Arrangement was put in place in January 1994. The scheme was set up to ensure an orderly run off of claims in the event of MMI not being solvent. As creditors of MMI, the Council is legally bound by the Scheme and in November 2012, the scheme was triggered.

Future claim settlements by MMI will be made at a level of 75% with the funding of the remaining 25% being met from the former authorities' funds. Correspondence from the scheme administrator states that it is not possible to guarantee that the initial and second levy, paid in February 2014 and May 2016, will be sufficient but they are the best estimates given the current position. The scheme requires the administrator to review the Levy at least once a year. Given the uncertainty regarding how sufficient the initial clawback will be, a contingent liability exists as the Council could be subject to further clawback dependent upon the resources of MMI, the insurer.

35.3 Pensions Asset / Liability

In June 2023, the High Court handed down a decision (Virgin Media Limited v NTL Pension Trustees II Limited and others) which potentially has implications for the validity of amendments made by pension schemes, including the LGPS, which were contracted-out on a salary-related basis between 6 April 1997 and the abolition of

contracting-out in 2016. The ruling related to the requirement on the Trustees to obtain the Scheme's actuary confirmation that a Scheme continued to provide a minimum level of benefits (known as a 'reference scheme test') following certain types of rule amendments. Without this confirmation (sometimes referred to as a section 37 confirmation, by reference to section 37 of the Pension Schemes Act 1993, which sets out that scheme rules can only be altered as prescribed in the relevant regulations), the amendment may be void and ineffective. The Court of Appeal upheld the original decision.

In June 2025 the Department for Work and Pensions published the Government's intention to introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards, resulting in the removal of risk of additional scheme obligations. Although the Government's intention has been published, until legislation is enacted, there remains a degree of uncertainty regarding scheme obligations and a contingent liability disclosure is appropriate. In addition to the uncertainty of a potential liability, any value of a possible obligation cannot be measured with sufficient reliability.

36.0 Trust Funds

The Council acts as sole trustees for various charities. Separate accounts are maintained for these. Net assets as at 31st March 2025 are shown as follows and are not included in the Council's Balance Sheet. The 2024/25 figures are draft, subject to audit (Audit Wales for Welsh Church Act, the Regional Internal Audit Service for the other funds).

	Description	31/03/24	31/03/25
		£'000	£'000
Education & Miscellaneous	Various funds established for educational and community benefits	283	286
Rhondda Cynon Taf Charity for the Visually Impaired	Fund established for the benefit of visually impaired citizens	14	14
Welsh Church Act Fund	Fund established under the Welsh Church Act for various charitable aims within the counties of Rhondda Cynon Taf, Merthyr Tydfil and Bridgend	13,993	13,544

37.0 Pooled Budgets

The Council has entered into a pooled budget with Cwm Taf Morgannwg University Health Board, Merthyr Tydfil CBC and Bridgend CBC for the provision of care home accommodation. The Council and its partners have an agreement in place for funding these services, with the Council contributing funds to an agreed budget equal to 44% in 2024/25 (44% in 2023/24). The same proportion is used to meet any deficit or share any surplus arising on the pooled budget at the end of each financial year. The pooled budget is hosted by the Council on behalf of the other partners to the agreement.

	2023/24		2024/25	
	£'000	£'000	£'000	£'000
Funding Provided to the pooled budget:				
Rhondda Cynon Taff	(30,825)		(33,414)	
Other Partners	(39,160)		(42,838)	
Balance c/f	(60)		(252)	
Other Income Received	(197)		(186)	
		(70,242)		(76,690)
Expenditure Met from the pooled budget:				
Total Expenditure	69,991		76,258	
		69,991		76,258
Net (Surplus)/Deficit arising on the pooled budget during the year		(251)		(432)
Rhondda Cynon Taf share of net (Surplus)/Deficit arising on the pooled budget		(110)		(190)

The 2024/25 figures are draft, subject to audit by Audit Wales.

Group Accounts

1. Introduction

To reflect the nature of service provision in the public sector, all local authorities are required to prepare a full set of group financial statements, in addition to their single entity accounts, where they hold material interests in subsidiaries, associates or joint ventures.

The Group Accounts Statements comprise:

- Statement of Group Accounting Policies.
- Group Movement in Reserves Statement.
- Group Comprehensive Income and Expenditure Statement.
- Group Balance Sheet.
- Group Cash Flow Statement.

2. Bodies Consolidated

Following a review of the Council's activities, the following have been identified as group companies and have been consolidated into the group financial statements:

- **Amgen Cymru Ltd.** - This company was set up by the former Cynon Valley Borough Council as an arm's-length company under the 1990 Environment Act. It is registered as "Cynon Valley Waste Disposal Company Limited" but trades as "Amgen Cymru Ltd.". The principal activities of the company are the provision of recycling services and waste disposal facilities. The Council has a 100% interest in the company of £2.8m. The company is a subsidiary of the Council.
- **Amgen Rhondda Ltd.** - This company was set up during September 1999 as a wholly owned subsidiary of Amgen Cymru Ltd. The principal activity of the company continues to be that of the stewardship of a closed landfill site and associated opportunities for income recognition. In April 2005 the company entered into a formal stewardship agreement with Rhondda Cynon Taf CBC, which provides for the remediation and long-term stewardship of the facility in conjunction with the shareholder.

Rhondda Cynon Taf CBC holds 100% of the voting rights of Amgen Cymru Ltd., who in turn hold 100% of the voting rights of Amgen Rhondda Ltd., and is therefore classed as a subsidiary.

The Council also holds 100% of the allotted preference shares in Amgen Rhondda Ltd.

The individual financial statements of Cynon Valley Waste Disposal Company and Amgen Rhondda Ltd. have been prepared in compliance with UK Accounting Standards, including Financial Reporting Standard 102 (FRS102).

Statement of Group Accounting Policies

The group financial statements have been prepared in accordance with the accounting policies adopted for the single entity accounts, with the exception of the following items:

1. Long-Term Assets (Subsidiary Companies)

Certain Long-Term Assets of Amgen Cymru Ltd. and Amgen Rhondda Ltd. are valued in the company Balance Sheets at depreciated historical cost. This accounting policy is not consistent with that used by the Council. However, as the land and buildings are specialist assets used in the running of a waste disposal facility, and in the case of landfill cells a distinct class of asset not currently held by the Council, they have been consolidated into the Group Balance Sheet on this basis.

2. Basis of Charges for use of Long-Term Assets

Depreciation is charged to services on a straight-line basis and included within the Cost of Services in the Group Comprehensive Income and Expenditure Statement.

3. Basis of Consolidation

It is a requirement that Group Accounts are prepared using consistent accounting policies, which can differ between company and local authority accounts. The main differences between these accounts are:

- Long-term asset valuations. These should be based on the measurement principles given in the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 based on International Financial Reporting Standards, which generally means assets are carried at a current valuation.
- Criteria for assessing cash equivalents: Short term lending of surplus balances investments are treated as cash at bank in the company accounts but as Short Term Investments in the local authority accounts

The accounts of Amgen Cymru and Amgen Rhondda have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties at fair value.

Subsidiary companies are consolidated into the group statements using the acquisition method. Based on materiality, the associate company, WSP Glamorgan Consultancy Ltd., is not consolidated.

Group Movement in Reserves Statement (MiRS)

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

Group Movement in Reserves Statement for the year ending 31st March 2024

	Council Fund Balance	Earmarked Reserves: Capital, Treasury & Insurance	Earmarked Reserves: Other Revenue Related	Delegated Schools Reserve	Usable Capital Receipts Reserve	Capital Grants Unapplied	MGCC Insurance Reserve	Total Usable Reserves	Unusable Reserves	Total Reserves of the Council	Council's share of Reserves of Subsidiaries, Associates & Joint Ventures	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 st April 2023	10,240	105,125	94,349	15,248	10,658	33,541	237	269,398	799,938	1,069,336	2,108	1,071,444
Movement in reserves during 2023/24												
Total comprehensive income and expenditure	50,228	0	(27)	0	0	0	0	50,201	166,696	216,897	7,540	224,437
Adjustments between Group Accounts and Authority Accounts:	7,665	0	0	0	0	0	0	7,665	0	7,665	(7,665)	0
Net Increase or decrease before transfers	57,893	0	(27)	0	0	0	0	57,866	166,696	224,562	(125)	224,437
Adjustments between accounting basis and funding under regulations:												
Adjustments primarily involving the Capital Adjustment Account:												
Reversal of items debited / credited to Cl&ES:												
Charges for depreciation and impairment of long-term assets	37,719	0	0	0	0	0	0	37,719	(37,719)	0	0	0
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Revaluation losses on property, plant & equipment	27,888	0	0	0	0	0	0	27,888	(27,888)	0	0	0
Movement in the fair value of Investment Properties	0	0	0	0	0	0	0	0	0	0	0	0
Capital Grants and Contributions applied	0	0	0	0	0	0	0	0	0	0	0	0
Amortisation of intangible assets	2,283	0	0	0	0	0	0	2,283	(2,283)	0	0	0
Movement in the Donated Assets Account	0	0	0	0	0	0	0	0	0	0	0	0
Revenue expenditure funded from capital under statute	15,929	0	0	0	0	0	0	15,929	(15,929)	0	0	0
Amounts of long-term assets written off on disposal or sale as part of the gain/loss on disposal to the CI&ES	0	0	0	0	0	0	0	0	0	0	0	0
Insertion of items not debited / credited to CI&ES:												
Statutory provision for the financing of capital investment	(15,482)	0	0	0	0	0	0	(15,482)	15,482	0	0	0
Capital expenditure charged against the Council Fund Balances	(28,472)	0	0	0	0	0	0	(28,472)	28,472	0	0	0
Adjustments primarily involving the Capital Grants Unapplied Account:												
Capital grants and contributions unapplied credited to CI&ES	(108,005)	0	64	0	0	108,004	0	63	(63)	0	0	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0	0	0	(114,683)	0	(114,683)	114,683	0	0	0
Adjustments involving the Capital Receipts Reserve:												
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CI&ES	217	0	0	0	1,398	0	0	1,615	(1,615)	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	0	0	(165)	0	0	(165)	165	0	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	0	0	0	0	0	0	0	0	0	0

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Adjustments involving the Financial Instruments Adjustment Account:												
Amount by which finance costs charged to the CI&ES are different from finance costs chargeable in the year in accordance with statutory requirements	(97)	0	(1)	0	0	0	0	(98)	98	0	0	0
Adjustments involving the Pensions Reserve:												
Reversal of items relating to retirement benefits debited or credited to the CI&ES	45,680	0	178	0	0	0	0	45,858	(45,858)	0	0	0
Employer's pensions contributions and direct payments to pensioners payable in the year	(40,590)	0	(94)	0	0	0	0	(40,684)	40,684	0	0	0
Adjustment involving the Unequal Pay Back Pay Adjustment Account:												
Amount by which amounts charged for equal pay claims to the CI&ES are different from the cost of settlements chargeable in the year in accordance with statutory requirements	0	0	0	0	0	0	0	0	0	0	0	0
Adjustment involving the Accumulated Absences Account:												
Amount by which officer remuneration charged to the CI&ES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(4,024)	0	(8)	0	0	0	0	(4,032)	4,032	0	0	0
<i>Continued Overleaf...</i>												

Other adjustments include:												
Adjustment between the Capital Adjustment Account and the Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation of long-term asset revaluation gains	0	0	0	0	0	0	0	0	0	0	0	0
Net increase or (decrease) before transfers to Earmarked Reserves	(9,061)	0	112	0	1,233	(6,679)	0	(14,395)	238,957	224,562	(125)	224,437
Transfers to or from Earmarked Reserves	9,061	14,407	(15,966)	(7,428)	0	0	(74)	0	0	0	0	0
Increase or (decrease) in the year	0	14,407	(15,854)	(7,428)	1,233	(6,679)	(74)	(14,395)	238,957	224,562	(125)	224,437
Balance at 31st March 2024	10,240	119,532	78,495	7,820	11,891	26,862	163	255,003	1,038,895	1,293,898	1,983	1,295,881

Group Movement in Reserves Statement for the year ending 31st March 2025

	Council Fund Balance	Earmarked Reserves: Capital, Treasury & Insurance	Earmarked Reserves: Other Revenue Related	Delegated Schools Reserve	Usable Capital Receipts Reserve	Capital Grants Unapplied	MGCC Insurance Reserve	Total Usable Reserves	Unusable Reserves	Total Reserves of the Council	Council's share of Reserves of Subsidiaries, Associates & Joint Ventures	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 st April 2024	10,240	119,532	78,495	7,820	11,891	26,862	163	255,003	1,038,895	1,293,898	1,983	1,295,881
Adjustments on transition to new accounting arrangements for leases	(2,172)	0	0	0	0	0	0	(2,172)	2,172	0	0	0
Movement in reserves during 2024/25												
Total comprehensive income and expenditure	(10,202)	0	7,635	0	0	0	0	(2,567)	46,950	44,383	9,939	54,322
Adjustments between Group Accounts and Authority Accounts:	10,469	0	0	0	0	0	0	10,469	0	10,469	(10,486)	(17)
Net Increase or decrease before transfers	267	0	7,635	0	0	0	0	7,902	46,950	54,852	(547)	54,305
Adjustments between accounting basis and funding under regulations:												
Adjustments primarily involving the Capital Adjustment Account:												
Reversal of items debited / credited to CI&ES:												
Charges for depreciation and impairment of long-term assets	51,082	0	151	0	0	0	0	51,233	(51,233)	0	0	0

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Revaluation losses on property, plant & equipment	34,600	0	0	0	0	0	0	34,600	(34,600)	0	0	0
Movement in the fair value of Investment Properties	0	0	0	0	0	0	0	0	0	0	0	0
Capital Grants and Contributions applied	0	0	0	0	0	0	0	0	0	0	0	0
Amortisation of intangible assets	2,771	0	0	0	0	0	0	2,771	(2,771)	0	0	0
Movement in the Donated Assets Account	0	0	0	0	0	0	0	0	0	0	0	0
Revenue expenditure funded from capital under statute	23,420	0	0	0	0	0	0	23,420	(23,420)	0	0	0
Amounts of long-term assets written off on disposal or sale as part of the gain/loss on disposal to the CI&ES	0	0	0	0	0	0	0	0	0	0	0	0
Insertion of items not debited / credited to CI&ES:												
Statutory provision for the financing of capital investment	(17,280)	0	0	0	(1,794)	0	0	(19,074)	19,074	0	0	0
Capital expenditure charged against the Council Fund Balances	(37,142)	0	0	0	0	0	0	(37,142)	37,142	0	0	0
Adjustments primarily involving the Capital Grants Unapplied Account:												
Capital grants and contributions unapplied credited to CI&ES	(77,121)	0	0	0	0	77,121	0	0	0	0	0	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	(9,688)	0	0	(95,574)	0	(105,262)	105,262	0	0	0
Adjustments involving the Capital Receipts Reserve:												
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CI&ES	13,354	0	160	0	3,090	0	0	16,604	(16,604)	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	0	0	(163)	0	0	(163)	163	0	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	0	0	0	0	0	0	0	0	0	0

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Adjustments involving the Financial Instruments Adjustment Account:												
Amount by which finance costs charged to the CI&ES are different from finance costs chargeable in the year in accordance with statutory requirements	(100)	0	(317)	0	0	0	0	(417)	417	0	0	0
Adjustments involving the Pensions Reserve:												
Reversal of items relating to retirement benefits debited or credited to the CI&ES	36,811	0	105	0	0	0	0	36,916	(36,916)	0	0	0
Employer's pensions contributions and direct payments to pensioners payable in the year	(41,500)	0	(97)	0	0	0	0	(41,597)	41,597	0	0	0
Adjustment involving the Unequal Pay Back Pay Adjustment Account:												
Amount by which amounts charged for equal pay claims to the CI&ES are different from the cost of settlements chargeable in the year in accordance with statutory requirements	0	0	0	0	0	0	0	0	0	0	0	0
Adjustment involving the Accumulated Absences Account:												
Amount by which officer remuneration charged to the CI&ES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	3,299	0	6	0	0	0	0	3,305	(3,305)	0	0	0
<i>Continued Overleaf...</i>												

Other adjustments include:												
Adjustment between the Capital Adjustment Account and the Revaluation Reserve	0	0	(1)	0	0	0	0	(1)	0	(1)	0	(1)
Depreciation of long-term asset revaluation gains	0	0	2,194	0	0	0	0	2,194	(2,194)	0	0	0
Net increase or (decrease) before transfers to Earmarked Reserves	(7,539)	0	148	0	1,133	(18,453)	0	(24,711)	79,562	54,851	(547)	54,304
Transfers to or from Earmarked Reserves	8,711	(1,475)	(4,713)	(2,012)	1,341	0	(14)	1,838	(1,838)	0	0	0
Increase or (decrease) in the year	1,172	(1,475)	(4,565)	(2,012)	2,474	(18,453)	(14)	(22,873)	77,724	54,851	(547)	54,304
Transitional adjustment between accounting basis and funding basis	(2,172)	0	0	0	0	0	0	(2,172)	2,172	0	0	0
Balance at 31st March 2025	9,240	118,057	73,930	5,808	14,365	8,409	149	229,958	1,118,791	1,348,749	1,436	1,350,185

**Group Comprehensive Income and Expenditure Statement for the year ended
31st March 2025**

This Statement shows the accounting cost in the year of providing services by the Group in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations, this may be different from the accounting cost. The taxation position is shown in the Group Movement in Reserves Statement.

**Group Comprehensive Income and Expenditure Statement for the year ended
31st March 2025**

2023/24				Note:	2024/25		
Gross Exp	Gross Income	Net Exp			Gross Exp	Gross Income	Net Exp
£'000	£'000	£'000			£'000	£'000	£'000
127,104	(21,267)	105,837	Finance, Digital & Frontline Services	G 1.0	133,700	(23,258)	110,442
64,363	(12,171)	52,192	Chief Executive		65,597	(29,861)	35,736
311,997	(75,361)	236,636	Education & Inclusion Services		351,944	(87,458)	264,486
311,960	(117,725)	194,235	Community & Children's Services		333,080	(127,688)	205,392
87,945	(62,642)	25,303	Authority Wide Budgets		88,412	(58,750)	29,662
1,833	(1,773)	60	Joint Committees		10,162	(1,653)	8,509
905,202	(290,939)	614,263	Cost of Services		982,895	(328,668)	654,227
			Other Operating Expenditure				
27,909	0	27,909	Precepts		30,877	0	30,877
14,933	0	14,933	Levies		15,924	0	15,924
218	0	218	(Gains) or Losses on Disposal of Non-Current Assets		13,513	0	13,513
			Financing and Investment Income and Expenditure				
11,228	0	11,228	Interest Payable and Similar Charges		13,400	0	13,400
5,100	(77)	5,023	Net Interest on Net Defined Liability (Asset)		0	(1,705)	(1,705)
0	(1,743)	(1,743)	Interest Receivable and Similar Income		0	(1,828)	(1,828)
0	(324)	(324)	Income, Expenditure and Changes in the Fair Value of Investment Properties		497	(320)	177
			Taxation and Non-Specific Grant Income				
0	(157,467)	(157,467)	Council Tax Income		0	(167,561)	(167,561)
0	(77,189)	(77,189)	NDR Distribution		0	(85,978)	(85,978)
0	(397,788)	(397,788)	Non-Ringfenced Government Grants		0	(408,055)	(408,055)
0	(96,438)	(96,438)	Capital Grants and Contributions		0	(72,739)	(72,739)
0	32	32	Corporation Tax - Joint Committees		0	88	88
964,590	(1,021,933)	(57,343)	(Surplus) or Deficit on the Provision of Services		1,057,106	(1,066,766)	(9,660)
			Tax Expenses				
194	0	194	Taxation of Group Entities		0	0	0
964,784	(1,021,933)	(57,149)	(Surplus) or Deficit		1,057,106	(1,066,766)	(9,660)
7,422	(50,054)	(42,632)	(Surplus) or Deficit on Revaluation of Property, Plant & Equipment Assets		2,768	(50,097)	(47,329)
0	(124,656)	(124,656)	Remeasurement of the Net Defined Benefit Liability		2,667	0	2,667
7,422	(174,710)	(167,288)	Other Comprehensive Income and Expenditure		5,435	(50,097)	(44,662)
972,206	(1,196,643)	(224,437)	Total Comprehensive Income and Expenditure		1,062,541	(1,116,863)	(54,322)

Group Balance Sheet as at 31st March 2025

The Group Balance Sheet summarises the financial position of the Council and its subsidiaries and associates as a whole. It shows the value of the Group assets and liabilities at the end of the financial year.

Group Balance Sheet as at 31st March 2025

31/03/24				31/03/25	
£'000			Note:	£'000	£'000
	Long-Term Assets	Property, Plant & Equipment:	G 2.0		
886,901		Other Land & Buildings		1,020,205	
589,657		Infrastructure		634,930	
19,854		Vehicles, Plant & Equipment		18,532	
588		Landfill Cells		486	
4,831		Community Assets		4,876	
61,558		Assets Under Construction		16,295	
145		Heritage Assets		145	
13,009		Investment Properties		12,870	
1,349		Defined Benefit Pension Scheme Asset		427	
5,553		Long-Term Intangible Assets		7,279	
5,079		Long-Term Investments		10,165	
3,124		Long-Term Debtors		5,556	
1,591,648		TOTAL LONG-TERM ASSETS			1,731,766
	Current Assets	Short-Term Investments		35,713	
66,405		Assets Held for Sale		584	
2,256		Inventories		981	
1,239		Short-Term Debtors	G 12.0	162,099	
122,549		Cash and Cash Equivalents		3,161	
2,168		TOTAL CURRENT ASSETS			202,538
194,617					
	Current Liabilities	Cash and Cash Equivalents		0	
0		Short-Term Borrowing		(25,541)	
(13,585)		Short-Term Provisions	G 14.0	(1,586)	
(1,501)		Short-Term Creditors	G 13.0	(191,302)	
(169,218)		Other Short-Term Liabilities		(2,046)	
0		TOTAL CURRENT LIABILITIES			(220,475)
(184,304)					
	Long-Term Liabilities	Long-Term Creditors	G 13.0	(24,989)	
(8,041)		Long-Term Provisions	G 14.0	(14,069)	
(15,930)		Long-Term Borrowing		(263,196)	
(272,057)		Other Long-Term Liabilities		(61,267)	
(9,929)		Long-Term Donated Assets Account		(123)	
(123)		TOTAL LONG-TERM LIABILITIES			(363,644)
(306,080)					
1,295,881	NET ASSETS				1,350,185

Continued Overleaf...

10,240	Usable Reserves	Council Fund Balance		9,240	
		Earmarked Reserves:			
119,532		Capital and Investment / Infrastructure		118,057	
78,495		Other Revenue Related Reserves		73,930	
7,820		Delegated Schools Reserve		5,808	
11,891		Usable Capital Receipts Reserve		14,365	
26,862		Capital Grant Unapplied Account		8,409	
163		MGCC Insurance Reserve		149	
255,003		TOTAL USABLE RESERVES			229,958
306,167	Unusable Reserves	Revaluation Reserve		327,931	
751,172		Capital Adjustment Account	G 5.0	810,493	
(5,116)		Financial Instruments Adjustment Account		(5,016)	
(7,961)		Pensions Reserve		(5,945)	
(5,367)		Short-Term Accumulating Compensated Absence Account		(8,672)	
1,983		Group Companies Reserve	G 3.0	1,436	
1,040,878		TOTAL UNUSABLE RESERVES			1,120,227
1,295,881	TOTAL RESERVES				1,350,185

Group Cash Flow Statement 2024/25

The Group Cash Flow Statement summarises the cash flows of the Council and its subsidiaries and associates during the year.

2023/24 £'000		Note:	2024/25	
			£'000	£'000
(57,149)	Net (Surplus) or Deficit on the Provision of Services		(9,660)	
(68,168)	Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements	G 6.0	(117,866)	
97,835	Adjustments for Items Included in the Net (Surplus) or Deficit on the Provision of Services that are Investing and Financing Activities	G 7.0	70,305	
(27,482)	Net Cash Flows from Operating Activities			(57,221)
(23,351)	Investing Activities	G 9.0	58,942	
61,645	Financing Activities	G 10.0	(728)	58,214
10,812	Net Increase or Decrease in Cash or Cash Equivalents			993
(8,644)	Cash and Cash Equivalents at the Beginning of the Reporting Period			2,168
2,168	Cash and Cash Equivalents at the End of the Reporting Period			3,161

Notes to the Group Accounts

These notes should be read in conjunction with the notes to the Council's Core Financial Statements. Unless specifically identified below, the information provided for the single entity accounts also applies to the Group Statements.

G.1.0 Segmental Analysis (Subsidiary Companies)

The operating income and expenditure of Amgen Cymru Ltd. and Amgen Rhondda Ltd. has been included within Finance, Digital & Frontline Services.

A Group Expenditure and Funding Analysis Statement, and its associated notes, has not been included in the Group Statements due to materiality.

G 2.0 Long-Term Assets

G 2.1 Property, Plant and Equipment

Movements in 2023/24

	Other Land & Buildings	Vehicles, Plant & Equipment	Landfill Cells	Community Assets	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation						
At 1 st April 2023	863,199	49,144	982	6,356	36,924	956,605
Joint Committees Opening Balance	0	896	0	0	226	1,122
Additions	45,945	4,557	0	136	45,430	96,068
Revaluation Increases/ (Decreases) Recognised in the Revaluation Reserve	26,821	0	0	0	0	26,821
Revaluation Increases/ (Decreases) Recognised in the Surplus/Deficit on the Provision of Services	(27,574)	0	0	(314)	0	(27,888)
Derecognition – Disposals	(1,418)	(2,053)	0	0	0	(3,471)
Derecognition - Other	0	(2,283)	0	0	0	(2,283)
Assets Reclassified (to)/from Held for Sale	(1,921)	0	0	0	0	(1,921)
Other Reclassifications	20,187	0	0	0	(21,022)	(835)
Other Movements in Cost or Valuation	0	0	0	0	0	0
At 31st March 2024	925,239	50,261	982	6,178	61,558	1,044,218
<i>Continued Overleaf...</i>						

Accumulated Depreciation and Impairment						
At 1 st April 2023	(40,175)	(26,522)	(337)	(1,301)	0	(68,335)
Joint Committees						
Opening Balance	0	(194)	0	0	0	(194)
Depreciation Charge	(21,784)	(5,744)	(57)	0	0	(27,585)
Depreciation Written Out of the Revaluation Reserve	15,775	0	0	0	0	15,775
Depreciation Written out to the Surplus/Deficit on the Provision of Services	3,691	0	0	0	0	3,691
Impairment (Losses)/Reversals Recognised in the Revaluation Reserve	(613)	0	0	0	0	(613)
Impairment (Losses)/Reversals Recognised in the Surplus/Deficit on the Provision of Services	4,670	(2,283)	0	(46)	0	2,341
Derecognition – Disposals	98	2,053	0	0	0	2,151
Derecognition - Other	0	2,283	0	0	0	2,283
Assets Reclassified (to)/from Held for Sale	0	0	0	0	0	0
Other Reclassifications	0	0	0	0	0	0
Other Movements in Cost or Valuation	0	0	0	0	0	0
At 31st March 2024	(38,338)	(30,407)	(394)	(1,347)	0	(70,486)
Net Book Value:						
At 31st March 2024	886,901	19,854	588	4,831	61,558	973,732
At 31st March 2023	823,024	23,324	645	5,055	37,150	889,198

Movements in 2024/25

	Other Land & Buildings	Vehicles, Plant & Equipment	Landfill Cells	Community Assets	Assets Under Construction	Total Property, Plant and Equipment	Mutual Investment Model(MIM) included within Other Land & Buildings	Operating Leases included within Other Land & Buildings and Vehicle,Plant & Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation								
At 1 st April 2024	925,239	49,365	982	6,178	61,332	1,043,096	5,209	0
IFRS 16 Transition	4,669	2,243	0	0	0	6,912	0	6,912
Joint Committees Opening Balance	0	896	0	0	226	1,122	0	0
Additions	106,909	6,379	0	46	13,635	126,969	54,392	0
Donated Assets	17	0	0	0	0	17	0	0
Revaluation Increases/ (Decreases) Recognised in the Revaluation Reserve	21,076	0	0	0	0	21,076	1,294	1,199
Revaluation Increases/ (Decreases) Recognised in the Surplus/Deficit on the Provision of Services	(34,435)	0	0	0	0	(34,435)	(3,189)	0
Derecognition – Disposals	(9,681)	(2,104)	0	0	(6,618)	(18,403)	0	0
Derecognition - Other	0	(3,205)	0	0	0	(3,205)	0	0
Assets Reclassified (to)/from Held for Sale	(786)	0	0	0	0	(786)	0	0
Other Reclassifications	38,144	0	0	(1)	(52,124)	(13,981)	0	0
Other Movements in Cost or Valuation	0	225	0	0	(156)	69	0	0
At 31st March 2025	1,051,152	53,799	982	6,223	16,295	1,128,451	57,706	8,111
<i>Continued Overleaf...</i>								

Accumulated Depreciation and Impairment								
At 1 st April 2024	(38,338)	(30,213)	(394)	(1,347)	0	(70,292)	(14)	0
Joint Committees								
Opening Balance	0	(194)	0	0	0	(194)	0	0
Depreciation Charge	(25,564)	(6,638)	(119)	0	0	(32,321)	(823)	(1,698)
Depreciation Written Out of the Revaluation Reserve	26,507	0	0	0	0	26,507	13	0
Depreciation Written out to the Surplus/Deficit on the Provision of Services	7,297	0	0	0	0	7,297	0	0
Impairment (Losses)/Reversals Recognised in the Revaluation Reserve	2,108	0	0	0	0	2,108	0	0
Impairment (Losses)/Reversals Recognised in the Surplus/Deficit on the Provision of Services	(4,947)	(3,205)	0	0	0	(8,152)	0	0
Derecognition – Disposals	1,917	1,925	0	0	0	3,842	0	0
Derecognition - Other	0	3,205	0	0	0	3,205	0	0
Assets Reclassified (to)/from Held for Sale	73	0	0	0	0	73	0	0
Other Reclassifications	0	0	0	0	0	0	0	0
Other Movements in Cost or Valuation	0	(147)	17	0	0	(130)	0	0
At 31st March 2025	(30,947)	(35,267)	(496)	(1,347)	0	(68,057)	(824)	(1,698)
Net Book Value:								
At 31st March 2025	1,020,205	18,532	486	4,876	16,295	1,060,394	56,882	6,413
At 31st March 2024	886,901	19,854	588	4,831	61,558	973,732	5,195	0

G 2.2 Valuation of Long-Term Assets

Assets are valued according to asset type. The following table shows the type of operational assets held, the basis of valuation and the date of last valuation.

Asset Type	Date of Last Valuation	Basis of Valuation
Other Land & Buildings	Rolling Programme	EUV/DRC
Specialist Building	Rolling Programme	DRC
Vehicles, Plant & Equip	N/A	DHC
Infrastructure	N/A	DHC
Community Assets	N/A	DHC
Landfill Cells	N/A	DHC

EUV - Existing Use Value

DHC - Depreciated Historic Cost

DRC - Depreciated Replacement Costs

G 3.0 Group Companies Reserve

Movements in the Group Companies Reserve are summarised as follows:

	Amgen Cymru	Amgen Rhondda	Total
	£'000	£'000	£'000
Balance as at 31st March 2024	4,739	(2,756)	1,983
Increase/(Decrease) 2024/25	(558)	11	(547)
Balance as at 31st March 2025	4,181	(2,745)	1,436

G 4.0 Subsidiary Companies Statutory Accounts

A summary of the statutory accounts for the Amgen Group is given in the following table. These accounts have been prepared in accordance with the Financial Reporting Standards for Smaller Entities.

	Amgen Cymru		Amgen Rhondda	
	March 2024	March 2025 Draft	March 2024	March 2025 Draft
	£'000	£'000	£'000	£'000
Shareholding	2,806	2,806	221	232
Net Current Assets	3,684	3,596	205	213
Total Assets less Current Liabilities	20,883	19,554	221	232
Net Assets	7,887	7,356	221	232
(Loss)/Profit Before Tax	(524)	(513)	(35)	11
(Loss)/Profit After Tax	(665)	(513)	(35)	11
Registration No.	02660628		03687641	
Registered Office/Location of Accounts	Bryn Pica Landfill Site Llwydcoed Aberdare CF44 0BX		Bryn Pica Landfill Site Llwydcoed Aberdare CF44 0BX	
Auditors	Azets Audit Services		Azets Audit Services	
Audit Opinion	True and Fair		True and Fair	

The Accounts will be presented at the companies' Annual General Meeting.

G 5.0 Consolidation Adjustments**G 5.1 Capital Adjustment Account**

	£'000
Balance as at 1st April 2024	751,172
Gains/(Losses) during the year	59,321
Balance as at 31st March 2025	810,493

In the Council's accounts the value of the shareholding in Amgen Rhondda Ltd. is written down to the value of the net assets of the company. To allow consolidation of the accounts the value of shareholding must be reinstated, which results in a credit to the Capital Adjustment Account of £2,745k.

G 6.0 Cash Flow Statement – Adjusting to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements

2023/24		2024/25
£'000		£'000
(67,146)	Depreciation and Impairment	(87,245)
(2,283)	Amortisation	(2,771)
(303)	(Increase)/Decrease in Creditors	(35,545)
1,962	Increase/(Decrease) in Debtors	41,983
(141)	Increase/(Decrease) in Stock	(259)
(5,142)	Movement in Pension Liability	4,189
(4,286)	Contribution to Provisions	2,132
4,031	Short-Term Accumulated Absence Accrual	(3,304)
(1,615)	Carrying amount of Long-Term Assets and Assets Held For Sale, sold or derecognised	(16,884)
6,755	Other non-cash items charged to the Net (Surplus) or Deficit on the Provision of Services	(20,162)
(68,168)	Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements	(117,866)

G 7.0 Cash Flow Statement – Adjust for Items Included in the Net (Surplus) or Deficit on the Provision on Services that are Investing and Financing Activities

2023/24		2024/25
£'000		£'000
1,397	Proceeds from the sale of Property, Plant and Equipment, Investment Property and Intangible Assets	3,090
96,438	Any Other Items for which the Cash Effects are Investing or Financing Cash Flows	67,215
97,835		70,305

G 8.0 Cash Flow Statement – Interest within Operating Activities

The cash flows for operating activities include the following items:

2023/24		2024/25
£'000		£'000
(2,067)	Interest received	(2,148)
11,228	Interest paid	13,400
9,161	Interest within Operating Activities	11,252

G 9.0 Cash Flow Statement – Investing Activities

2023/24		2024/25
£'000		£'000
170,195	Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	151,975
(95,648)	Purchase and Redemption of Short-Term and Long-Term Investments	(33,480)
(1,397)	Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets	(3,090)
(96,501)	Other receipts from Investing Activities	(56,463)
(23,351)	Net Cash Flows from Investing Activities	58,942

G 10.0 Cash Flow Statement – Financing Activities

2023/24		2024/25
£'000		£'000
0	Cash Receipts of Short-Term and Long-Term Borrowing	(13,577)
1	Cash Payments for the reduction of the outstanding liabilities relating to Finance Leases	3,683
61,644	Repayments of Short-Term and Long-Term Borrowing	10,419
0	Partnership Contributions	(1,253)
61,645	Net Cash Flows from Financing Activities	(728)

G 11.0 Adjustments between Group Accounts and Council Accounts in the Group Movements in Reserve Statement

The adjustments between Group Accounts and the Council's Accounts in the Group Movements in Reserves Statement relate to sales and purchases between the Council and subsidiaries.

2023/24		2024/25
£'000		£'000
(177)	Amgen Rhondda supplies to the Council	(176)
(8,774)	Amgen Cymru supplies to the Council	(11,236)
1,286	Council supplies to Amgen Cymru	943
(7,665)	Net Expenditure	(10,469)

G 12.0 Debtors

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

2023/24		2024/25
£'000		£'000
63,917	Central Government Bodies	90,431
13,714	Other Local Authorities	10,948
9,731	NHS Bodies	8,004
1,370	Public Corporations and Trading Funds	1,506
33,817	Other Entities and Individuals	51,210
122,549	Total	162,099

G 13.0 Creditors

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

Short-Term Creditors

2023/24		2024/25
£'000		£'000
(45,790)	Central Government Bodies	(4,245)
(43,979)	Other Local Authorities	(92,020)
(4,270)	NHS Bodies	(5,378)
(5,239)	Public Corporations and Trading Funds	(230)
(69,940)	Other Entities and Individuals	(89,429)
(169,218)	Total	(191,302)

Long-Term Creditors

2023/24		2024/25
£'000		£'000
(6,071)	Central Government Bodies	(23,362)
(1,890)	Public Corporations and Trading Funds	(1,455)
(80)	Other Entities and Individuals	(172)
(8,041)	Total	(24,989)

G 14.0 Provisions

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

Movements in provisions during the year were:

Short-Term Provision	Land Purchases and Part 1 Claims	Insurance Claims	Total
	£'000	£'000	£'000
Balance at 1st April 2024	(477)	(1,024)	(1,501)
Additional provisions made in 2024/25	0	(950)	(950)
Amounts used in 2024/25	4	861	865
Balance at 31st March 2025	(473)	(1,113)	(1,586)

Long-Term Provision	Insurance Claims	Joint Committees	Amgen Cymru – Landfill Aftercare	Total
	£'000	£'000	£'000	£'000
Balance at 1st April 2024	(2,149)	(4,862)	(8,919)	(15,930)
Additional provisions made in 2024/25	(2,414)	(195)	(178)	(2,787)
Amounts used in 2024/25	950	2,209	0	3,159
Unused amounts reversed in 2024/25	1,489	0	0	1,489
Balance at 31st March 2025	(2,124)	(2,848)	(9,097)	(14,069)

G 15.0 Amgen Cymru – Landfill Aftercare

The Company is required by the shareholders agreement to provide for future aftercare cost such as landfill capping and restoration. The aftercare provision at the balance sheet date falls within a range which is considered to be the best estimate at this time of the company's exposure to future aftercare costs.

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

ANNUAL GOVERNANCE STATEMENT 2024/25

1. INTRODUCTION

- 1.1 The Council's [Corporate Plan 2024-2030 'Working with our Communities'](#) sets the overall direction for the Authority over a period of 6 years describing the vision, purpose and priorities to be delivered.
- 1.2 The Corporate Plan also sets out the vision for a Rhondda Cynon Taf (RCT) where '*All people, communities and businesses can grow and live in a healthy, green, safe, vibrant and inclusive County Borough where they can achieve their full potential in all aspects of their lives and work, both now and in the future*'. The Council's Well-being objectives are:
- **PEOPLE AND COMMUNITIES** – Supporting and empowering RCT residents and communities to live safe, healthy and fulfilling lives.
 - **WORK AND BUSINESS** – Helping to strengthen and grow RCT's economy.
 - **NATURE AND THE ENVIRONMENT** – A green and clean RCT that improves and protects RCT's environment and nature.
 - **CULTURE, HERITAGE AND WELSH LANGUAGE** – Recognising and celebrating RCT's past, present and future.
- 1.3 All Councils in Wales must comply with many laws that guide our work. These laws include the Well-being of Future Generations (Wales) Act 2015, which among other things, requires Councils to set Well-being Objectives, and the Local Government and Elections (Wales) Act 2021. The Well-being Objectives set out within the Corporate Plan are clearly aligned to improving the economic, social, environmental and cultural Well-being of RCT.
- 1.4 This Annual Governance Statement (AGS) sets out for the community, service users, tax-payers and other stakeholders the Council's governance arrangements together with a review of their effectiveness in managing risks of failure in delivering Corporate Plan well-being objectives.

2. SCOPE OF RESPONSIBILITY

- 2.1 RCT is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
- 2.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes the arrangements for the management of risk.
- 2.3 The Council, in compiling the AGS, has adopted the *Delivering Good Governance in Local Government: Framework (2016)* developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (Solace) and undertaken an assessment in line with the requirements set out in the CIPFA Financial Management Code 2019. In doing so, the AGS meets the Council's legal duty, as set out in the Accounts and Audit (Wales) Regulations 2018, '*to conduct a review at least once a year of the effectiveness of its*

system of internal control and include a statement reporting on the review within any published Statement of Accounts’.

- 2.4 In addition, CIPFA and Solace published further guidance in May 2025 on the annual review of governance and internal controls and the preparation of an AGS. The guidance forms an addendum to the *Delivering Good Governance in Local Government: Framework (2016)* and applies to UK local government statements from 2025/26 onwards and local authorities are encouraged to consider it for 2024/25. In line with this, the Rhondda Cynon Taf 2024/25 Annual Governance Statement has taken into account the new guidance as part of supporting an accurate representation of the governance arrangements in place within the Council for financial year ending 31st March 2025.

3. **THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

- 3.1 The governance framework comprises the systems, processes and cultural values by which the Council is directed and controlled, and the activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 3.2 For Rhondda Cynon Taf governance is about ensuring that the Council does the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner now, and into the future.
- 3.3 The system of internal control is a significant part of that framework and is designed to manage the risk to a reasonable level. It cannot eliminate all risk of failure to achieve aims and objectives, and can therefore only provide reasonable and not absolute assurance of effectiveness.
- 3.4 The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council’s well-being objectives, to evaluate the likelihood and impact of those risks materialising, and to manage them efficiently, effectively and economically.
- 3.5 The governance framework outlined below has been in place at RCT for the year ended 31st March 2025 (and up to the date of approval of the 2024/25 Statement of Accounts).

4. **THE GOVERNANCE FRAMEWORK AND REVIEW ARRANGEMENTS**

- 4.1 The Council has put in place a Local Code of Corporate Governance, in line with the seven principles set out in *The Delivering Good Governance in Local Government Framework (2016)*, to support its arrangements for ensuring sound governance.
- 4.2 The Council has responsibility for conducting, at least annually, an assessment of its governance framework including the system of internal control. Section 5 sets out an Executive Summary of the findings and proposals for improvement arising from the 2024/25 assessment and Section 6 provides more detailed information, called Review of Effectiveness, for the 2024/25 financial year against the Local Code of Corporate Governance.

5. **EXECUTIVE SUMMARY**

5.1 RCT is responsible for putting in place proper arrangements for the governance of its affairs and to review these arrangements at least annually. The Council discharges this responsibility by having in place a Local Code of Corporate Governance and undertakes an annual assessment against this Code in the form of an Annual Governance Statement. Both the Code and AGS have been compiled in line with Delivering Good Governance in Local Government: Framework (2016) and updated guidance.

5.2. The Review of Effectiveness of the Council's governance arrangements are set out in detail in Section 6 and conclude overall (paragraph 6.12):

Based on the review of effectiveness against the Local Code of Corporate Governance, the governance arrangements in place provided the basis to maintain the Council's financial stability and resilience, during a period of sustained and significant financial pressures, rising demand for services and constrained funding, through robust planning, prioritisation and management of scarce resources. This position was underpinned by sound scrutiny and evidenced based decision-making processes and well-established self-assessment arrangements, and supported the delivery of Corporate Plan well-being objectives and wider services. A small number of proposals for improvement have been made to further strengthen existing processes.

5.3 A summary of the review process conclusions, across the 7 principles set out in the 2016 Framework, is included in Table 1.

Table 1 - Summary of the Review of Effectiveness

Core Principles	Overall Assessment Conclusion	Proposals for Improvement Set Out In The AGS
A - Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law	The Council has well-established and fit-for-purpose arrangements in place that set clear expectations around the behaviour of its elected Members and officers; promotes a culture where acting in the public interest is visible and consistently demonstrated and is supported by robust policies and procedures; and policies and procedures are reviewed on a regular basis to ensure they are operating effectively and support the adherence to relevant laws and regulations.	No
B - Ensuring openness and comprehensive stakeholder engagement	The Council has an open and transparent approach to informing stakeholders of the information it holds, how it can be accessed and responding to specific requests, and forward plans of areas that will be subject to review as part of Committee work programmes. Alongside, the Council's governance arrangements demonstrate that the results of stakeholder engagement activity is published and is taken account of as part of decision-making processes.	No

Supporting Principles	Overall Assessment Conclusion	Proposals for Improvement Set Out In The AGS
C - Defining outcomes in terms of sustainable economic, social and environmental benefits	The Council's Corporate Plan and associated processes in place enable outcomes to be defined, informed by stakeholder engagement, scrutiny and the Well-being of Future Generations Act, and impacts reported via performance reporting arrangements. The updates to the Performance Management Framework and performance reporting arrangements implemented in 2024/25 now need to be built upon to assess the on-going appropriateness of defined outcomes and the suite of information required to demonstrate impacts and implications.	<u>Issue Identified</u> The Council updated its PMF and content of Performance Reports in 2024/25 to further develop its arrangements to better evidence the impacts and outcomes from service delivery. This position now needs to be reviewed to inform the on-going programme of work to ensure impacts and outcomes are being appropriately evidenced. <u>Recommendation</u> Further to the Council updating its PMF and content of Performance Reports in 2024/25, a review of the suite of information in place should be undertaken to determine the extent to which impact and outcomes are being demonstrated and, where required, revisions incorporated into performance reporting arrangements for the 2025/26 financial year.
D - Determining the interventions necessary to optimise the achievement of the intended outcomes	Appropriate governance arrangements were in place during the year to plan and determine interventions to support the delivery of Corporate Plan well-being objectives, as evidenced via published decisions and alignment with the requirements set out in the Council's Performance Management Framework. The work was also integrated with budget setting and medium-term financial planning activity to inform the allocation of revenue and capital resources, and progress was subject to review via the Council's scrutiny arrangements.	No

Supporting Principles	• Overall Assessment Conclusion	Proposals for Improvement Set Out In The AGS
E - Developing the entity's capacity, including the capability of its leadership and the individuals within it	The Council's approach to self-assessment is well-embedded across the organisation, enabling it to assess its capacity and capability to deliver services into the future. This approach was underpinned by robust financial, service and workforce planning and management arrangements, and supported by established programmes of learning and development for elected Members and Officers and a framework of decision-making in the form of Schemes of Delegation.	No
F - Managing risks and performance through robust internal control and strong public financial management	The Council is financially stable, supported by robust financial planning, management and reporting arrangements that underpin service delivery and are compliant with the CIPFA Financial Management Code. Internal control and risk management processes are effective, with independent assurance provided by Internal Audit and oversight by the Governance and Audit Committee, as part of the overall arrangements in supporting the delivery of the Council's work.	<u>Issue Identified</u> The Council is taking steps to develop longer term actions and milestones as part of service delivery planning arrangements; however, the mitigating actions within the Strategic Risk Register generally cover 1 year. <u>Recommendation</u> As part of reviewing and updating the Council's Strategic Risk register for 2025/26, mitigating actions with the Register should be focussed on a longer-term horizon thereby aligning with service delivery plans and the Council's Corporate Plan 2024 – 2030.
G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability	The Council has open and transparent decision-making processes, with arrangements in place to hold decision-makers to account via a range of published reports on service delivery, performance and the stewardship of public funds.	No

6. **REVIEW OF EFFECTIVENESS**

- 6.1 The Review of Effectiveness has entailed reviewing the activities in place around the Council's main governance arrangements, as set out in the Local Code of Corporate Governance and associated key processes, engagement with senior officers across services in respect of these arrangements and taking account of the findings from a range of existing reports including external regulator reports.
- 6.2 Each section of the Council's Local Code of Corporate Governance has been set out from Section 6.3 below, alongside other key governance arrangements, and a review of their effectiveness undertaken and proposals for improvement made, where deemed appropriate.

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

- 6.3.1 The Council is accountable not only for how much it spends, but also for how it uses the resources under its stewardship. This includes accountability for performance, both positive and negative, and for the outcomes achieved. In addition, the Council has an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, it can demonstrate the appropriateness of decisions and actions, and have arrangements in place to encourage and ensure compliance with ethical values and to respect the rule of law.
- 6.3.2 The 2024/25 Review of Effectiveness has concluded the Council has well-established and fit-for-purpose arrangements in place that set clear expectations around the behaviour of its elected Members and officers; promotes a culture where acting in the public interest is visible and consistently demonstrated and is supported by robust policies and procedures; and policies and procedures are reviewed on a regular basis to ensure they are operating effectively and support the adherence to relevant laws and regulations. This conclusion is based on the following:

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2024/25
Elected Councillor and Officer Codes of Conduct - setting out the standards of behaviour to be followed based on the principles of integrity, honesty, impartiality and objectivity.	Behaving with integrity	• The Council's Constitution sets out the standards of behaviour expected of elected Members and Officers through Codes of Conduct and Rules of Procedure, and a review of Committee meeting minutes demonstrating that proceedings were in line with the Council's Code of Conduct. • The Council's Constitution has been kept under on-going review during the year and policies and procedures updated as required. • All elected Members have signed the 'Memorandum of Understanding' protocol which was endorsed by Council in 2021. This document, along with the Members' Code of Conduct, forms part of the ethical code which binds all elected Members of the Council. • The Council's Standards Committee, following consultation with the Democratic Services Committee, undertook a review of the Member – Officer relations protocol, with a revised version of the protocol endorsed at Council in November 2024. • Member training delivered in respect of Register / Declarations of Interest Forms, where attendees received practical examples and guidance from the Council's Monitoring Officer in respect of completion of this documentation. • Group Leader meetings include a focus on the responsibilities of Political Group Leaders in respect of their group members standards and good conduct. • From a Council Officer perspective, local induction arrangements were in place that set out, amongst other things, expected standards of behaviour, alongside a 'basic rules' booklet available to all staff and quarterly corporate induction for all new starters.
Rules of Procedure – covering Council, Open Government, Access to Information, Budget and Policy Framework, Executive, Overview and Scrutiny, Officer Employment and Contract and Financial Procedure Rules.	Demonstrating strong commitment to ethical values	• The Council's Constitution sets out the Rules of Procedure to be followed by elected Members and Officers when conducting the Council's business. The arrangements, as set out in the Rules of Procedure, were compiled with during the year and publicly demonstrate an accountable and open approach in the delivery of Council services. • The Council has published an easy read guide to the Council Constitution to assist in accessibility and public participation. A copy of which can be found here. The Council can evidence an on-going and pro-active approach to keeping its procedural arrangements under review and has reported proposed updates for scrutiny / approval to the relevant

		Committee and where required to full Council for consideration / approval. This has included updates to Contract Procedure Rules to reflect updated legislation and the Notice of Motion procedure to support the principles set out in the Council's Public Participation Strategy (approved at the February and May 2025 full Council meetings respectively) and also policies / procedures reviewed and updated covering the Local Code of Corporate Governance and Anti-Fraud Bribery and Corruption Strategy including Anti-Money Laundering Policy (reported to the Governance and Audit Committee on 17/12/2024 and 31/3/2025 respectively).
Standards Committee - the role of which includes, amongst other things, promoting and maintaining high standards of conduct by elected Councillors.	Demonstrating strong commitment to ethical values	• A Standards Committee was in place, supported by a Work Programme for the year, and promoted high standards of conduct in accordance with the Committee's Terms of Reference. • As part of the Committee's Work Programme, information on the outcome of complaints received and investigations undertaken by the Public Services Ombudsman for Wales (PSOW) relating to RCT Elected Members and Community/Town elected Members within RCT (for whom the Monitoring Officer has responsibility) were reported. In summary, between 1st March 2024 and 31st March 2025 there were 3 complaints made to the PSOW against RCT elected Members; one of those complaints reached the investigation stage and remains ongoing. Information in respect of these complaints was published as part of the 16th September 2024, 18th November 2024, 27th January 2025 and 12th May 2025 Standards Committee meetings, ensuring an open and transparent approach.
Gifts and hospitality Policy.	Demonstrating strong commitment to ethical values	• The Council has a Gifts and Hospitality Policy and arrangements were in place, via registers, to record gifts and hospitality in line with the Policy.
Whistle-blowing Policy – promoting the highest possible standards of service and setting out how workers can bring information about a wrongdoing to the attention of the Council.	Respecting the rule of law	• The 31st March 2025 Governance and Audit Committee scrutinised the Whistleblowing Annual Report 2024/25 that set out the arrangements and work undertaken during the year and concluded that the '<i>Council's whistleblowing arrangements are appropriate</i>'.

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2024/25
Comments, Compliments and Complaints setting out how the Council handles and responds to feedback (complaints, compliments, and comments).	Demonstrating strong commitment to ethical values	• The Council reported overviews of the operation and effectiveness of its Customer Feedback Scheme and Statutory Social Services Complaints Procedure for the period April 2023 to March 2024: ○ Customer Feedback Annual Report 2023/24 (non-social services related) - reported to the 21st October 2024 Cabinet meeting and 4th November 2024 Governance and Audit Committee meeting) and concluded that customer feedback provides valuable information from which services can improve and develop, and this data also enables services and the Council as a whole to better understand the needs of its residents and to assist in both the planning and delivery of services. ○ Social Services Representations and Complaints Procedures Annual Report 2023/24 – reported to the 20th November 2024 Cabinet meeting and 4th November 2024 Governance and Audit Committee meeting, and concluded that Social Services continue to provide a robust and effective complaints procedure in line with statutory requirements, with the information from complaints providing valuable lessons learnt when planning and improving services to meet the needs of our customers. • The PSOW Annual Report and Letter for 2023/24 was also reported to the 21st October 2024 Cabinet meeting - the report highlighted that, ‘<i>During 2023/24 64 complaints were received by the PSOW relating to this Authority (for periods 2022-2023– 54 and 2021/22 – 51). The total number of complaints equates to 0.27 complaints per 1,000 residents. Notably this placed the Authority in the top quartile for the lowest number of complaints out of the 22 Authorities in Wales. 0.36 complaints per 1000 residents was the average across the 22 local authorities</i>’.
Anti-fraud, Bribery & Corruption Strategy.	Respecting the rule of law	• Anti-fraud, Bribery and Corruption Strategy updates were reported to and scrutinised by the Governance and Audit Committee during the year: a mid-year update on 17th December 2024 and the Anti-fraud, Bribery and Corruption Annual Report for 2024/25 was presented to Governance and Audit Committee on 31st March 2025. This included an updated Anti-fraud, Bribery and Corruption Strategy and Anti-Money Laundering Policy. • The Annual Report, endorsed by the Governance and Audit Committee, concluded that based on the work undertaken during the year, the Council continues to operate within an effective anti-fraud culture across the organisation, with resilient preventative measures capable of identifying and addressing new threats.

6.4 Core Principle B - Ensuring openness and comprehensive stakeholder engagement

6.4.1 Local government is run for the public good and the Council is committed to ensuring openness in the delivery of its activities. Clear, trusted channels of communication and consultation should be used to engage effectively with stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

6.4.2 The 2024/25 Review of Effectiveness has concluded the Council has an open and transparent approach to informing stakeholders of the information it holds, how it can be accessed and responding to specific requests, and forward plans of areas that will be subject to review as part of Committee work programmes. Alongside, the Council's governance arrangements demonstrate that the results of stakeholder engagement activity is published and is taken account of as part of decision-making processes. This conclusion is based on the following:

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2024/25
A Publication Scheme that aims to advise citizens how to request public information the Authority holds.	Openness	- The Council's website provided information on its Publication Scheme setting out the information published by the Council and how to access it, and also on the Freedom of Information Act 2000 that advised residents how to request public information that the Council may hold. <u>Freedom of Information</u> - The Council received 1,204 Freedom of Information (FOI) / Environmental Information Regulations (EIR) requests during the year, this being a 10% increase on the previous year (1,083). - The Council received 10 complaints which had been referred to it by the Information Commissioner's Office (ICO). 6 related to the timeliness of requests being responded to by the Council (all of which were subsequently responded to); 1 where the ICO agreed that the Council applied the correct exemption and the information is to remain withheld; 1 where the request was to be reconsidered; 1 where information could be released due to the passage of time/change in circumstance; and 1 where the request was reconsidered under different legislation. <u>Public Services Ombudsman for Wales (PSOW)</u> - The Ombudsman received 62 complaints relating to the Council in 2024/25 (62 in 2023/24). In 2024/25, there were 41 cases where no investigation was deemed required following review by the PSOW; 5 agreed early resolution; 14 cases referred back to be dealt with as part of the Council's complaint procedures; and 2 are on-going.

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2024/25
Clear and open Corporate & Service Specific Privacy Notices .	Openness	• The Council complied with the transparency requirements of the UK General Data Protection Regulation by providing its citizens, service users and customers with clear and accessible privacy information (in the form of privacy notices via the Council's website). This provided opportunity for data subjects to be aware of how their personal data is processed, including the lawful basis.
Forward plans for Committee meetings together with the matters to be considered, where appropriate.	Openness	• The Council published on its website forward plans of committee meetings to assist members of the public to engage in the democratic processes of the Council. • There was a Member-led process in place to develop scrutiny work programmes and this is adding value through better use of performance information, inclusion of items that align with the Council's Corporate Plan and supported more effective agenda management. This has been evidenced through examination Committee meeting minutes that show questioning of key matters presented and requests for additional information / further updates to be provided to Committees. • Arrangements are in place to enable the coordination and scrutiny of work programmes and ensure elected Member and Officer time is prioritised on key issues: ○ The Council's Work Programme is a standing item on Council agendas (this also helping to ensure elected Members and the public are updated and aware of the forward business for the Council); ○ The Cabinet Forward Work Programme is a standard item on the Overview & Scrutiny agenda to allow the Committee to have insight into any areas that may warrant review as part of scrutiny committee work programmes); and ○ The Overview and Scrutiny Committee, as the overarching Committee, considers and approves each scrutiny committee work programme to ensure a prioritised focus and prevent duplication. • A review of the business delivered via 2024/25 work programmes demonstrates an approach to decision making based on clear reasoning and evidence; engagement with stakeholders (where appropriate); and consideration of finance, legal, equality, Welsh Language and well-being of future generation implications.
Stakeholder engagement	Engaging comprehensively with institutional stakeholders	• The Council worked with public, private and voluntary organisations during the year via Joint Committee (including the South East Wales Corporate Joint Committee), Board and local arrangements with the overriding objective to help improve the lives of residents within the County Borough. Examples of the Council's engagement with institutional and other stakeholders is set out on its website.

		• More specifically, the Council is a statutory partner within the Cwm Taf Morgannwg Public Services Board (CTMPSB) and is working with partners to deliver the 'Cwm Taf Morgannwg – Our Well-Being Plan – A More Equal Cwm Taf Morgannwg 2023 – 2028' (this being informed by citizen engagement and a well-being assessment, and sets out regional objectives and outcomes and alignment with the Well-being of Future Generations Act seven national well-being goals). There is alignment between the Council's well-being objectives and the work of the CTMPSB, for example, Climate Change Risk Assessment that included participation with 221 participants across 33 organisations. • The above arrangements also align with the Cwm Taf Morgannwg Regional Partnership Board, with the Board managing, amongst other things, the allocation of the Welsh Government funded Regional Investment Fund in order to help meet the health, social care and wellbeing needs of residents and a focus on its governance and engagement arrangements. • The Council has on-going engagement arrangements with other partner organisations on specific areas where there are shared goals, such as, with the Health Service on developing an integrated health and social care model with the aim to improve health, care and wellbeing including prevention through a proactive approach and ensuring people will spend more time at home, with improved individual and population outcomes.
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Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2024/25
Stakeholder engagement	Engaging Stakeholders Effectively, Including Individual Citizens And Service Users	• The Council's stakeholder engagement is underpinned by its Public Participation Strategy, with a wide range of engagement activities undertaken via its dedicated Let's Talk RCT engagement website and also face-to-face engagement, for example: Let's Talk Budget 2025 - 2026 (Phase 1 & 2) – to inform the 2025/26 Revenue Budget Strategy; Let's Talk Electric Vehicles Charging, Trees and Wildflowers – continuous engagement to inform the Council's programme of work to tackle climate change; Let's Talk Southern Gateway – keeping people updated on developments in this key development project; Service Change Proposals (e.g. residential care homes); Let's Talk Your Views – to inform the development of the Involvement Strategy from 2025; Let's Talk Eisteddfod 2024 – gathering feedback after the event; and Let's Talk Tonypany – as part of developing the town centre strategy. • There is alignment of stakeholder engagement with the Council's Corporate Plan and Committee work programmes, and evidence of the arrangements being delivered collaboratively between corporate and service officers to ensure a co-ordinated approach. • The results of stakeholder engagement is published and forms part of Council, Cabinet and Scrutiny Committee reports to inform decision making arrangements and supports the development of strategies and associated service planning. • A draft Involvement Strategy was publicly consulted on and is scheduled to be published in 2025/26, subject to the required sign-off, to further support increased involvement and engagement with communities. • The range of engagement activity undertaken, supported by the Public Participation Strategy, demonstrates that established arrangements are in place to take account of stakeholder feedback to inform decision making, service planning / delivery and the development of strategies.

Supporting Principle C - Defining outcomes in terms of sustainable economic, social and environmental benefits.

- 6.5.1 The long-term nature and impact of the Council's work requires it to define and plan outcomes and that these should be sustainable. Decisions should further the Council's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from stakeholders, including citizens, service users and institutional stakeholders, is vital to the success of this process and in balancing competing demands, determining priorities and finite resources.
- 6.5.2 The 2024/25 Review of Effectiveness has concluded the Council's Corporate Plan and associated processes in place enable outcomes to be defined, informed by stakeholder engagement, scrutiny and the Well-being of Future Generations Act, and impacts reported via performance reporting arrangements. The updates to the Performance Management Framework and performance reporting arrangements implemented in 2024/25 now need to be built upon to assess the on-going appropriateness of defined outcomes and the suite of information required to demonstrate impacts and implications. This conclusion is based on the following:

Local Code of Corporate Governance Requirements	Sub-Principles	Review of Effectiveness During 2024/25
Corporate Plan 2024 – 2030 'Working with our Communities'	Defining Outcomes	- The Council's Corporate Plan 2024-2030 'Working with our Communities' sets the overall direction for the Authority describing the vision, purpose, well-being objectives and defining outcomes, further to a stakeholder engagement and scrutiny. In parallel, the Plan has taken into account the Well-Being of Future Generations Act Sustainable Development Principle, Five Ways of Working and Seven National Well-Being Goals, and has set 4 well-being objectives as per paragraph 1.2. - There is clear alignment between the Council's Corporate Plan well-being objectives and: - Key Council strategic documents including: the Revenue Budget Strategy, 3-year Capital Programme, Medium-Term Financial Plan and Strategic Risk Register, with progress updates reported quarterly as part of in-year Performance Reports.; and The Cwm Taf Morgannwg Well-Being Plan 2023 – 2028 and the Well-Being of Future Generations Act (Wales) 2015.
The Council's Performance Management Framework – defining outcomes based on need	Defining Outcomes	The Council has reviewed and updated its Performance Management Framework (PMF), informed by engagement with services and the Health Determinants Research Collaborative. The PMF aligns with the vision, purpose and defined outcomes of the Corporate Plan 2024 – 2030 'Working with our Communities' and reflects the findings of the Council's 2023/24 Self-Assessment to make better use of existing data as actionable intelligence and continue to strengthen how impact and outcomes are demonstrated.

		• The Council's quarterly Performance reports are in line with the requirements set out within the updated PMF and are supporting on-going improvement in the demonstration of defined impacts and outcomes, recognising this is an on-going programme of work. • The roll-out of the updated PMF is being supported by a programme of staff training for managers and aspiring managers and the development of an open access online training module. This work is continuing in 2025/26. <u>Area for Improvement</u> Further to the Council updating its PMF and content of Performance Reports in 2024/25, a review of the suite of information in place should be undertaken to determine the extent to which impact and outcomes are being demonstrated and, where required, revisions incorporated into performance reporting arrangements for the 2025/26 financial year.
Quarterly Performance Report (including Risk Register updates)	'Defining Outcomes' and 'Sustainable economic, social and environmental benefits'	• The Council's performance reports provided a holistic overview of the Council's financial and Corporate Plan performance, in line with its Corporate Plan Well-Being Objectives that focus on improving the economic, social, environmental and cultural well-being of the County Borough. The Performance Reports also demonstrated more clear alignment of service delivery to the Sustainable Development Principle and a 'Delivery in Action' section to better highlight outcomes achieved / case studies. • The governance arrangements for the Council's performance reports were sound, these being published on a quarterly basis during the year, reported to and approved by Cabinet and thereafter scrutinised by the Overview and Scrutiny Committee. The minutes of Overview and Scrutiny Committee meetings demonstrate constructive debate between elected Members and Officers as part of reviewing and challenging the Council's financial and Corporate Plan performance results. • The scrutiny process can evidence challenge across a wide range of issues along with feedback provided to the Committee on matters raised, with work on-going to assess the impact of the Scrutiny Committee's work / oversight.

6.6 Supporting Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes

- 6.6.1 The Council achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions. Robust decision making is required to enable priorities and intended outcomes to be delivered in an efficient and effective way, and decisions reviewed on an on-going basis to ensure the achievement of outcomes is optimised.
- 6.6.2 The 2024/25 Review of Effectiveness has concluded that appropriate governance arrangements were in place during the year to plan and determine interventions to support the delivery of Corporate Plan well-being objectives, as evidenced via published decisions and alignment with the requirements set out in the Council's Performance Management Framework. The work was also integrated with budget setting and medium-term financial planning activity to inform the allocation of revenue and capital resources, and progress was subject to review via the Council's scrutiny arrangements. This conclusion is based on the following:

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2024/25
Evidence based decision-making arrangements	Determining interventions	Decision-making arrangements were in line with the Council's Constitution, supported by evidence based and published reports that were informed by stakeholder feedback and analysis of options to determine the interventions needed to deliver well-being objectives. Specific areas were also subject to a pre-scrutiny process to inform the decision-making process (see also Section 6.6.2 – Scrutiny Committees) and where required, decisions were incorporated within the Council's Revenue Budget Strategy / 3-Year Capital Programme and informed the Medium Term Financial Planning process.
Monitoring and oversight of priorities	Planning interventions	- Arrangements were in place to plan interventions in line with the Council's Performance Management Framework (i.e. annual service self-evaluation and service delivery planning processes), these being subject to internal sign-off arrangements. - Key interventions from the above processes formed part of Corporate Plan well-being objective action plans, with quarterly progress updates publicly reported via performance reports and also through self-standing published reports on specific areas in line with Committee work programmes. The reports during 2024/25 provide assurance that robust monitoring arrangements were in place to oversee the delivery of interventions, an improving picture in terms of evidencing impact along with associated risks and resource implications.

Annual Revenue Budget Strategy and three-year Capital Programme	Optimising achievement of intended outcomes	• Full Council approved the 2024/25 Revenue Budget Strategy and 3-year Capital Programme (2024/25 to 2026/27) on 6th March 2024). <u>Revenue Budget Strategy 2024/25</u> • The formulation of the 2024/25 Revenue Budget Strategy was informed by a comprehensive and well-established approach that included Service Delivery Planning; review and challenge of budget requirements across all service areas, led by the Senior Leadership Team; and engagement with local residents / stakeholders. The approach enabled the Council to set a balanced budget, totalling £631.795Million, further to addressing a budget gap of over £36Million through the delivery of significant efficiency savings and also budget reduction measures that protect frontline services as much as possible, and was one of the largest budget gaps ever faced by the Council. • As part of the engagement arrangements and feedback from respondents, the service areas most important to residents included social care and schools, with these areas accounting for approximately 61% of the Council's overall revenue budget. <u>Capital Programme (2024/25 to 2026/27)</u> • The 3-year Capital Programme totalled £165.630Million and set out the capital investment priorities that will have a long-term impact on the area in terms of regeneration, infra-structure and the Council's built assets to support optimising their use and benefit to local communities. This included significant on-going investment in: town centre regeneration to support redevelopment of key sites and buildings and support footfall; schools, to deliver on-going improvements in the quality of learning environments and facilities available, and ensuring school buildings are fit for future generations; highways, continuing to improve the condition of roads, as demonstrated by reported performance indicators; housing, through supporting more affordable housing and adapting peoples homes to help maintain their independence; flood alleviation projects; and carbon reduction projects that are supporting the Council's decarbonisation ambitions. <u>Demonstrating the achievement of intended outcomes</u> • The Council's in-year Performance Reports and Finance related reports during the year have provided updates and assurance on the delivery of the objectives underpinning the Revenue Budget Strategy and Capital Programme i.e. overall positive progress in the delivery of Corporate Plan well-being objectives; the continued delivery of the Council's key services and protect as many local jobs as possible; and taking a responsible approach to the level of Council Tax – the latter being supported by the Council having the lowest average Band D council tax increase in Wales for 4 of the past 10 years (and in the top 5 lowest for the other 6 years). • The Council has a sustainable and long-term approach in planning its capital programme, in line with its Corporate Plan well-being objectives. This is demonstrated by over £1.15Billion of capital investment over the past 10 years (between 2015/16 and 2024/25), with impacts reported via Performance Reports and specific updates to the designated Committees.
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Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2024/25
Medium Term Financial Plan	Optimising achievement of intended outcomes	• The Council has well embedded Medium Term Financial Planning (MTFP) arrangements that inform budget setting, with the approach balancing the Council priorities and strategies with affordability, to support service planning and delivery over the medium term. During the year, the MTFP was published and the Council adopted an inclusive approach to enable elected Members to review and scrutinise the position i.e. updates reported to Cabinet, full Council, Overview and Scrutiny Committee and School Budget Forum. • The latest MTFP (2024/25 to 2027/28 – as reported to Cabinet on 23rd September 2024, set out a range of modelled ‘budget gaps’, these being between £31M and £36M for the 2025/26 financial year and provided an accurate and timely forecast of the scale of the budget challenge to inform budget setting arrangements for this period (the actual budget gap at provisional settlement stage being £36M, again one of the largest budget gaps ever faced by the Council). • The Council prioritised the allocation of resources in line with its Corporate Plan: 88% of the Council’s revenue budget was allocated to Corporate Plan well-being objective areas (with the remaining 14% being in respect of Regulatory Public Services, Other Services to the public, Authority Wide costs and Core Support) (See also section ‘Supporting Principle F’); and 92% of capital resources were allocated to Corporate Plan well-being objective areas.
Scrutiny Committees	Optimising achievement of intended outcomes	The Council’s scrutiny function continued to develop its arrangements to review and challenge proposed decisions and focus on areas that aim to have a positive impact on the lives of local people and an overview of the work and impact / influence of scrutiny committees’ work during 2024/25 has been set out in the Overview and Scrutiny Annual Report 2024/25 agreed by full Council on 21st May 2025. This included: • A focus on pre-scrutiny – providing the Council’s non-executive Members with the opportunity to comment on proposed decisions before they are taken through debate, challenge and analysis of the reasons for the proposed decision and robustness of the process. Examples of pre-scrutiny included: Overview of the Impact and Legacy of the RCT National Eisteddfod; The Council’s Corporate Asset Management Plan 2024-2030; and Residential Care Homes for Older People; • Utilising the ‘call-in’ mechanism – providing opportunity for non-executive Members to “call in” for examination a key decision that has been made but not yet implemented, for example, Standardisation of The Council’s Waste Collection Arrangements (Including Revisions to Trade and Green Collection Arrangements)

		• Scrutiny Task & Finish Groups - Two Task & Finish Groups were established to carry out a 'time limited' examination of specific issues of interest or concern. Evidence-gathering will culminate with a report containing an agreed set of recommendations which, following endorsement by the respective scrutiny committee, will be reported to the Cabinet for its consideration. These cover: ➤ 'Sustainable Communities for Learning Programme' – Education & Inclusion Scrutiny Committee; and ➤ 'Child Poverty'- Overview & Scrutiny Committee. • Cabinet Member engagement - Cabinet Members attendance at scrutiny committees to present updates on decisions taken forward within portfolio areas and enabling scrutiny committee members to hold Cabinet members to account, for example, an update report to the 24th March 2024 Overview and Scrutiny Committee. • Encouraging public engagement and participation through access to live streaming and recording of committee meetings, providing residents / stakeholder with opportunity to access information on the Council's performance, outcomes being supported and areas for improvement. In line with the requirements of the Local Government & Elections (Wales) Act 2021, the Council's Public Participation Strategy sets out the ways in which local people are encouraged to participate in the decision-making process of the Council. • The Council's Petition Scheme provides further opportunity for public participation, with the scheme being utilised for example for two petitions in relation to the standardisation of refuse collections across Rhondda Cynon Taf i.e. a report was presented to Council and was subsequently referred to the Overview & Scrutiny Committee, providing opportunity for the Lead petitioners to address Members - a link to the report can be found here. • Scrutinising the Council's financial and Corporate Plan performance, with Members provided with training and support the effectively this function, together with on-going training made available for all elected Members on scrutiny committees. • The Members' Portal has been subject to on-going development and allows access to a 'data library' providing live data of services and facilities in each Member's area and comparisons across the County Borough – this development will positively contribute to effective scrutiny. Alongside the above, other arrangements that has supported the achievement of intended outcomes were: an Elected Member Research facility providing statistical research and resources to support elected Members in their role; pre-meetings to assist Chairs and Vice-Chairs in determining clear and precise questioning and lines of enquiry at scrutiny meetings; and having due regard to the seven wellbeing goals and the five ways of working (as per the Well-being of Future Generations Act) within reports, directing scrutiny committees to consider the long-term impact of decisions on communities to prevent consistent issues such as poverty, health inequalities and climate change.
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6.7 Supporting Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it

- 6.7.1 The Council needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and support the achievement of intended outcomes. It must ensure it has both the capacity to deliver its priorities and for the organisation as a whole. Because both individuals and the environment in which the Council operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of staff members. Leadership in the Council is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.
- 6.7.2 The 2024/25 Review of Effectiveness has concluded that the Council's approach to self-assessment is well-embedded across the organisation, enabling it to assess its capacity and capability to deliver services into the future. This approach was underpinned by robust financial, service and workforce planning and management arrangements, and supported by established programmes of learning and development for elected Members and Officers and a framework of decision-making in the form of Schemes of Delegation. This conclusion is based on the following:

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2024/25
Corporate and Service Self Evaluation process.	Developing the entity's capacity	• The Council's 2023/24 Annual Self-Assessment was approved by full Council on 6th November 2024, following internal review and challenge and pre-scrutiny by Governance and Audit Committee on 19th September 2024. • The Annual Self-Assessment 2023/24 found the Council's arrangements have provided the basis to maintain the organisation's financial stability and resilience during a period of significant financial pressures and constrained funding, through robust planning, prioritisation and management of resources. This was underpinned by sound scrutiny and decision making processes and well-established self assessment arrangements, and supported Corporate Plan well-being objectives, wider service delivery and improved outcomes for service users. • A small number of areas for improvement were identified to further strengthen existing processes; these were built into service delivery plans, recognising that their delivery will cover a medium term timescale, and include: ○ the need to use the Corporate Plan as a focus for further innovation and ongoing service transformation, ○ continuing to improve the effective use and benchmarking of data and improve the way we demonstrate impact, ○ continuing to improve recruitment, retention and succession planning in high-risk areas, and ○ continue to keep pace with digital change and explore new technology; and developing our social value reporting. The Self-Assessment concluded the Council had managed its resources economically, efficiently and effectively and that governance arrangements were effective for securing the above.

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2024/25
Workforce Plan	Developing the entity's capacity	• The current Human Resources Strategy and Council Workforce Plan 2023-28 supports the identified workforce needs of the Council, with a focus on 4 key aims (i.e. responsible, inclusive and sustainable leadership and management; high performing, engaged and dedicated workforce; recruiting and retaining staff for excellent service delivery; and maximising attendance and supporting staff wellbeing) and it is recognised that the Strategy needs to be kept under on-going review to support the long-term service delivery requirements of the Council. • Workforce planning has been identified as a risk within the Council's Strategic Risk Register, with updates included within the Council's quarterly Performance Reports setting out actions being taken to mitigate, as far as practicable, identified risks, for example, the delivery of workforce planning training for managers, supporting workforce development planning (e.g. within Children's Services and Council apprenticeship and graduate programmes) and working collective with service managers and finance officers to review and reconfigure staffing structures to ensure provision aligns with need and support more efficient service delivery arrangements.
Schemes of Delegation	Developing the capability of the entity's leadership and other individuals	• Part 3 of the Council's Constitution 'Responsibility for Functions' set out General Scheme of Delegation of Executive and Non-Executive Functions to Officers and these were kept under on-going review during the year.
Procedure Rules	Developing the capability of the entity's leadership and other individuals	• The Council's Constitution set out Contract and Financial Procedure Rules that provided the framework for Officers and, where required, elected Members, to operate within during the year. Internal Audit also took account of the requirements within these Procedure Rules when checking internal control compliance as part of audit assignments undertaken and reported updates to Management on exceptions. • The Governance and Audit Committee were provided with an overview of the Council's Contract Procedure Rules at its meeting held on 28th January 2025, to support awareness and understanding of the framework of rules in place when discharging the Committee's responsibilities.

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2024/25
Programme of elected Member and Officer training and development.	Developing the capability of the entity's leadership and other individuals	<u>Elected Members</u> • The 2024/25 Member Development Training Programme was compiled following completion of Member Personal Development Reviews and informed by Committee requests throughout the year, and a report outlining the training delivered during this period was presented to the Democratic Services Committee on 19th May 2025. A link to the report can be found here. 94% of respondents to the elected Member survey undertaken for 2024/25 indicated either being very satisfied or satisfied with the training provided. A further report outlining the survey results and any necessary areas for improvement will be reported to the Democratic Services Committee during the 2025/26 Municipal Year. • Working with the RCT HDRC, a HDRC Members Reference Group has been formed which consists of Elected Members and Co-opted Committee Members that support the work of the HDRC by: ○ Providing an interface between Members and the HDRC team, given the unique dual role members play as Members of the Council and representatives of their communities; ○ Providing insight, advice and support to the HDRC team on a consultancy basis, enabling the team to seek feedback on plans and ideas; ○ Representing the voice of Members, enabling the HDRC team to feed Member perspective into their project work and funding bids; and ○ Championing the HDRC and directly supporting its work. The first piece of work of the Reference Group is to help the HDRC to understand the training needs of Members in relation to using evidence and data in their roles. • Other support arrangements in place included: developments on the Members Portal in relation to access to training and 'My ward' Data; taking forward Council service site visits to provide further insight to the work of Council areas; Members swap shop, providing a safe environment for all Members to come together to discuss experiences and share and swap good practices and ideas; training with external bodies (e.g. the WLGA Community Project / Leadership Programme, Data Cymru) has been sourced; Statutory research function available to support and inform elected members through challenge and scrutiny of key decisions. • At the 19th May 2025 Democratic Services Committee, the 'Sufficiency of Resources Report – Statutory Opinion of the Head of Democratic Services' was also presented and concluded that the resources made available for elected Members remains sufficient.

		<u>Officers</u> During 2024/25 staff development has been supported virtually and face to face through induction sessions, Personal Development Reviews, Leadership and Middle Management Development Programmes, Manager Briefings, 'Joint Cabinet and Senior Officer meetings' and a range of operational training.
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6.8 Supporting Principle F - Managing risks and performance through robust internal control and strong public financial management

- 6.8.1 It is a fundamental requirement for the Council's governance structures to support robust financial and performance management arrangements, thereby enabling efficient and effective service planning and delivery and the achievement of intended outcomes. Risk management and robust internal control are integral parts of these arrangements. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will drive financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from the Council's leaders and senior managers.
- 6.8.2 The 2024/25 Review of Effectiveness has concluded that the Council is financially stable, supported by robust financial planning, management and reporting arrangements that underpin service delivery and are compliant with the CIPFA Financial Management Code. Internal control and risk management processes are effective, with independent assurance provided by Internal Audit and oversight by the Governance and Audit Committee, as part of the overall arrangements in supporting the delivery of the Council's work. This conclusion is based on the following:

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2024/25
Risk Management Strategy	Managing risk	- Risk Management Strategy – the Strategy was reviewed and reported to the Governance and Audit Committee on 29th April 2025, with updates being of a housekeeping nature. - Strategic Risk Register – The Strategic Risk Register was reviewed and updated for 2024/25, with progress updates included within the Council's quarterly Performance Reports and updates reported to the Governance and Audit Committee on 4th November 2024.

		• Staff training and awareness – an online training module for staff in respect of the Council's risk management arrangements was launched during 2024/25 and is in the process of being rolled out to officers. The training module was also reported to the Governance and Audit Committee on 29th April 2025. • Internal Audit undertook an audit review of the Council's risk management arrangements during 2024/25 and concluded: ○ <i>During the audit a number of strengths and areas of good practice were identified as follows:</i> ○ <i>The Council has a Risk Management Strategy, and it provides the necessary structure to the arrangements in place. The Strategy is supported by a Risk Management Toolkit and a detailed Strategic Risk Register. The format of the Strategic Risk Register is reviewed and updated annually in order to ensure it is fit for purpose with all risks having a clear risk owner.</i> ○ <i>The Strategic Risk Register is embedded into the Council's quarterly performance reporting arrangements and has been reported to the Governance and Audit Committee during 2024/25.</i> ○ <i>Clear controls and actions are documented in the Strategic Risk Register, with actions linking to the Council's Wellbeing Objectives.</i> ○ <i>Whilst the arrangements in place are considered robust, they can be improved further by the identification and inclusion of longer-term actions to manage the individual risks.</i> <u>Area for Improvement</u> The Council is taking steps to develop longer term actions and milestones as part of service delivery planning arrangements; however, the mitigating actions within the Strategic Risk Register generally cover 1 year. Therefore, as part of reviewing and updating the Council's Strategic Risk register for 2025/26, mitigating actions should be focussed on a longer-term horizon thereby aligning with service delivery plans and the Council's Corporate Plan 2024 – 2030.
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Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2024/25
Service Delivery Planning; Quarterly Performance Report (including Risk Register up dates); and Corporate Performance Report (i.e. year-end annual report).	Managing performance	As set out in sections 'Supporting Principles C and D'; 'Supporting Principle C'; and 'Supporting Principles C and D' respectively.
Governance and Audit Committee	Robust internal control	The Governance and Audit Committee draft Annual Report for 2024/25 (subject to consideration and approval by the Governance and Audit Committee on 17 th June 2025) set out the conclusions from the annual review of the Committee's work, these being: provided assurance that the targeted programme of work delivered by the Governance and Audit Committee has enabled the Committee to deliver its Terms of Reference and ensure compliance with the CIPFA Guidance; and demonstrated that the Committee's work has contributed to the robustness of the Council's governance, internal control and risk management arrangements
Internal Audit function	Robust internal control	<u>Internal Audit</u> A review of information presented by Internal Audit to the Governance and Audit Committee concluded that it was in line with the approved work programme and, in doing so, played a key part in enabling the Committee to fulfil its Terms of Reference. The information reported to the Committee by Internal Audit included: the Internal Audit Charter 2024/25 that provided the Committee with information to assess the independence of the internal audit function; an Internal Audit Annual Plan 2024/25 and in-year progress updates; details of all audit assignments finalised during the year to enable the Committee to consider and gain assurance on the standard of internal control across the Council; and information on the overall assessment of Internal Audit's work for 2024/25 (as set out at paragraphs 6.11.4 to 6.11.5). The 2024/25 Head of Internal Audit Annual Report set out that the Internal Audit Service continued to conform with the Public Sector Internal Audit Standards during 2024/25 with no significant instances of non-conformance.

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2024/25
Effective Management of data (including cyber risk and compliance with data protection legislation)	Managing Data	• The Council has an approved Digital Strategy 2022-26 that sets the direction to obtain maximum value from data and seeking to ensure decision making is fully informed by data driven approaches whilst providing appropriate protection around its integrity and confidentiality. • The Council has governance arrangements in place for: ◦ Information Management & Cyber Assurance, with each quarterly board meeting chaired by the Deputy Chief Executive and Chief Executive respectively. Assurance was demonstrated to both boards through a range of mechanisms including quarterly highlight reports, review of the corporate risk register risks and ratings, policy, and oversight of progress against key actions; and ◦ Technical and cyber assurance through secured accreditation to Public Service Network, Payment Card Industry (PCI) and work in progress for reaccreditation to Cyber Essentials. During any re-accreditation process, controls remain in place to mitigate against cyber risk. Work has also been progressed as part of an all-Wales Local Authority collaboration to undertake the National Cyber Security Centre Cyber Assessment Framework (CAF). These arrangements provide assurance that the Council meets required standards for security. • The Council had a dedicated Security Operations Centre (CymruSOC) in place during the year. Adopting Welsh Government's 'Defend as One Approach', CymruSOC provides additional assurance by helping to ensure critical services are not disrupted due to cyber-attacks, by monitoring for potential threats and having the ability to respond to attacks at all times. • Designated roles were in place such as a Data Protection Officer (DPO) and Senior Information Risk Owner (SIRO) whose roles are to provide specialist advice, information and guidance to the organisation on data protection and information risk matters. • All Council staff and elected Members have completed the Council's mandatory Cyber Security training as a key action to improve knowledge, raise awareness and support the reduction of risk (separate training delivered to school staff). Regular communications and updates around improving cyber security are sent to staff, alongside sharing further information at Manager's Briefings, ensuring staff continue to be informed on current cyber security issues. • The Information Commissioner's Office investigated 2 personal data breaches during 2024/25. For the first case the ICO determined no further regulatory action was required and was satisfied with the Council's investigation of the breach and the remedial measures identified. The process for the second case is on-going.

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2024/25
Service Delivery Planning; Quarterly Performance Report (including Risk Register up dates); and Corporate Performance Report (i.e. year-end annual report).	Managing performance	As set out in sections 'Supporting Principles C and D'; 'Supporting Principle C'; and 'Supporting Principles C and D' respectively.
Governance and Audit Committee	Robust internal control	The Governance and Audit Committee draft Annual Report for 2024/25 (subject to consideration and approval by the Governance and Audit Committee on 17 th June 2025) set out the conclusions from the annual review of the Committee's work, these being: provided assurance that the targeted programme of work delivered by the Governance and Audit Committee has enabled the Committee to deliver its Terms of Reference and ensure compliance with the CIPFA Guidance; and demonstrated that the Committee's work has contributed to the robustness of the Council's governance, internal control and risk management arrangements
Internal Audit function	Robust internal control	<u>Internal Audit</u> • A review of information presented by Internal Audit to the Governance and Audit Committee concluded that it was in line with the approved work programme and, in doing so, played a key part in enabling the Committee to fulfil its Terms of Reference. The information reported to the Committee by Internal Audit included: the Internal Audit Charter 2024/25 that provided the Committee with information to assess the independence of the internal audit function; an Internal Audit Annual Plan 2024/25 and in-year progress updates; details of all audit assignments finalised during the year to enable the Committee to consider and gain assurance on the standard of internal control across the Council; and information on the overall assessment of Internal Audit's work for 2024/25 (as set out at paragraphs 6.11.4 to 6.11.5). • The 2024/25 Head of Internal Audit Annual Report set out that the Internal Audit Service continued to conform with the Public Sector Internal Audit Standards during 2024/25 with no significant instances of non-conformance.

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2024/25
Effective Management of data (including cyber risk and compliance with data protection legislation)	Managing Data	• The Council has an approved Digital Strategy 2022-26 that sets the direction to obtain maximum value from data and seeking to ensure decision making is fully informed by data driven approaches whilst providing appropriate protection around its integrity and confidentiality. • The Council has governance arrangements in place for: ◦ Information Management & Cyber Assurance, with each quarterly board meeting chaired by the Deputy Chief Executive and Chief Executive respectively. Assurance was demonstrated to both boards through a range of mechanisms including quarterly highlight reports, review of the corporate risk register risks and ratings, policy, and oversight of progress against key actions; and ◦ Technical and cyber assurance through secured accreditation to Public Service Network, Payment Card Industry (PCI) and work in progress for reaccreditation to Cyber Essentials. During any re-accreditation process, controls remain in place to mitigate against cyber risk. Work has also been progressed as part of an all-Wales Local Authority collaboration to undertake the National Cyber Security Centre Cyber Assessment Framework (CAF). These arrangements provide assurance that the Council meets required standards for security. • The Council had a dedicated Security Operations Centre (CymruSOC) in place during the year. Adopting Welsh Government's 'Defend as One Approach', CymruSOC provides additional assurance by helping to ensure critical services are not disrupted due to cyber-attacks, by monitoring for potential threats and having the ability to respond to attacks at all times. • Designated roles were in place such as a Data Protection Officer (DPO) and Senior Information Risk Owner (SIRO) whose roles are to provide specialist advice, information and guidance to the organisation on data protection and information risk matters. • All Council staff and elected Members have completed the Council's mandatory Cyber Security training as a key action to improve knowledge, raise awareness and support the reduction of risk (separate training delivered to school staff). Regular communications and updates around improving cyber security are sent to staff, alongside sharing further information at Manager's Briefings, ensuring staff continue to be informed on current cyber security issues. • The Information Commissioner's Office investigated 2 personal data breaches during 2024/25. For the first case the ICO determined no further regulatory action was required and was satisfied with the Council's investigation of the breach and the remedial measures identified. The process for the second case is on-going.

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2024/25
Budget and Policy Framework Procedure Rules and Contract and Financial Procedure Rules.	Strong public financial management	• The Council complied with the approved Budget and Policy Framework Procedure Rules for the 2024/25 budget setting process and was set out in the report to Cabinet on 24th January 2024. • The Council's Finance Service and Procurement Service provided support and advice to services on the Procedure Rules and the Internal Audit Service tested compliance with the Council's Procedure Rules as part of delivering the 2024/25 Internal Audit Plan (see paragraphs 6.11.4 to 6.11.5 for the overall outcome from the work of Internal audit during 2024/25).
Medium Term Financial Plan	Strong public financial management	• The Council updated its MTFP and was reported to Cabinet (23rd September 2024), full Council (25th September 2024) and the School Budget Forum (24th September 2024) providing opportunity for scrutiny and stakeholder understanding of the Council's forecasted financial position, risks and opportunities. • The Council's MTFP updates have consistently supported: ○ The identification of future forecasted budget gaps (taking account of estimated expenditure requirements and funding levels) that have accurately informed savings requirements and supported a sustainable and targeted programme of improvement and investment (see also Supporting Principle D – 'Annual Revenue Budget Strategy and 3-year Capital Programme' and 'Medium Term Financial Plan'). ○ An on-going assessment and public reporting and scrutiny of reserve levels, including a detailed overview of the Council's reserves reported to full Council alongside the MTFP update on 25th September 2024. The sustainable approach to the replenishment and utilisation of the Council's earmarked reserves has enabled continued additional one-off investment in Corporate Plan priority areas; for 2024/25 this totalled £23Million and were agreed by full Council on 25th September 2024 (£6.950Million) and 5th March 2025 (£16.050Million). The additional one-off investment, along with other allocated resources, contributed to capital expenditure investment of £152Million for 2024/25. ○ The setting and delivery of balanced revenue budgets. The consistent delivery of the above outcomes provides assurance on the robustness of the arrangements in place and a demonstrable commitment to prioritise resources to Corporate Plan areas.

Compliance with the CIPFA Financial Management Code of Practice

- 6.8.3 The CIPFA Financial Management Code (the Code) was launched in November 2019 and is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability.
- 6.8.4 The Code sets the standards of financial management for local authorities and is based on a series of principles supported by specific standards and statements of practice which are considered necessary to provide the strong foundation to:
- Financially manage the short, medium and long-term finances of a local authority;
 - Manage financial resilience to meet foreseen demands on services; and
 - Financially manage unexpected shocks in their financial circumstances.
- 6.8.5 Each local authority must demonstrate that the requirements of the Code are being satisfied, with compliance being a collective responsibility of elected Members, the Chief Finance Officer and their professional colleagues in the leadership team. The Code is designed to be flexible to the nature, needs and circumstances of individual authorities, and it is up to each authority to determine the extent to which it complies with the Code and to identify what action it may wish to take to better meet the standards that the Code sets out. CIPFA has also set out that Annual Governance Statements should include the conclusions of the evaluation of compliance with the Code.
- 6.8.6 As referenced above, the Code applies a principle-based approach to assist in determining whether, in applying standards of financial management, an authority is financially sustainable, and the principles cover:
- Organisational leadership - demonstrating a clear strategic direction based on a vision in which financial management is embedded into culture;
 - Accountability - based on medium-term financial planning which drives the annual budget process supported by effective risk management, quality supporting data and whole life costs;
 - Financial management is undertaken with transparency at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making;
 - Adherence to professional standards is promoted by the leadership team and is evidenced;
 - Sources of assurance are recognised as an effective tool mainstreamed into financial management and includes political scrutiny and the results of both external audit, internal audit and inspection; and
 - The long-term sustainability of local services is at the heart of all financial management process and is evidenced by prudent use of public resources.
- 6.8.7 In turn, the Code is structured around 7 overarching Standards: The Responsibilities of the Chief finance officer and Leadership Team; Governance and Financial Management Style; Long to Medium Term Financial Management; The Annual Budget; Stakeholder Engagement and Business Plans; Monitoring Financial Performance; and External Financial Reporting.

6.8.8 The Council has undertaken an assessment of its arrangements during 2024/25 against the Standards within the Code, with the assessment set in the context of extremely challenging operating conditions, both now and forecasted over the medium term, and being driven by increasing demand for services, particularly frontline services supporting the most vulnerable residents within the County Borough, inflationary cost pressures and funding levels not increasing in line with demand and cost pressures.

6.8.9 The assessment has evidenced:

- A disciplined, planned and robust approach to financial management and medium-term financial planning, led by the Senior Leadership Team and the Cabinet alongside oversight by full Council and the Overview and Scrutiny Committee, that has supported the targeted allocation of resources to successfully deliver Corporate Plan well-being objectives and at the same time maintained the Council's financial resilience and stability.
- Arrangements that take account of volatile operating conditions now and into the future, constrained funding levels and risks, together with a continuous programme of work to identify and deliver significant efficiency savings and budget reduction measures and protect, as far as possible, frontline services.
- Well embedded processes to identify options for service improvement and transformation as part of an on-going programme of work, and effectively implement those that are agreed.

6.8.10 Based on the findings of the assessment process and key outcomes delivered, there are no specific areas for improvement identified from the assessment, save for those included within this Annual Governance Statement (see section 5, Executive Summary), with a high level of assurance in place that the Council's financial management arrangements continue to be fit for purpose.

6.9 Supporting Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability

- 6.9.1 Accountability within RCT is about ensuring that those making decisions and delivering services are answerable for them, with external and internal audit being integral parts of the arrangements.
- 6.9.2 The 2024/25 Review of Effectiveness has concluded that the Council has open and transparent decision-making processes, with arrangements in place to hold decision-makers to account via a range of published reports on service delivery, performance and the stewardship of public funds. This conclusion is based on the following:

Local Code of Corporate Governance Requirements	Sub-principle	Review of Effectiveness During 2024/25
Reporting protocols and calendars (including forward looking work programmes, for example, for Cabinet and Scrutiny Committees).	Implementing good practice in transparency	As set out in section 'Core Principle B'.
Production of Annual Reports on key areas of business e.g. Corporate Parenting, Annual Equality Report.	Implementing good practice in transparency	Annual Reports were prepared and publicly reported to support accountability and open and transparent performance arrangements, for example¹, Corporate Parenting Board Annual Report 2023/24 (Corporate Parenting Board 17th July 2024); Annual Equality Report 2023/24 (Cabinet 19/3/2025); and Vale, Valleys and Cardiff Regional Adoption Collaborative Annual Report 2023/24 (Corporate Parenting Board 27th January 2025).
Statement of Accounts.	Implementing good practices in reporting	- The external audit of the Council's Statement of Accounts have consistently, year-on-year, received an unqualified 'true and fair' audit opinion (i.e. clean bill of health); the latest unqualified audit opinion, relating to the 2023/24 financial year, was reported to full Council on 6th November 2024. - During 2024/25, prior to the Council's 2023/24 audited statement of accounts being approved by full Council, key arrangements included reporting the Council's certified draft statement of accounts to the 19th September 2024 Governance and Audit Committee meeting (alongside Rhondda Cynon Taf Pension Fund, Central South

¹ Annual Reports – annual reports referenced in other sections of the Annual Governance Statement, for example, the Governance and Audit Committee Annual Report, have not been noted for the purposes of this section of the document.

		Consortium Joint Education Service Joint Committee and the Annual Return for Llwydcoed Crematorium Joint Committee) to provide the Committee with opportunity to comment and consider the certified draft accounts in line with the statutory guidance as per the Local Government Measure 2011. These arrangements will also be in place for the 2024/25 Statements of Account.
Pension Fund Committee.	Implementing good practices in reporting	• The Pension Fund Statement of Accounts 2023/24 were reported to and approved by full Council on 6th November 2024 and the outcome of the external audit, undertaken by Audit Wales, was an unqualified audit opinion (i.e. a clean audit opinion). • A Work Programme for the 2024/25 financial year was presented to and agreed at the 16th July 2024 Pension Fund Committee and a review of reports presented during the year demonstrated delivery of the work programme.
Annual Governance Statement.	Assurance and effective accountability	• A progress update on the 2023/24 AGS recommendations was reported to the Governance and Audit Committee meeting on 17th December 2024. A year-end position statement is set out at Appendix A and demonstrates that all recommendations have been completed and / or sufficiently progressed.
Internal Audit external assessment and Charter.	Assurance and effective accountability	As set out in 'Supporting Principle F'.

6.10 Other Key Governance Arrangements

Amgen Cymru Limited

- 6.10.1 RCT holds 100% of the voting rights of Amgen Cymru Ltd., who in turn hold 100% of the voting rights of Amgen Rhondda. The Council also holds 100% of the allotted preference shares in Amgen Rhondda Ltd. The principal activities of Amgen Cymru is to provide waste management services and waste disposal facilities. Amgen Rhondda is responsible for the stewardship of the Nant y Gwyddon landfill site.
- 6.10.2 The Directors of the Companies, including a non-executive director, are responsible for ensuring there are sound governance arrangements including a robust system of internal control.
- 6.10.3 The Council removed the “arm’s length” status of the companies during 2009/10, therefore many of the aspects of the Council’s governance arrangements such as policies, processes and controls apply to the Companies.
- 6.10.4 During 2024/25 there have been no significant governance issues that have been identified by the Amgen Company Directors, Internal Auditors or External Auditors.

Pension Fund

- 6.10.5 RCT is the ‘Administering Authority’ for the Rhondda Cynon Taf Pension Fund. Whilst the governance arrangements detailed in this statement apply equally to the Council’s responsibilities to the Pension Fund there are further specific requirements for Pension Funds which are detailed in a number of key documents:
- Governance Statement of Compliance which indicates the Fund’s position against the Government’s best practice standards;
 - Governance Policy Statement which provides an overview of the management structure, decision making and employer engagement;
 - Communication Policy Statement which details the communication and information services to participating employers and scheme members;
 - Pension Fund Administration Strategy which seeks to improve efficiency in the delivery of agreed standards of quality and to ensure compliance with statutory requirements;
 - Investment Strategy Statement which details how Fund investments are managed, including the Fund’s policy on how social, environmental and corporate governance considerations are taken into account; and
 - Funding Strategy Statement which provides a summary of how we will fund our pension liabilities.
 - Pension Fund Risk Register, which identifies, prioritises and monitors risks associated with the Fund, against suitable mitigation controls.
 - Breaches Policy, which sets out the procedures to be followed in determining materiality and reporting of breaches of the law to the Pensions Regulator by individuals involved in the management and governance of the Fund; and
 - Conflicts of Interest Policy, that describes the process for identifying, monitoring and managing conflicts of interest in the governance and maintenance of the Fund.
- 6.10.6 All of these documents can be found at the following link: www.rctpensions.org.uk

6.10.7 The Public Service Pensions Act 2013 introduced a number of changes to public service pension schemes, including some significant changes for the governance of such schemes. In accordance with the Act, the Council established a Local Pension Board to assist Rhondda Cynon Taf County Borough Council in its role of Administering Authority ('Scheme Manager') in:

- Securing compliance with the Principal Regulations and any other legislation relating to the governance and administration of the LGPS;
- Securing compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator; and
- Ensuring the effective and efficient governance and administration of the LGPS by the Scheme Manager.

6.10.8 The Pension Board is made up of two employer representatives and two member representatives. The Pension Board met 4 times during the 2024/25 financial year, and a separate joint annual meeting of the Pension Fund Committee and Pension Board in March 2025.

6.10.9 In 2016/17 the Council established a formal Pension Fund Committee (subject to the provisions of Section 101 of the Local Government Act 1972) to oversee its responsibilities with regard to the administration of the RCT Pension Fund. The Pension Fund Committee consists of 5 elected members and is politically balanced.

6.10.10 The Committee is responsible for the strategic management of the RCT Pension Fund with all operational matters continuing to be delegated to the Council's Deputy Chief Executive/Group Director Finance, Digital & Frontline Services (as the Section 151 Officer or in his absence the Deputy Section 151 Officer) who are supported by an Investment and Administration Advisory Panel with appropriate officer, independent advisor and professional support.

6.10.11 The Pension Fund Committee met 4 times during the 2024/25 financial year.

6.10.12 In 2017, a Joint Governance Committee (JGC) was established in accordance with an inter-authority agreement, responsible for oversight of the Wales Pension Partnership (WPP) investment pooling collaboration of the eight LGPS funds in Wales. The eight Welsh Pension Fund Committee Chairs or their nominated deputy (elected member) attend the JGC and are supported by an officer working group. In July 2024, the WPP re-appointed an 'Operator' to establish and run a collective investment vehicle for the sole use of the Local Government Pension Scheme (LGPS) funds in Wales.

A summary of the pooling objectives of the WPP are:

- Generate consistent net of fee excess returns;
- Diversify manager risk;
- Reduce average manager fees;
- Achieve tax efficiency by reclaiming withholding tax on dividends (for non-UK equity sub-funds);
- Progress the Government's pooling aspirations; and
- Equitability share of the costs of transitioning into sub-funds.

6.10.13 In the Autumn of 2023, the Government issued a consultation “LGPS (England and Wales): Next steps on investments” and a pensions investment review followed in July 2024. Following the Chancellor’s Mansion House speech in November 2024, a further consultation “LGPS (England and Wales): Fit for the Future” was issued, with the purpose of optimising pooling for the future. The Government believes that all funds and pools need to adopt an operating model that meets the following minimum standards:

- Administering Authorities (AAs) would remain responsible for settling an investment strategy for their fund, and would be required to fully delegate the implementation of that strategy to the pool;
- AAs would be required to take principal advice on their investment strategy from the pool;
- Pools would be required to be established as investment management companies authorised and regulated by the Financial Conduct Authority (FCA), with the expertise and capacity to implement investment strategies;
- AA’s would be required to transfer legacy assets to the management of the pool; and
- Pools would be required to develop the capability to carry out due diligence on local investments and to manage such investments.

6.10.14 Arrangements are progressing for the Rhondda Cynon Taf Pension Fund, alongside the Wales Pension Partnership, to progress the implementation of the UK Government’s proposals in line with the laid down timescale.

6.11 Other Key Sources of Assurance

6.11.1 The following other key sources of assurance were in place during the 2024/25 financial year.

Chief finance Officer (Section 151 Officer)

6.11.2 The Chief Finance Officer position within the Council during 2024/25 complied with the principles outlined in the CIPFA document ‘[The Role of Chief Finance Officer](#)’ because the Chief Finance Officer:

- *Was a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the organisation’s strategic objectives sustainably and in the public interest;*
- *Was actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the organisation’s financial strategy; and*
- *Led the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.*

To deliver these responsibilities the Chief Financial Officer:

- *Led and directed a finance function that was resourced to be fit for purpose; and*
- *Is professionally qualified and suitably experienced.*

Monitoring Officer

6.11.3 The Monitoring Officer is required to report to the Council in any case where it appears that any proposal, decision or omission by the Authority has given rise to or is likely to or would give rise to any contravention of any enactment, rule of law or code of practice or maladministration or injustice in accordance with Sections 5 and 5A of the Local Government and Housing Act 1989. During the period of the Annual Governance Statement, the Monitoring Officer did not make any such reports.

Head of Internal Audit

6.11.4 During 2024/25 the Internal Audit function was delivered by the Council's Internal Audit Service and completed a programme of work in accordance with the Internal Audit Plan 2024/25. The Head of Internal Audit has produced a Head of Internal Audit Report for 2024/25 and this was presented to the Governance and Audit Committee on [31st March 2025](#). The Head of Internal Audit Report states:

- *The Head of Internal Audit's opinion is that the Council's overall governance, risk management and control processes operated effectively during 2024/25 with some areas identified for improvement. Whilst there have been instances where weaknesses in the governance, risk management or control processes have been identified, in the opinion of the Head of Internal Audit, these did not have a material impact on the overall level of assurance provided for the Council.*

6.11.5 The Head of Internal Audit's Annual Report 2024/25 confirmed overall conformance to the Public Sector Internal Audit Standards. Many Council staff now work in a hybrid way combining working from home and the office, supported by digital methods of communication. Similarly, Internal Audit has worked using a hybrid approach of conducting audits and obtaining evidence digitally and also in person, where required. Each audit has considered the potential impact of remote working to ensure adequate controls and governance arrangements are in place.

External Audit

6.11.6 Audit Wales provided updates to full Council and the Governance and Audit Committee to enable elected Members to review and scrutinise its work and also seek assurance from Council Officers that agreed recommendations reported by Audit Wales were being implemented by Council services. Updates included:

- Full Council - overall, compliance with statutory Statement of Accounts requirements met and no significant issues to report - [6th November 2024](#) – 'Audit of Accounts Report – Rhondda Cynon Taf Pensions Fund' and 'Audit of Accounts Report – Rhondda Cynon Taf County Borough Council'.
- Governance and Audit Committee – regular Audit Wales updates were reported to the Committee alongside Council reports, where appropriate, on the progress being made to implement recommendations made by Audit Wales in respect of

the Council's arrangements. These arrangements were in line with the Governance and Audit Committee's Terms of Reference and updates included:

- [25th June 2024](#) – 'Audit Wales - Detailed Audit Plan 2024' and 'Pension Fund Audit Plan 2024';
- [19th September 2024](#) – 'Audit Wales Work Programme and Timetable (Quarterly Update 30th June 2024)' and 'Audit Wales Finalised Reports and Council Progress Update – Implementation of Recommendations within the Audit Wales Annual Audit Summary';
- [4th November 2024](#) – 'Audit Wales Work Programme and Timetable (Quarterly update September 2024)';
- [31st March 2025](#) – 'Council position statement on the implementation of Audit Wales recommendations'; and
- [29th April 2025](#) – Audit Wales Programme and Timetable (Quarterly Update 31st March 2025).

6.11.7 The Review of Effectiveness and proposals for improvement have been reviewed and challenged by the Council's Senior Leadership Team and the Governance and Audit Committee.

6.12 Overall Conclusion

6.12.1 Based on the review of effectiveness against the Local Code of Corporate Governance, the governance arrangements in place provided the basis to maintain the Council's financial stability and resilience, during a period of sustained and significant financial pressures, rising demand for services and constrained funding, through robust planning, prioritisation and management of scarce resources. This position was underpinned by sound scrutiny and evidenced based decision-making processes and well-established self-assessment arrangements, and supported the delivery of Corporate Plan well-being objectives and wider services. A small number of proposals for improvement have been made to further strengthen existing processes.

6.12.2 The above position, together with a track record of implementing proposals for improvement made within previous Annual Governance Statements, provides assurance that appropriate arrangements are in place to address the proposals for improvement set out in Section 7.

PROPOSALS FOR IMPROVEMENT 2024/25

7.1 Further to completing the assessment of the Council's governance arrangements, Table 2 summarises the proposals for improvement.

Table 2 – Proposals for Improvement

Core / Supporting Principle	Local Code of Corporate Governance Requirement	Issue Identified	Recommendation	Timescale for Implementation and Responsible Officer
C - Defining outcomes in terms of sustainable economic, social and environmental benefits	The Council's Performance Management Framework – defining outcomes based on need	The Council updated its PMF and content of Performance Reports in 2024/25 to further develop its arrangements to better evidence the impacts and outcomes from service delivery. This position now needs to be reviewed to inform the on-going programme of work to ensure impacts and outcomes are being appropriately evidenced.	Further to the Council updating its PMF and content of Performance Reports in 2024/25, a review of the suite of information in place should be undertaken to determine the extent to which impact and outcomes are being demonstrated and, where required, revisions incorporated into performance reporting arrangements for the 2025/26 financial year.	September 2025 Service Director – Finance and Improvement Services
F - Managing risks and performance through robust internal control and strong public financial management	Risk Management Strategy	The Council is taking steps to develop longer term actions and milestones as part of service delivery planning arrangements; however, the mitigating actions within the Strategic Risk Register generally cover 1 year.	As part of reviewing and updating the Council's Strategic Risk register for 2025/26, mitigating actions with the Register should be focussed on a longer-term horizon thereby aligning with service delivery plans and the Council's Corporate Plan 2024 – 2030.	September 2025 Head of Procurement Delivery

7.2 The Council's Senior Leadership Team has accepted the proposals for improvement and is committed to their implementation during 2025/26. The Senior Leadership Team has also confirmed that an update on progress will be reported to the Council's Governance and Audit Committee during the year to enable elected Members to review and scrutinise the extent of progress being made.

Leader: A Morgan

Chief Executive: P. Jones

APPENDIX A

ANNUAL GOVERNANCE STATEMENT 2023/24 – YEAR-END POSITION STATEMENT

Core / Supporting Principle (Paragraph)	Local Code of Corporate Governance Requirement	Issue Identified / Recommendation	Timescale for Implementation	Responsible Officer(s)	Year-end Position Statement 2024/25
<u>C – Defining outcomes in terms of sustainable economic, and environmental benefits</u>	The Council's Performance Management Framework – defining outcomes based on need.	Issue Further to approval of the Council's new Corporate Plan, 'Working with Our Communities 2024-2030,' there is a need to review the Performance Management Framework (PMF) in place to ensure it continues to be fit for purpose. Recommendation Review, and where required, update the Council's PMF taking account of the Council's new Corporate Plan. The review should also continue to focus on demonstrating the impact and outcomes of the Council's work, taking account of service user information (as set out within the Audit Wales report to the Council - Performance information: Service User Perspective and Outcomes).	December 2024	Deputy Chief Executive and Group Director – Finance, Digital and Frontline Services	Completed. • The PMF has been reviewed and updated. • The Council's Service Self Evaluation template (part of the Council's PMF) has been updated to reflect the new Corporate Plan and strengthened in respect of the requirements of the Well-Being of Future Generations Act. • The Council's quarterly Performance Reporting arrangements has afforded more focus on service user information in respect of performance indicators and case studies to help better demonstrate impacts and outcomes. This will be an on-going process and refined as appropriate.

Core / Supporting Principle (Paragraph)	Local Code of Corporate Governance Requirement	Issue Identified / Recommendation	Timescale for Implementation	Responsible Officer(s)	Year-end Position Statement 2024/25
E - Developing the entity's capacity, including the capability of its leadership and the individuals within it	Corporate and Service Self Evaluation process	Issue The GAC skills and knowledge assessment was completed in December 2022 and used to inform the Committee's 2023/24 learning and development plan. There is a need for the Committee's skills and knowledge assessment to be refreshed, along with seeking feedback from Committee Members on what went well and areas for improvement, to inform learning and development arrangements for 2024/25. Recommendation Refresh the GAC's skills and knowledge assessment alongside seeking feedback from Committee Members on what went well and areas for improvement in 2023/24 in preparing learning and development arrangements for 2024/25.	September 2024	Service Director – Democratic Services and Communication	Completed - an on-line skills and knowledge self-assessment was completed by Governance and Audit Committee Members during summer 2024 and was used to update the Committee's Learning and Development Plan that was reported to and approved by the Committee on 19 th September 2024.
E - Developing the entity's capacity, including the capability of its leadership and the individuals within it	Corporate and Service Self Evaluation process	Issue The Council's draft self-assessment 2022/23 was reported to the Governance and Audit Committee (GAC) on 19th December 2023 following year-end. The arrangements to compile the annual self-assessment, specifically its timeliness, require improvement to allow for scrutiny by the GAC earlier in the year and enable identified improvements to be incorporated into reporting arrangements Recommendation Review arrangements for the completion of the self-assessment process to enable more timely completion and scrutiny by the GAC and also enable identified improvements to be incorporated into reporting arrangements earlier in the year (as appropriate).	October 2024	Service Director – Finance and Improvement Services	Completed – the Council's Annual Corporate Performance Report and Annual Self-Assessment 2023/24 was reported to and endorsed by the Governance and Audit Committee on 19 th September 2024 and reported to and approved by full Council on 6 th November 2024.

Core / Supporting Principle (Paragraph)	Local Code of Corporate Governance Requirement	Issue Identified / Recommendation	Timescale for Implementation	Responsible Officer(s)	Year-end Position Statement 2024/25
F - Managing risks and performance through robust internal control and strong public financial management	Governance and Audit Committee	<u>Issue</u> The CIPFA publication 'Audit Committees - Practical Guidance for Local Authorities & Police 2022 Edition sets out as good practice 'has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?'. Currently, there are no formal arrangements in place in this regard. <u>Recommendation</u> To ensure compliance with good practice, the feedback from full Council should be provided to the GAC further to the Annual Report being presented.	September 2024	Service Director – Democratic Services and Communication	Completed – following the Governance and Audit Committee Annual Report 2023/24 being reported to full Council on 17 th July 2024, the observations made by full Council were provided as a verbal update to the 19 th September 2024 Governance and Audit Committee.
G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability	Annual Governance Statement	<u>Issue</u> The Council's Local Code of Corporate Governance does not take into account the Well-being of Future Generations Act or the Local Government and Elections (Wales) Act 2021 and therefore requires review and updating. <u>Recommendation</u> Review and update the Council's Local Code of Corporate Governance and report to the Governance and Audit Committee for consideration / approval.	December 2024	Service Director – Finance and Improvement Services	Completed – reported to the 17 th December 2024 Governance and Audit Committee.

The report of the Auditor General for Wales to the members of Rhondda Cynon Taf County Borough Council.

Opinion on financial statements

I have audited the financial statements of:

- Rhondda Cynon Taf County Borough Council (the Council); and
 - Rhondda Cynon Taf County Borough Council Group (the Group)
- for the year ended 31 March 2025 under the Public Audit (Wales) Act 2004.

The Council's financial statements comprise the Expenditure and Funding Analysis,¹ the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes, including the material accounting policies.

The Group's financial statements comprise the Group Movement in Reserves Statement, the Group Comprehensive Income and Expenditure Statement, the Group Balance Sheet, the Group Cash Flow Statement and the related notes, including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024-2025.

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

- give a true and fair view of the financial position of the Council and the Group as at 31 March 2025 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024-2025.

Basis of opinion

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

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

Conclusions relating to going concern

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

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

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

Other Information

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

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

I have nothing to report in this regard.

Opinion on other matters

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

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024-2025.
- The information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

Matters on which I report by exception

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

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

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

Responsibilities of the responsible financial officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

My procedures included the following:

- Enquiring of management, the Council's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Council and group's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the, posting of unusual journals;
- Obtaining an understanding of the Council and group's framework of authority as well as other legal and regulatory frameworks that the Council and group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Council and group.
- Obtaining an understanding of related party relationships.

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

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

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

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

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

Other auditor's responsibilities

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

Certificate of completion of audit

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



Adrian Crompton
Auditor General for Wales
Date 23 October 2025

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

Glossary of Terms

Accrual

An accrual is a sum shown in the accounts representing income or expenditure relating to the accounting period, which had not actually been received or paid as at the date of the Balance Sheet.

Actuary

An actuary is an individual or organisation that calculates insurance premiums and liabilities and pension obligations.

Acquisition method

This method recognises on a line-by-line basis the assets, liabilities, reserves and revenue of the company that is being consolidated.

Agent

An Agent is where the Council is acting as an intermediary.

Amortisation

Charges to revenue for the estimated reduction in the value of an intangible asset.

Audit

An audit is an independent examination of activities.

Budget

A budget (or estimate) is a plan of income and spending, based upon which Council Tax is set. Actual expenditure is subsequently monitored against this plan.

Capital Expenditure

Capital expenditure is spending on long-term assets. These are assets that will be used for several years in the provision of services and are items such as buildings, equipment and vehicles.

Capital Receipt

Capital receipts are proceeds from the sale of long-term assets such as land or buildings.

CCRC – Cardiff Capital Region City Deal

The Cardiff Capital Region within the City Deal is comprised of 10 local authorities; Blaenau Gwent; Bridgend; Caerphilly; Cardiff; Merthyr Tydfil; Monmouthshire; Newport; Rhondda Cynon Taf; Torfaen; and the Vale of Glamorgan.

Chartered Institute of Public Finance and Accountancy (CIPFA)

CIPFA is responsible for issuing financial guidance to public bodies.

Creditor

A creditor is an organisation/individual owed money by the Council at the end of the financial year for goods/services received.

Current Assets

These are short-term assets that are available for the Council to use in the following accounting period.

Current Liabilities

These are short-term liabilities that are due for payment by the Council in the following accounting period.

Debtor

A debtor is an organisation/individual who owes the Council money at the end of the financial year for goods/services received.

Debt Management Office (DMO)

The DMO is an Executive Agency of His Majesty's Treasury. Its responsibilities include debt and cash management for the UK Government, lending to Local Authorities and managing certain public sector funds.

Defined Benefit Scheme

A defined benefit pension scheme is one that bases retirement benefits upon Career Average Re-Valued Earnings.

Defined Contribution Scheme

A defined contribution scheme is a type of retirement plan in which the amount of the employer's annual contribution is specified. Benefits are based on the amounts credited to these accounts (through employer contributions and, if applicable, employee contributions) plus any investment earnings. Only employer contributions to the account are guaranteed, not the future benefits.

Delegated Schools

A delegated school is one managed independently by its Governing Body. The funds of these schools are held outside of the Council Fund balances.

Depreciated Historic Cost (DHC)

Depreciated Historic Cost is obtained by recording the purchase price of an asset and reducing the value over its useful economic life.

Depreciated Replacement Cost (DRC)

DRC is an estimation of the market value for existing use plus current gross replacement costs less allowances for deterioration.

Depreciation

Depreciation is the estimated loss in value of tangible long-term assets that are presented in the Balance Sheet.

Earmarked Reserves

These are reserves set aside for a specific purpose.

Existing Use Asset (EUV)

This is the current value of the asset based on market value

Fair Value Hierarchy

Level 1 – Assets and liabilities at level 1 are those where fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Assets and liabilities at level 2 are those where quoted market prices are not available.

Level 3 – Assets and liabilities at level 3 are those with valuations derived from unobservable inputs, for example, assumptions about rent growth; discount rates, etc.

Financial Year

This is the accounting period. For local authorities it starts on 1st April and finishes on 31st March of the following year.

Health Determinants Research Collaboration (HDRC)

Partnerships between Local Government and Universities that aim to use and conduct research into wider determinants of health.

Impairment

Impairment occurs when the value of a long-term asset falls below the value it is currently held at in the Balance Sheet and Asset Register.

International Accounting Standard (IAS)

Financial Regulations to be followed as set by the International Accounting Standards Board (IASB).

International Financial Reporting Standards (IFRS)

International Financial Reporting Standards are produced by the IASB (International Accounting Standards Board) with the aim of ensuring consistency within the countries adopting the standards.

Inventories

Inventories are raw materials purchased for day-to-day use. The value of these items that have not been used at the end of the financial year are shown as current assets in the Balance Sheet.

Leasing

This is a method of financing expenditure by paying the owner to use property or equipment for a number of years.

Lessee

User or renter of the leased asset or property.

Lessor

Owner or the title holder of the leased asset or property.

Liability

A liability is an obligation to transfer economic benefits as a result of past transactions or events.

Local Flood Risk Management Strategy (LFRMS)

Under the Flood and Water Management Act (FWMA) 2010, RCTCBC became the Lead Local Flood Authority (LLFA) for Rhondda Cynon Taf. Under this legislation, RCTCBC is required to develop, maintain, apply and monitor a strategy for local flood risk management (Local Flood Risk Management Strategy).

Local flood risk is defined as flood risk from:

- Surface water runoff
- Groundwater; and
- Ordinary watercourses

Long-Term Asset

These are assets that are used in the provision of services (usually for more than one year).

Minimum Revenue Provision (MRP)

MRP is a charge against revenue resources representing a repayment of debt. It is a method of paying for Capital Expenditure which was funded by borrowing.

Modern Equivalent Valuation (MEV)

Modern Equivalent Valuation is a method of valuation that calculates the cost of constructing modern equivalent buildings and structures, depreciating them to account for the age and future economic life.

Mutual Investment Model (MIM)

MIM schemes are projects for the design, build, finance and maintenance of public sector assets by a private sector partner. During the contract term, the Council makes annual service payments to the private sector partner. At the end of the contract, ownership of the asset transfers to the Council.

Non-Domestic Rates (NDR)

The NDR, or Business Rate, is the charge to occupiers of business premises. NDR is set by central government and is a percentage of rateable values. The percentage is the same throughout Wales. The total collected is split between individual authorities in proportion to their adult populations.

Non-Recurring Fair Values

These relate to assets that are measured at fair value due to particular circumstances. The assets which meet the criteria for assets held for sale are valued at the lower of non-recurring value less cost to sell, and its carrying value.

Operating Leases

These are leases where risks of ownership of the asset remain with the owner.

Post Balance Sheet Events

Post Balance Sheet items are those that arise after the Balance Sheet date. These are items that did not exist at the time the Balance Sheet was prepared but should be disclosed if they are relevant to the understanding of the accounts.

Precepts

This is the amount paid to a non-rating body (for example a community council).

Principal

An entity is acting as a Principal when it has control of the goods and services it is providing.

Prior Year Adjustment

Material adjustments applicable to prior years arising from changes in accounting policies or from the correction of material errors.

Provision

A provision is an obligation to transfer economic benefits as a result of past events where a reliable estimate can be made of the obligation, but the amount or timing of which cannot yet be determined accurately.

Public Works Loan Board (PWLB)

The PWLB lending facility is operated by the UK Debt Management Office (DMO) on behalf of HM Treasury. The facility provides loans to local authorities.

Recurring Fair Value

These relate to assets that are measured at the end of each accounting period, within the rolling programme of valuations.

Related Party

A related party exists where there is control or influence by one party over another.

Right of Use Asset (ROU)

This is the leasee's right to use an asset over the life of the asset. ROU assets are Long Term Assets in the Balance Sheet where the Council is lessee

Royal Institute of Chartered Surveyors (RICS) Red Book

RICS is a professional body enforcing the highest standards in valuations. The "Red Book" contains mandatory rules and best practice guidance on these valuations.

Scheme Advisory board (SAB)

The Pensions Scheme Advisory Board is set up to encourage best practice, increase transparency and Co-ordinate technical and standards issues.

Settlement Hierarchy

A way of arranging settlements in a region into a rank order by size, population or type and range of services offered.

South East Wales Corporate Joint Committee (SEWCJC)

The South East Wales Corporate Joint Committee is comprised of 10 local authorities; Blaenau Gwent; Bridgend; Caerphilly; Cardiff; Merthyr Tydfil; Monmouthshire; Newport; Rhondda Cynon Taf; Torfaen; and the Vale of Glamorgan, along with nominated representatives of the Bannau Brycheiniog (Brecon Beacons) National Park Authority.

Strain on Funds

When an employee retires early and is immediately paid a pension, without actuarial reduction, the lost contribution income and interest cost arising from the associated earlier increased cash flow is referred to as pension strain cost. The pension strain cost is determined by actuarial calculation.

Sub Lease

A sub-lease is a lease between a tenant who already holds a lease to a commercial space or property and someone (the sub-lessee) who wants to use part or all of the tenant's space. The tenant is deemed to be a sub-lessor.

Trust Fund

Trust funds hold money on behalf of an individual or organisation. Trustees administer the funds for the owners.

Voluntary Aided School

Voluntary aided schools are mainly religious or faith schools, although anyone can apply for a place. The governing body employs the staff and sets admissions criteria. School land and buildings are normally owned by a charitable foundation, often a religious organisation, and the governing body contributes to building and maintenance costs.

Voluntary Controlled School

Voluntary controlled schools are similar to voluntary aided schools, but are run by the local authority. The local authority employs the school's staff and sets the admissions criteria. School land and buildings are normally owned by a charity, often a religious organisation, which also appoints some of the members of the governing body.

Welsh Government (WG)

The Welsh Government is the devolved Government for Wales. The Welsh Government consists of the First Minister, Welsh Ministers, the Counsel General and Deputy Ministers. They are supported by Civil Servants who work across devolved areas of public life such as health, education and the environment.