



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

Statement of Accounts 2024/25

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NARRATIVE REPORT

1. INTRODUCTION

This report presents the 2024/25 Statement of Accounts for Neath Port Talbot County Borough Council. It sets out our financial performance for the past year and is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

Our Services and the Way We Work

Neath Port Talbot County Borough covers over 44,000 hectares, with a population of around 142,000 people living in more than 64,000 households in communities across the County Borough.

The Council provides a variety of services supporting local communities on a daily basis, a number of which are shown below:

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

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The Council is made up of 60 locally elected councillors who represent 34 divisions of Neath Port Talbot. The constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure decisions are efficient, transparent, and accountable to local people. Council appoint a leader of the Council who appoints Cabinet Members, each with a responsibility for a specific portfolio of services.

The role of Cabinet is:

- to be responsible for most major decisions;
- provide leadership;
- propose the budget framework and subsequent budget.

Scrutiny Committees support the work of the Cabinet and Council by:

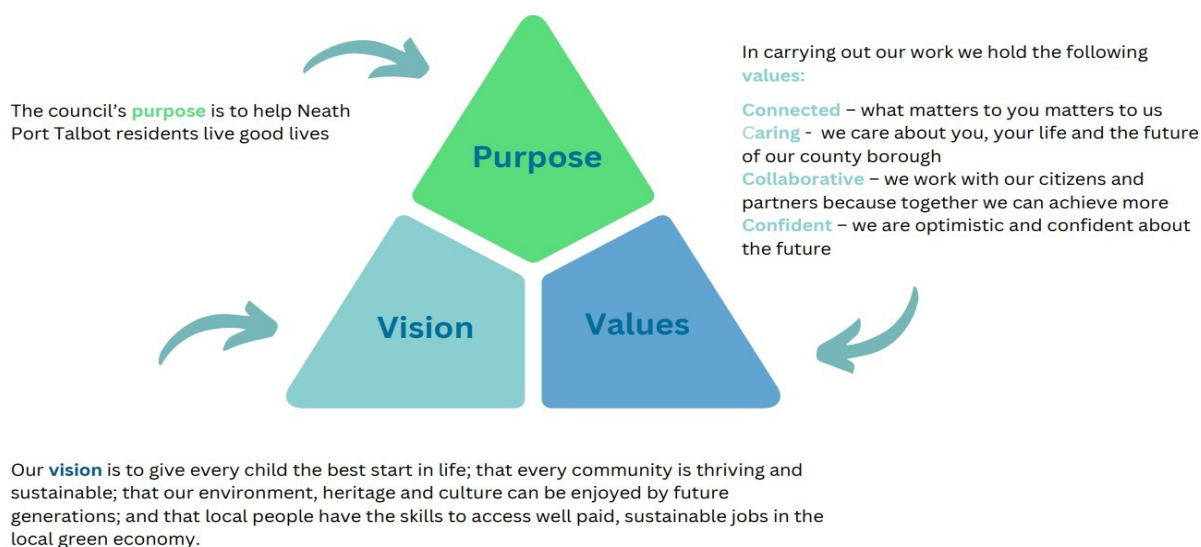
- Monitoring decisions of the Cabinet
- Allowing all Councillors, citizens, and stakeholders to have a say in matters concerning the Council
- Producing reports and recommendations to support development of policies and decision
- Having the ability to review a decision that has been made but not yet implemented

Regulatory and other committees support delivery of Council services. Council has given Governance & Audit Committee the responsibility to review and approve the Financial Statements of the Council.

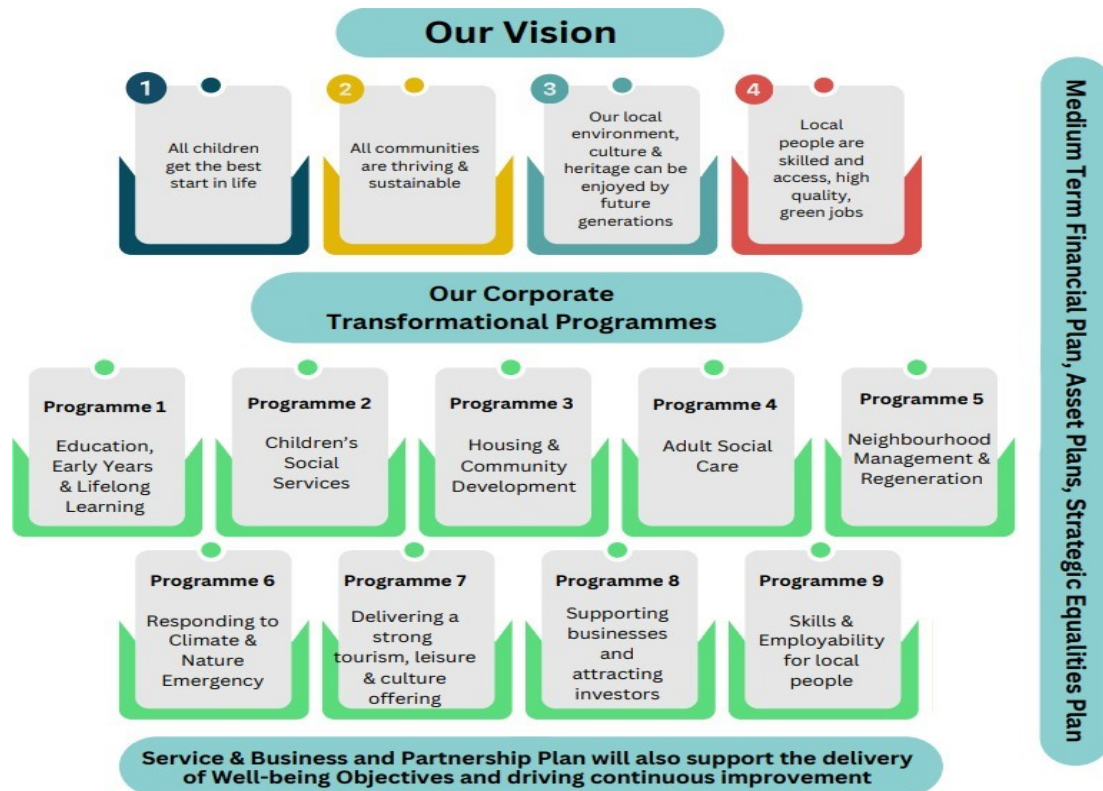
During 2024/25 the Council's Management Team was led by the Chief Executive and included Corporate Directors, (including the Monitoring Officer and Section 151 Officer). They are responsible for:

- providing impartial advice on policy and implementing decisions of the Cabinet and Council; and
- delivery of services and performance

The Council's purpose, vision and values are set out in the Corporate Plan 2024-27. It provides a strategic direction for travel and sets out 9 transformation programmes across our four well-being objectives.



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For each well-being objective we have set out a long-term ambition that we want to achieve. From these long-term goals, a small number of strategic priorities have been identified that will be concentrated on over the next three years. These strategic priorities form part of our corporate transformation programme.

The corporate transformation programme represents the next major steps towards our long-term vision, whilst also making a significant contribution to improving outcomes for citizens and wider stakeholders against a backdrop of a challenging financial context in the medium term (three years). It is key to note that future budget settlements, and grant funding, will play a significant part in how these transformation programmes progress over the medium term.

In addition to the corporate transformation programmes all services and functions will contribute to our well-being objectives through strengthened business planning and performance management arrangements at operational levels.

2. ACCOUNTING STATEMENTS

The statement of accounts is made up of a number of statements that are accompanied by explanatory notes. The following paragraphs provide an explanation of the purpose of the information included within these statements.

Statement of Responsibilities

This sets out the respective responsibilities of the Council and the Section 151 officer for the preparation and approval of the Statement of Accounts.

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Expenditure and Funding Analysis

The expenditure and funding analysis starts by showing how annual expenditure is used and funded from resources, such as government grants, council tax and business rates. It then updates this position to show those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between directorates, which reflect the Council's management structure. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the comprehensive income and expenditure statement.

Comprehensive Income and Expenditure Statement (CIES)

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

Movement in Reserves Statement

This shows the movement in the year on the different reserves held by the Council, analysed into usable reserves, that is, those that can be applied to fund expenditure or reduce local taxation and other unusable reserves. The surplus or deficit on the provision of services line shows the true economic cost of providing the Council's services, more details of which are shown in the comprehensive income and expenditure statement. These are different from the statutory amounts required to be charged to the general fund balance.

Balance Sheet

This shows a snapshot of the Council's assets, liabilities, cash balances and reserves at the year-end date. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council.

Cash Flow Statement

This 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 borrowing to the Council.

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3. REVENUE SPENDING IN 2024/25

The Council's budget requirement for 2024/25 was set at £376.599m. Actual spending compared to the budget was as follows:

Neath Port Talbot Management Accounts	Original Budget £000	Revised Budget £000	Outturn £000	Variance Under / (Over) £000
Directly Controlled Expenditure				
Delegated Schools Budget	106,458	106,458	106,458	-
Education, Leisure and Lifelong Learning	33,125	33,467	33,289	178
Social Services, Housing and Community Safety	113,699	114,248	111,743	2,505
Environment	46,515	46,976	48,051	(1,075)
Finance, Strategy and Corporate Services	21,366	21,698	21,612	86
Directly Controlled Expenditure	321,163	322,847	321,153	1,694
Levies and Contributions	10,859	10,859	10,846	13
Capital Financing	19,603	19,703	18,916	787
Council Tax Support	20,784	20,784	20,357	427
Contingency	4,190	2,406	(906)	3,312
Other Expenditure	55,436	53,752	49,213	4,539
Contribution from General Fund Working Balance & Reserves			6,073	(6,073)
Total Budget	376,599	376,599	376,439	160
Funded by:				
Revenue Support Grant / Non Domestic Rates	285,594	285,594	285,594	-
Less Discretionary Rate Relief	(388)	(388)	(228)	(160)
Council Tax - Neath Port Talbot	91,393	91,393	91,393	-
TOTAL FUNDING	376,599	376,599	376,759	(160)
NET BUDGET SURPLUS / (DEFICIT) TO BALANCES				0
General Fund Working Balance				
Opening Working Balance 1st April				(15,450)
Movement in Working Balance				0
Closing Working Balance 31st March				(15,450)

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4. CAPITAL SPENDING IN 2024/25

	Actual £000
Capital Investment	63,170
The expenditure was financed by:	
Government Grants and Other Contributions	(46,404)
Loans	(10,094)
Capital Receipts	(1,300)
Direct Revenue Contributions and Reserves	(5,372)
	(63,170)

The capital investment figure of £63.170m includes £62.732m incurred directly by the Council and £441k incurred on behalf of the Council by Caerphilly CBC. Caerphilly CBC are acting on behalf of all Welsh Authorities in purchasing schools Information and Communication Technology infrastructure as part of the Welsh Governments HWB Programme. Whilst the expenditure is being incurred by Caerphilly, for accounting purposes each Council is required to reflect their element within their Statement of Accounts.

5. EXTERNAL DEBT

At the year end, the Council's total external debt was £284.467m which excludes accrued interest of £2.545m that is included within debt in the balance sheet. Sources of borrowing include the Public Works Loan Board and banks for long-term borrowing and other financial institutions for short term borrowing.

6. RESERVES AND BALANCES AT 31ST MARCH 2025

The Council holds both General and Earmarked Reserves. Earmarked reserves are set aside to support specified future revenue expenditure while the General Reserve is available to support the Council against unexpected events and emergencies. Cabinet have agreed that the general reserve balance should be maintained at 4% of the net revenue budget. The 2024/25 net revenue budget is £376.599m meaning that a general reserve of circa £15m should be held. With a general reserve of £15.450m being held in line with policy.

Reserves held by the Council are as follows:

	Actual £000
Earmarked Reserves to Support Revenue Expenditure	45,881
General Reserve Working Balances	15,450
Total General Reserve Balance	61,331

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7. REVALUATION OF ASSETS

The net book value of assets increased during 2024/25 by £77.572m. There was a £80.585m gain relating to the revaluation of assets undertaken by Environment Directorate staff namely the Strategic Property and Valuation Manager.

The Council's property, plant and equipment are valued on a five-year rolling programme by the Strategic Property and Valuation Manager in accordance with the Royal Institute of Chartered Surveyors Statements of Asset Valuation Practice.

The significant assumption applied when estimating the fair value of property, plant and equipment is that the asset will continue in its existing use. Where there is a market value for the asset, its value will be determined with reference to the market, but in instances where no market exists for an asset, depreciated replacement cost, which is the current cost of replacing an asset with the modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation, will be used as the basis of valuation.

During 2024/25, the following categories of assets were revalued:

- Property Plant and Equipment were valued between 1st November 2024 and 31st March 2025 on a Current Value Existing Use Valuation basis;
- Community Assets were valued as at 1st January 2025 on a Historic Cost basis;
- Civic Amenity Sites were valued as at 31st March 2025 on a Current Value Depreciated Replacement Cost basis;

During 2024/25 not all assets valued under the Depreciated Replacement Cost basis have been fully revalued, only those in the current cycle were revalued in line with our accounting policy, whilst those assets not within the current cycle were only partially revalued. This partial revaluation exercise was undertaken to reflect the current economic climate and the increase in construction costs relating to these asset valuations.

Assets held for sale are valued annually and seven assets with a value of £5.175m were valued at 31st March 2025.

8. INTERNATIONAL ACCOUNTING STANDARD 19 (IAS19) - PENSIONS

The accounts comply with the requirements of the above standard with the revenue accounts reflecting the current year cost of pension provision to employees as advised by the pension fund actuary. The balance sheet contains the actuary's assessment of the Council's share of the pension fund liability at 31st March.

At 31st March 2025 there was a pension fund surplus of £251.47m for the Funded Pension Scheme. Following IAS19 restrictions, the asset ceiling has a nil value and an additional liability of £27.81m due to a minimum funding requirement being recognised. The deficit or surplus changes on an annual basis dependent on the performance of investments and the actuarial assumptions that are made in terms of current pensioners, deferred pensioners, and current employees.

The Unfunded Pension Funds deficit at 31st March 2025 is £20.99m.

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The fund is subject to a 3 yearly actuarial valuation which assesses the then state of the pension fund and advises the various admitted bodies on the appropriate rate of employers' contributions that needs to be made in order to restore the fund to a balanced position over a period of time. The contribution rate used in 2024/25 relates to the valuation undertaken on 31st March 2022.

The Local Government Pension Scheme is a statutory scheme and, as such, benefits accruing under the scheme can only be changed by legislation. The Department for Communities and Local Government legislated for a new scheme which commenced in April 2014 which was designed to have a material and beneficial effect on the projected cost of the scheme over future years.

9. SIGNIFICANT PROVISIONS

The Council holds four significant provisions:

- An insurance provision of £4.455m to cover the likely cost of settling outstanding insurance liabilities. This is made up of a long-term provision of £2.946m and a short-term provision of £1.509m.
- A provision of £0.923m for housing warranties following the transfer of the Housing stock to Tai Tarian in March 2011.
- A provision of £0.280m to provide the costs of early retirements and redundancies which have been agreed by 31st March 2025, with leaving dates during 2025/26.
- A provision of £1.565m for site restoration costs and landscaping relating to the landfill site at Giants Grave Briton Ferry following the transfer of the landfill site to the Council.

10. IMPACT OF CURRENT ECONOMIC CLIMATE ON THE COUNCIL

Recent years have been characterised by considerable volatility as a result of world and domestic events.

- The pandemic period has left a significant legacy with high numbers of people requiring support from social services, homelessness services and more young people presenting with additional learning needs and more young people needing additional help to attend school and participate in their education;
- The illegal war in Ukraine caused a further economic shock which saw energy prices, general inflation and interest rates sharply increase. Although inflation has now returned to 2%, many goods and services remain more costly and energy prices and interest rates remain high;
- The cost-of-living crisis continues with many of our residents and local businesses experiencing financial hardship;
- Whilst there has been a small increase in the number of people unemployed, the labour market remains very competitive, and this is reflected in higher prices

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for services. The council is also continuing to experience difficulty filling some roles in our organisation. A worrying large number of people of working age are economically inactive and not looking for work;

- Capital projects have become more challenging to deliver as a consequence of a number of factors identified above; and
- Whilst the Council is engaged in a range of significant economic development opportunities and is also a key partner in responding to the changes at Tata Steel UK Ltd, the cumulative impact of these developments is challenging to resource. The Council has received grant funding from UK Government under the TATA Transition Fund which was established to support communities and business impacted by the changes. In collaboration with local partners the Council is working to ensure that this funding is distributed effectively to businesses affected by the transition. The aim is for the Council (via the Transition Fund) to provide financial assistance which helps safeguard jobs, supports business continuity and stimulates economic resilience in the region.

The revenue settlements from Welsh Government in the last two financial years – 2023/24 and 2024/25 has fallen short of what the Council needed to deliver its services and functions.

Additional pressures of some £70 million were identified for the two-year period with Welsh Government providing some £26.9 million funding. Budget cuts, additional income, including council tax increases have been necessary to balance the budget – the associated change management activity has increased workloads, placing further pressure across the organisation.

The Cabinet Secretary for Finance, Constitution and Cabinet Office in her statement of 11th June 2024, recognised the challenging context and made it clear that we must prepare for difficult decisions and trade-offs in our planning. A Welsh Spending Review is to be undertaken, and this will drive the Welsh Government's future annual budgets. The statement makes clear that there will be an emphasis on key priorities for Wales – reducing NHS waiting lists; support for children in early years; educational excellence in our schools; better, greener jobs; secure homes; and improved transport links across the country.

The Council has set a budget for 2025/26 of £405.374m. The level of funding required to set a balanced budget required the Council to increase council tax by 7%. Overall, the budget proposals protect service levels and jobs, maintaining stability across the Council at a time when there is considerable volatility and uncertainty in the external operating environment. The proposals recognise that there continues to be increased demand across all services.

Medium Term Financial Outlook

The current medium-term financial outlook for local authorities in Wales remains challenging. The UK Government is currently undertaking a spending review with the results likely to be published in Spring 2025. The Welsh Government have given a commitment to providing Councils with a multiyear settlement following publication and consideration of the Spending Review.

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The latest Medium Term Financial Plan (MTFP) estimates a three-year funding gap for the period 2026/27-2028/29 of circa £20m. However, this will need to be completely re-cast following the receipt of the estimated multiyear settlement; and taking account of the latest projected pay, inflation, service pressures and delivery of the current transformation programmes.

Although the medium-term outlook for all local authorities remains challenging the Council has a good understanding of its financial position and has arrangements in place to support its financial sustainability in the short term with ongoing work to develop its longer-term sustainability. This together with past savings achievements and a general reserve of £15.45m means that the Council's Section 151 Officer does not need to consider issuing a Section 114 notice.

11. GROUP ACCOUNTS

There is a requirement for local authorities to produce group accounts to recognise material financial or controlling interests in companies, voluntary organisations, public bodies, etc. An assessment was made of all such interests, and this did not identify any relationship which is considered material, therefore, group accounts have not been prepared.

12. CHANGE IN ACCOUNTING POLICIES

Changes in accounting policies are made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance.

International Financial reporting Standard 16 (IFRS16)

In 2024/25, the Council applied IFRS 16 (Leases) as adopted by the Code of Accounting Practice. The main impact of the new requirements is that, for arrangements previously accounted for as operating leases (i.e. without recognising the leased property, plant, equipment and land as an asset and future rents as a liability), a right-of-use asset and a lease liability are to be brought into the balance sheet at 1 April 2024. Leases for items of low value and leases that expire on or before 31 March 2024 are exempt from the new arrangements. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 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. The details of the changes in accounting policies are disclosed in note 33.

In accordance with IFRS 16, the Council recognises right-of-use assets and lease liabilities for most leases. However, the Council has applied the recognition exemption permitted under IFRS 16 for certain classes of assets such as photocopiers where the underlying asset is of low value.

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The Council has set a de-minimis threshold of £10,000 for the recognition of lease liabilities. Leases with a total value below this threshold are not recognised on the balance sheet and are instead accounted for as an expense on a straight-line basis over the lease term.

This approach is considered to provide a practical and proportionate method of applying IFRS 16, reflecting the materiality of lease arrangements in the context of the Council's overall financial position.

The Council continues to monitor these arrangements to ensure that their exclusion remains appropriate under the materiality framework of IFRS.

13. PRIOR PERIOD ADJUSTMENT

A prior year adjustment of £0.544m has been undertaken requiring the restatement to the opening 2023/24 balances of the Capital Receipts Reserve and Middle School Reserves. This restatement has been undertaken following the completion of legal interpretation and Charity Commission approval with regard to the trust status of the land of the former Glanafan Comprehensive school site, which had been previously gifted to Glamorgan County Council for specific purposes thereby meaning the capital receipt received from the sale carries restriction on its use. It was agreed by Cabinet that the use of the capital receipt from the sale of the land should be used to support the schools that replaced Glanafan Comprehensive.

For accounting purposes capital receipts can only be used to fund capital expenditure. Expenditure of £0.544m on Schools IT equipment that had been charged to school revenue budgets following the sale have been identified. This expenditure has now been reclassified for accounting purposes as capital expenditure the funding of this expenditure being via the capital receipts reserve. Utilisation of the capital receipt has required a contra entry against the revenue reserves held for Ysgol Bae Baglan and Ysgol Cwm Brombil thereby ensuring the terms of the original trust have been complied with.

14. FURTHER INFORMATION

Further information relating to the accounts can be obtained from the Director of Finance, Neath Port Talbot County Borough Council, Civic Centre, Port Talbot, SA13 1PJ.

THE AUTHORITY'S RESPONSIBILITIES

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Director of Finance;
- Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets;
- Approve the statement of accounts.

Director of Finance Responsibilities

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

In preparing this statement of accounts, the Director of Finance has:

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

The Director of Finance has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities;
- ensured that the accounts show a true and fair view of the financial position of the Authority as at the date of preparation and of its expenditure and income for the year ended 31st March 2025.



Director of Finance (Section 151 Officer)
9th September 2025



Chair of Governance and Audit Committee
9th September 2025

EXPENDITURE AND FUNDING ANALYSIS

Restated 2023/24				2024/25		
Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000		£000	£000	£000
142,571	14,762	157,333	Education, Leisure & Lifelong Learning	146,444	19,985	166,429
112,877	1,243	114,120	Social Services, Health & Housing	120,595	2,927	123,522
47,129	14,863	61,992	Environment	50,151	13,600	63,751
23,225	(573)	22,652	Finance, Strategy & Corporate Services	23,631	(655)	22,976
(57)	80	23	Other Housing Services	(104)	115	11
36,072	(11,040)	25,032	Other Central Services	32,869	(12,303)	20,566
361,817	19,335	381,152	Net Cost of Services	373,586	23,669	397,255
(344,967)	(11,361)	(356,328)	Other Income & Expenditure	(360,273)	(39,607)	(399,880)
16,850	7,974	24,824	(Surplus) or Deficit	13,313	(15,938)	(2,625)
91,494			Opening General Fund Balance	74,644		
(16,850)			In year movement Surplus / (Deficit)	(13,313)		
74,644			Closing General Fund Balance	61,331		

Further information in relation to the adjustment's column in the expenditure and funding analysis can be found in note 4.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2023/24				Note No.	2024/25		
Gross Expenditure	Gross Income	Net Expenditure			Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000			£000	£000	£000
209,186	(51,853)	157,333	Education, Leisure & Lifelong Learning		225,908	(59,479)	166,429
170,855	(56,735)	114,120	Social Services, Health & Housing		181,708	(58,186)	123,522
98,667	(36,675)	61,992	Environment		115,462	(51,711)	63,751
25,854	(3,202)	22,652	Finance, Strategy & Corporate Services		27,329	(4,353)	22,976
42,166	(42,143)	23	Other Housing Services		44,298	(44,287)	11
27,368	(2,336)	25,032	Other Central Services		26,629	(6,063)	20,566
574,096	(192,944)	381,152	Cost of Services		621,334	(224,079)	397,255
28,262	-	28,262	Other Operating Expenditure	8	32,600	-	32,600
12,545	(3,436)	9,109	Financing & Investment Income & Expenditure	9	11,784	(3,404)	8,380
-	(393,699)	(393,699)	Taxation and Non-specific Grant Income	10	-	(440,860)	(440,860)
614,903	(590,079)	24,824	(Surplus) or Deficit on Provision of Services		665,718	(668,343)	(2,625)
		(14,208)	(Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets	20			(81,212)
		6,361	Actuarial (Gains)/Losses on Pension Assets/Liabilities	20			1,830
		(7,847)	Other Comprehensive (Income) & Expenditure				(79,382)
		16,977	Total Comprehensive (Income) & Expenditure				(82,007)

MOVEMENTS IN RESERVES STATEMENT

	Restated General Fund Balance £000	Restated Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Balance at 31st March 2023	91,494	5,096	17,348	113,938	504,728	618,666
Movement in Reserves during 2023/24						
Total Comprehensive Income and Expenditure.	(24,824)	-	-	(24,824)	7,847	(16,977)
Adjustments between Accounting Basis and Funding Basis Under Regulations (Note 6).	7,974	(200)	(3,485)	4,289	(4,289)	-
Increase/(Decrease) in Year	(16,850)	(200)	(3,485)	(20,535)	3,558	(16,977)
Balance at 31st March 2024	74,644	4,896	13,863	93,403	508,286	601,689
Movement in Reserves during 2024/25						
Total Comprehensive Income and Expenditure.	2,625	-	-	2,625	79,382	82,007
Adjustments between Accounting Basis and Funding Basis Under Regulations (Note 6).	(15,938)	(1,140)	11,013	(6,065)	6,065	-
Increase/(Decrease) in Year	(13,313)	(1,140)	11,013	(3,440)	85,447	82,007
Balance at 31st March 2025	61,331	3,756	24,876	89,963	593,733	683,696

BALANCE SHEET

Restated 31st March 2024 £000		Note No.	31st Mar 2025 £000
917,583	Property, Plant and Equipment	11	995,156
0	Right of Use Assets	33	5,594
995	Heritage Assets		995
10,086	Long Term Investments	12	5,086
420	Long Term Debtors	12	630
929,084	Long Term Assets		1,007,461
26,142	Short Term Investments	12	31,585
4,850	Assets Held for Sale	16	5,175
828	Inventories		784
47,953	Short Term Debtors	13	87,294
4,609	Cash and Cash Equivalents	15	46
84,382	Current Assets		124,884
(10,135)	Short Term Borrowing	12	(5,860)
(61,585)	Short Term Creditors	17	(86,919)
(1,443)	Short Term Provisions	18	(1,789)
(73,163)	Current Liabilities		(94,568)
(17,536)	Long Term Creditors	12	(18,693)
(262,348)	Long Term Borrowing	12	(281,153)
(53,800)	Other Long Term Liabilities	35	(48,800)
(4,930)	Long Term Provisions	18	(5,434)
(338,614)	Long Term liabilities		(354,080)
601,689	Net Assets		683,697
(93,403)	Usable Reserves	19	(89,963)
(508,286)	Unusable Reserves	20	(593,733)
(601,689)	Total Reserves		(683,696)

CASH FLOW STATEMENT

2023/24 £000		Note No.	2024/25 £000
(24,824)	Net Surplus or (Deficit) on the Provision of Services.		2,625
62,948	Adjustments to Net Surplus or Deficit on the Provision of Services for Non-Cash Movements.	21a	26,825
(18,393)	Adjustments for items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities.	21b	(45,054)
19,731	Net Cash Flows from Operating Activities.	*	(15,604)
3,361	Investing Activities.	22	(2,613)
(25,275)	Financing Activities.	23	13,654
(2,183)	Net Increase or Decrease in Cash and Cash Equivalents.		(4,563)
6,792	Cash and Cash Equivalents at the Beginning of the Reporting Period.		4,609
4,609	Cash and Cash Equivalents at the End of the Reporting Period.	15	46

* The cash flows for operating activities include the following items:

2023/24 £000		2024/25 £000
(3,495)	Interest Received	(3,571)
10,192	Interest Paid	9,981

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

i. General Principles

The statement of accounts summarises the Council's financial transactions for 2024/25 and its position at 31st March 2025. The Council is required to prepare an annual statement of accounts by the Accounts and Audit (Wales) Regulations 2014 (as amended by The Accounts and Audit (Wales) (Amendment) Regulations 2018), in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (IFRS).

The accounts are prepared on a going concern basis.

ii. Accruals of Income and Expenditure

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

- revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the balance sheet.
- services received (including employees services) are recorded as expenditure when the services are received, rather than when payments are made other than for university and other similar courses where expenditure is recognised at the commencement of the course and not split over financial years.
- interest receivable on investments and payable on borrowing is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument, rather than the cash flows fixed or determined by the contract.
- Government grants and third-party contributions are recognised when there is reasonable assurance that the Council will comply with any conditions attached to the payments, and that grant monies and contributions will be received. Where conditions attached to grants and contributions remain outstanding, monies received to date are carried forward in the balance sheet as creditors (receipts in advance) until the conditions have been satisfied.
- where revenue and expenditure have been recognised, but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Where debts are not considered collectable, the balance is reduced by a provision for doubtful debts.

NOTES TO THE ACCOUNTS

iii. Cash and Cash Equivalents

Cash includes cash in hand, overnight deposits, and bank overdrafts. Cash equivalents can be quickly converted to known amounts of cash with low risk of change in value. Cash equivalents held as part of treasury management operations are included as short-term investments.

iv. Prior Period Adjustments and Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively, unless stated otherwise, by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior periods are corrected retrospectively by amending opening balances and comparative amounts for the period.

v. Charges to Revenue for Non-Current Assets

Services are charged the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service.
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the revaluation reserve against which the losses can be written off.

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

Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund Balance (Minimum Revenue Provision - MRP) by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement. The Council charges MRP on a straight-line basis over 50 years. This ensures the costs of supported capital expenditure are spread evenly over the lifetime of the assets, and that the debt is fully extinguished within forty-five years.

NOTES TO THE ACCOUNTS

vi. Employee Benefits

Short term employee benefits such as wages and salaries, paid annual leave, sick leave and expenses are paid on a monthly basis and reflected as expenditure on an accrual's basis in the relevant service line in the comprehensive income and expenditure statement. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end. The accrual is charged to the Surplus or Deficit on the Provision of Service and reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. They are charged on an accrual's basis to the comprehensive income and expenditure statement.

vii. Retirement Benefits

The Council participates in two formal pension schemes, the Local Government Pension Scheme, which is administered by the City and County of Swansea Pension Fund and the Teachers' Pension Scheme, administered by the Teachers' Pension Agency. Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees who worked for the Council.

The nature of the teachers' scheme prevents the Council's individual share of the pension liability from being separately identified. The scheme is therefore accounted for as if it were a defined contribution scheme.

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

- i. The assets attributable to the Council are measured at fair value at the balance sheet date, after deducting accrued expenses. The attributable liabilities are valued on an actuarial basis using the projected unit method, which assesses the future liabilities of the fund discounted to their present value. Net pension assets are recognised only to the extent that the Council is able to recover a surplus, either through reduced contributions in the future or through refunds from the scheme. Unpaid contributions to the scheme are recorded as creditors due within one year.
- ii. For pension charges, the change in defined benefit asset or liability is analysed and charged to the comprehensive income and expenditure statement as follows:
 - Current service cost, past service cost and gains / losses on curtailments and settlements are included within Cost of Services;
 - Net interest on the net defined benefit liability is included within financing and investment income and expenditure; and
 - Actuarial gains / losses are incorporated within other comprehensive income and expenditure.

Further details for pensions can be found in notes 34 and 35.

NOTES TO THE ACCOUNTS

viii. Financial Instruments

These are recognised in the balance sheet when the Council becomes a party to the contractual provisions and are initially measured at fair value.

Financial liabilities are carried at their amortised cost. For most of the Council's borrowing, it means that the amount presented in the balance sheet is the outstanding principal repayable, plus accrued interest. Annual interest, which is the amount payable for the year according to the loan agreement, is charged to the financing and investment income and expenditure line within the comprehensive income and expenditure statement. The Council has spread the cost of historical premiums and discounts arising from debt rescheduling over the financial term of the replacement loan. The reconciliation of amounts charged to the comprehensive income and expenditure statement to the net charge required against the general fund balance is managed by a transfer to or from the financial instrument's adjustment account in the movement in reserves statement.

Financial assets are classified to reflect the business model for holding the financial assets and their cash flow characteristics. The Council holds financial assets measured at amortised cost and fair value. Financial assets measured at amortised cost are recognised when the Council becomes a party to the contractual provision of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost.

The Council's investments at 31st March 2025 had no impairment allowance included for these financial assets, as the risk is immaterial. The Council's debtor position, excluding council tax, is included within the financial assets statement. These debts have been reviewed and although there is no significant financing component, funds are set aside for any potential impairment based on a collective assessment of the value and age of the outstanding debt.

ix. Heritage Assets

Heritage assets are defined as assets that have historical, artistic, scientific, technological, geographical, or environmental qualities, which are held and maintained principally for their contribution to knowledge and culture.

The Council holds heritage assets on the balance sheet in relation to works of art. Assets are included when an insurance valuation has been undertaken and the valuation for the individual asset is £5,000 or more. In the absence of historic cost, the insurable sum is deemed as an appropriate and relevant method of valuation, with the last valuation undertaken by Sotheby's in 2022. These items are considered to have indeterminate lives and a high residual value, consequently the Council does not consider it appropriate to charge depreciation.

x. Interest in Companies and Other Entities

The Council holds no material value interests in companies and other entities that have the nature of subsidiaries, associates, and jointly controlled entities and therefore there is no requirement to prepare group accounts. Transactions for the Council's companies are included within the Council's own single entity accounts.

NOTES TO THE ACCOUNTS

xi. Inventories

Inventories are included in the balance sheet at average purchase price or latest purchase price, which is a departure from normal practice which values stock at the lower of cost or net realisable value. The effect of this departure is not material.

xii. Leases

The Council classifies contracts as leases based on their substance. Where a lease covers both land and buildings, each element is considered separately for classification purposes.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy.

The Council as Lessee

The lease liability is measured at the present value of the lease payments, discounted at the rate implicit in the lease, or if that cannot be readily determined, at the lessee's incremental borrowing rate specific to the term and start date of the lease. Lease payments include - fixed payments; variable lease payments dependent on an index or rate, initially measured using the index or rate at commencement; the exercise price under a purchase option if the Council is reasonably certain to exercise; penalties for early termination if the lease term reflects the Council exercising a break option; and payments in an optional renewal period if the Council is reasonably certain to exercise an extension option or not exercise a break option.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured, with a corresponding adjustment to the right of use asset, when there is a change in future lease payments resulting from a rent review, change in an index or rate such as inflation, or change in the Council's assessment of whether it is reasonably certain to exercise a purchase, extension or break option.

The right of use asset is initially measured at cost, comprising: the initial lease liability; any lease payments already made less any lease incentives received; initial direct costs; and any dilapidation or restoration costs. The right of use asset is subsequently depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The right of use asset is tested for impairment if there are any indicators of impairment. Leases of low value assets (value when new value less than £10,000) and short-term leases of 12 months or less are expensed to the Comprehensive Income and Expenditure Statement, as are variable payments dependent on performance or usage, 'out of contract' payments and non-lease service components.

NOTES TO THE ACCOUNTS

The Council as Lessor

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant, or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Operating Leases

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

xiii. Overhead and Support Costs

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

xiv. Property, Plant and Equipment (PPE)

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

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accrual's 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. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential, such as repairs and maintenance, is charged as an expense when it is incurred.

Assets are initially measured at cost, comprising of the purchase price and any costs attributable to bringing the asset to an operational condition. The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, that is estimated at highest and best use from a market participant's perspective. Where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

NOTES TO THE ACCOUNTS

Assets are carried in the balance sheet using the following measurement bases:

- **Land and buildings** existing use value (EUV) or depreciated replacement cost if no market evidence.
- **School assets** – depreciated replacement cost (DRC).
- **Infrastructure assets** - depreciated historical cost.
- **Community assets** – depreciated historical cost.
- **Assets under construction** – depreciated historical cost.
- **Surplus assets** – fair value.
- **Vehicles plant and equipment** - existing use value or depreciated historical cost if of low value or short life.
- **Assets held for sale** – revalued immediately before reclassification.
- **Service concessions** – Existing use value (EUV) or depreciated replacement cost (DRC) if no market-based evidence.

Revaluations

The Council's internal valuer undertakes this exercise in accordance with the professional standards of the Royal Institution of Chartered Surveyors. Assets included in the balance sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year end, but as a minimum every five years. The Council must balance the requirement to include asset values at their fair or current value each year end with the costs involved in providing valuations. To ensure the information is materially correct, the Council valuer undertake an annual review to identify any significant impairments or change in the usage of assets.

The revaluation reserve contains revaluation gains recognised since 1st April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the capital adjustment account.

Impairment and Downward Revaluation

Assets are assessed at each year end as to whether there is any indication that an asset may be impaired in value because of a change in service potential or significant and permanent changes to the market value.

- Where there is a balance of revaluation gains for the asset in the revaluation reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the revaluation reserve, the carrying amount of the asset is written down against the relevant service lines in the comprehensive income and expenditure statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service lines in the comprehensive income and expenditure statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

NOTES TO THE ACCOUNTS

Depreciation

Depreciation is provided for on all property plant and equipment assets by the systematic allocation of their depreciable amounts over their useful lives. Exceptions are made for:

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

Depreciation is calculated on the value of the asset at the start of the financial year on the following bases:

Asset	Policy	Life
Land	No depreciation	N/A
Buildings	Straight line depreciation on estimated remaining life	3 - 40 years
School Assets	Straight line depreciation on estimated remaining life	40 – 50 years
Vehicles, Plant, Furniture and Equipment	Straight line depreciation on estimated remaining life	3 – 20 years
Infrastructure	Straight line depreciation on estimated remaining life	40 years
Community Assets	Straight line depreciation on estimated remaining life	5 - 40 years
Surplus assets	Straight line depreciation on estimated remaining life	5 - 40 years
Service Concession	Straight line depreciation on estimated remaining life	3 - 40 years

Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the balance sheet is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement against any receipts arising from the disposal as a gain or loss on disposal. If more than £10,000 is received at disposal, this is treated as a capital receipt and kept in a reserve that can only be used for capital purposes.

Componentisation

Where a single asset may have a number of different components, each having a different useful life, three factors are taken into account to determine whether a separate valuation of components is to be recognised in the accounts in order to provide an accurate figure for depreciation.

NOTES TO THE ACCOUNTS

These factors are:

- materiality with regards to the Council's financial statements. Componentisation will only be considered for individual non land assets that have a net book value of more than £2.5m or 0.5% of total net book value.
- significance of component. For individual assets meeting the above threshold, where services within a building, such as boilers, heating, lighting, ventilation, etc., are a material component of the cost of that asset, i.e. greater than 30%, then those services will be valued separately on a component basis.
- difference in rate or method of depreciation compared to the overall asset. Only those elements that normally depreciate at a significantly different rate from the non-land element as a whole, or that require a different method of depreciation will be identified for componentisation.

Assets that do not meet the test above can be disregarded for componentisation on the basis that any adjustment to depreciation charges would not result in a material misstatement in the accounts.

xv. Service Concessions

These are agreements for services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the contractor. The Council is deemed to control the services provided under the contract and as ownership of the assets will pass to them at the end of the contract period, the Council carries the assets on its balance sheet as part of property, plant, and equipment.

Further details of service concession costs and liabilities can be found in note 32.

xvi. Provisions, Contingent Liabilities and Contingent Assets

Provisions are based on the Council's obligations arising from a past event, the probability that a transfer of economic benefit will take place and when a reliable estimate can be made of the value of the obligation. They are charged to the appropriate service revenue account in the year the obligation becomes known and are reviewed at each balance sheet date.

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

Contingent liabilities and assets are included where an event has taken place that gives a possible obligation or asset arising from past events, which will only materialise if certain events not wholly within the control of the Council take place. They are not recognised in the balance sheet but disclosed in a note to the accounts when material.

NOTES TO THE ACCOUNTS

xvii. Reserves

Usable reserves are set aside for future policy purposes or contingencies.

Unusable reserves are set aside to manage the accounting processes for non-current assets, financial instruments and retirement and employee benefits and do not represent usable resources for the Council.

xviii. Revenue Expenditure Funded from Capital Under Statute

Legislation requires defined items of revenue expenditure charged to services within the comprehensive income and expenditure statement to be treated as capital expenditure. This is transferred from the general fund balance via the movement in reserves statement to the capital adjustment account and is included in the capital expenditure and financing disclosure at note 31.

xix. Schools

School assets, liabilities, reserves, transactions, and cash flows are included in the Council's financial statements, which complies with the accounting Code.

xx. Value Added Tax (VAT)

VAT payable is excluded from expenditure except when it cannot be recovered from HM Revenues and Customs. VAT receivable is excluded from income.

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies above, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in these Statement of Accounts are in relation to the high degree of uncertainty about future funding levels for local government.

However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.

2. ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED

The Code of Practice requires that the Council disclose information relating to the anticipated impact of any accounting change required by a new International Accounting Standard (IAS) or International Financial Reporting Standards (IFRS) that has been issued but not yet adopted by the Code. This requirement applies to the adoption of the following new or amended standards.

The 2025/26 Code introduces changes arising from the accounting guidance in relation to:

- IFRS 7 Insurance Contracts IFRS17 replace IFRS4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.

NOTES TO THE ACCOUNTS

- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability). 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 requiring the disclosure of information that enables the users of the financial statements to understand the impact of a currency not being exchangeable.
- 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

None of the matters covered in the annual improvements and IFRS amendments are expected to materially affect this Council.

The Code requires implementation after 1st April 2025, there is therefore no impact on the 2024/25 statement of accounts.

3. **ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY**

The statement of accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain.

Estimates are made taking into account historical experience, current trends, and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's balance sheet at 31st March 2025, for which there is a significant risk of material adjustment in the forthcoming financial year, are as follows:

Property Plant and Equipment

Revaluation of the Council's assets is undertaken on a 5-year rolling programme. The value of those assets is based upon calculations and estimation techniques following the Royal Institute of Chartered Surveyors (RICS) guidance, and in accordance with IFRS. Revaluation takes account of the value and condition of the asset, relevant components and also de-recognition where appropriate. Additional valuations have been undertaken in the current year to ensure that the assets in the balance sheet are materially correct.

NOTES TO THE ACCOUNTS

Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries was engaged to provide the Council with expert advice and assumptions and the various costings and disclosures necessary to comply with the code of practice. If any of the assumptions change as a result of actual experience, then the net liability of the Council would increase or decrease as a result.

Provisions – Insurance Claims

The Council has a provision of £4.455m as at 31st March 2025 to meet the potential cost of insurance liabilities. The number and value of potential claims includes actuarial assumptions particularly in respect of the most recent financial years, as these are immature in terms of insurance experience. Any significant change in assumptions and/or number and value of claims could significantly alter the value of the provision. The Council holds insurance reserves to mitigate any risk.

4. NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

These adjustments are made to present the Council's accounts on an accounting and funding basis in accordance with generally accepted accounting practices. Further details in relation to these adjustments can be found in the note on "Adjustments between accounting basis and funding basis under regulations."

	2024/25			
	Adjustments for Capital Purposes	Net Charge for Pensions	Other Differences	Total Adjustments
	£000	£000	£000	£000
Education, Leisure & Lifelong Learning	20,942	(3,116)	2,159	19,985
Social Services, Health & Housing	4,774	(2,422)	575	2,927
Environment	15,191	(1,884)	293	13,600
Finance, Strategy & Corporate Services	295	(1,155)	205	(655)
Other Housing Services	-	-	115	115
Other Central Services	(12,387)	(2)	86	(12,303)
Net Cost of Services	28,815	(8,579)	3,433	23,669
Other Income & Expenditure	(41,070)	1,750	(287)	(39,607)
Difference Between General Fund and CIES (Surplus)/Deficit	(12,255)	(6,829)	3,146	(15,938)

NOTES TO THE ACCOUNTS

	2023/24			
	Adjustments for Capital Purposes	Net Charge for Pensions	Other Differences	Total Adjustments
	£000	£000	£000	£000
Education, Leisure & Lifelong Learning	18,828	(2,080)	(1,986)	14,762
Social Services, Health & Housing	3,245	(1,671)	(331)	1,243
Environment	16,227	(1,309)	(55)	14,863
Finance, Strategy & Corporate Services	197	(780)	10	(573)
Other Housing Services	-	-	80	80
Other Central Services	(10,855)	-	(185)	(11,040)
Net Cost of Services	27,642	(5,840)	(2,467)	19,335
Other Income & Expenditure	(13,511)	1,660	490	(11,361)
Difference Between General Fund and CIES (Surplus)/Deficit	14,131	(4,180)	(1,977)	7,974

5. EXPENDITURE AND INCOME ANALYSED BY NATURE

The following table discloses the nature of expenses and income, analysing the comprehensive income and expenditure on a subjective basis. These figures include the expenditure and income for all schools, which follows the reporting requirements stipulated by the Code of Practice.

2023/24 £000		2024/25 £000
	Expenditure	
254,531	Employee Benefits.	276,006
290,672	Other Service Expenses.	308,482
29,383	Depreciation, Amortisation and Impairment.	36,559
12,055	Interest Payable.	12,071
28,339	Precepts and Levies.	30,798
(77)	Gain on the Disposal of Assets.	1,802
614,903	Total Expenditure	665,718
	Income	
(78,846)	Fees, Charges and Other Service Income.	(73,244)
(3,436)	Interest and Investment Income.	(3,404)
(150,317)	Income from Council Tax, National Non Domestic	(164,031)
(357,480)	Government Grants and Contributions.	(427,664)
(590,079)	Total Income	(668,343)
24,824	(Surplus) / Deficit for Year	(2,625)

The total income for fees, charges and other service income identified in the table above is collected from the following service segments, which reflect the Council's management structure:

NOTES TO THE ACCOUNTS

2023/24 £000		2024/25 £000
	Income	
(10,657)	Education, Leisure & Lifelong Learning	(10,637)
(32,456)	Social Services, Health & Housing	(34,573)
(28,578)	Environment	(19,226)
(2,251)	Finance, Strategy & Corporate Services	(2,562)
(4,904)	Other Central Services	(6,246)
(78,846)	Fees, Charges and Other Service Income	(73,244)

6. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

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

The following sets out a description of the reserves that the adjustments are made against.

General Fund Balance

The general fund is the statutory fund into which all the receipts of the Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the general fund balance, which is not necessarily in accordance with proper accounting practice. The general fund balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment at the end of the financial year.

Capital Receipts Reserve

The capital receipts reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year end.

Capital Grants Unapplied

The capital grants unapplied account holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

NOTES TO THE ACCOUNTS

	Usable Reserves			
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
2024/25	£000	£000	£000	£000
Adjustments primarily involving the capital adjustment account				
Reversal of items debited or credited to the comprehensive income and expenditure statement:				
Charges for depreciation and impairment of non current assets.	36,081	-	-	(36,081)
Revaluation (gains) / losses on property, plant and equipment.	478	-	-	(478)
Capital grants and contributions applied.	(44,894)	-	-	44,894
Revenue expenditure funded from capital under statute.	25,009	-	-	(25,009)
Amounts of non current assets written off on disposal or sale as part of the (gain)/loss on disposal to the comprehensive income and expenditure statement.	1,962	-	-	(1,962)
Insertion of items not debited or credited to the comprehensive income and expenditure statement:				
Statutory provision for the financing of capital investment.	(12,836)	-	-	12,836
Capital expenditure charged against the general fund.	(5,372)	-	-	5,372
Adjustments primarily involving the capital grants unapplied account:				
Capital grants and contributions unapplied credited to the comprehensive income and expenditure statement.	(12,523)	-	12,523	0
Application of grants to capital financing transferred to the capital adjustment account.	-	-	(1,510)	1,510
Adjustments primarily involving the capital receipts reserve:				
Transfer of cash sale proceeds credited as part of the (gain) / loss on disposal to the comprehensive income and expenditure	(160)	160	-	0
Use of the capital receipts reserve to finance new capital expenditure.	-	(1,300)	-	1,300
Adjustments primarily involving the pensions reserve:				
Reversal of items relating to retirement benefits debited or credited to the comprehensive income and expenditure account.	28,440	-	-	(28,440)
Employer's pension contributions and direct payments to pensioners payable in the year.	(35,270)	-	-	35,270
Adjustments primarily involving the accumulated absences account:				
Amount by which officer remuneration charged to the comprehensive income and expenditure statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	3,147	-	-	(3,147)
Total adjustments	(15,938)	(1,140)	11,013	6,065

NOTES TO THE ACCOUNTS

	Usable Reserves			
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
2023/24	£000	£000	£000	£000
Adjustments primarily involving the capital adjustment account				
Reversal of items debited or credited to the comprehensive income and expenditure statement:				
Charges for depreciation and impairment of non current assets.	29,728	-	-	(29,728)
Revaluation (gains) / losses on property, plant and equipment.	(345)	-	-	345
Capital grants and contributions applied.	(18,128)	-	-	18,128
Revenue expenditure funded from capital under statute.	17,587	-	-	(17,587)
Amounts of non current assets written off on disposal or sale as part of the (gain)/loss on disposal to the comprehensive income and expenditure statement.	188	-	-	(188)
Insertion of items not debited or credited to the comprehensive income and expenditure statement:				
Statutory provision for the financing of capital investment.	(11,447)	-	-	11,447
Capital expenditure charged against the general fund.	(2,118)	-	-	2,118
Adjustments primarily involving the capital grants unapplied account:				
Capital grants and contributions unapplied credited to the comprehensive income and expenditure statement.	(1,069)	-	1,069	0
Application of grants to capital financing transferred to the capital adjustment account.	-	-	(4,554)	4,554
Adjustments primarily involving the capital receipts reserve:				
Transfer of cash sale proceeds credited as part of the (gain) / loss on disposal to the comprehensive income and expenditure	(265)	265	-	0
Use of the capital receipts reserve to finance new capital expenditure.	-	(465)	-	465
Adjustments primarily involving the pensions reserve:				
Reversal of items relating to retirement benefits debited or credited to the comprehensive income and expenditure account.	29,000	-	-	(29,000)
Employer's pension contributions and direct payments to pensioners payable in the year.	(33,180)	-	-	33,180
Adjustments primarily involving the accumulated absences account:				
Amount by which officer remuneration charged to the comprehensive income and expenditure statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	(1,977)	-	-	1,977
Total adjustments	7,974	(200)	(3,485)	(4,289)

NOTES TO THE ACCOUNTS

7. MOVEMENT IN RESERVES

This note sets out the amounts set aside from the general fund into reserves to provide financing for future expenditure plans.

	Restated Balance at 1st Apr 2023 £000	Movement in 2023/24 £000	Balance at 31st Mar 2024 £000	Movement in 2024/25 £000	Balance at 31st Mar 2025 £000
EDUCATION, LEISURE & LIFELONG LEARNING					
DELEGATED SCHOOLS CASH					
Under Local Government Management of Schools, schools are able to carry forward surpluses and deficits. These reserves are ring fenced for each individual school.					
Primary Schools Reserves	(3,247)	3,864	617	1,306	1,923
Secondary Schools Reserves	(2,384)	1,401	(983)	936	(47)
Special Schools Reserves	(826)	(65)	(891)	89	(802)
Middle Schools Reserves	(643)	1,534	891	769	1,660
ER/VR SCHEME FOR PRIMARY SCHOOLS					
This is set aside for Teachers and Staff that have agreements approved to take early retirement or voluntary redundancy during the following year.	(10)	10	-	-	-
REPAIR & MAINTENANCE					
This includes funding to meet the cost of repairs and maintenance in schools.	(161)	-	(161)	-	(161)
TOTAL DELEGATED SCHOOL	(7,271)	6,744	(527)	3,100	2,573
ADDITIONAL LEARNING NEEDS (ALN)					
This reserve is to support children with ALN and the implementation of the Additional Learning Needs Reform Act.	(2,254)	1,152	(1,102)	204	(898)
EQUALISATION ACCOUNT EDUCATION					
To provide year on year equalisation support for the directorate.	(1,811)	(223)	(2,034)	(601)	(2,635)
HOME TO SCHOOL TRANSPORT					
This reserve was created to manage the variation between academic and financial years.	-	(253)	(253)	253	-
TOTAL EDUCATION, LEISURE & LIFELONG LEARNING	(11,336)	7,420	(3,916)	2,956	(960)

NOTES TO THE ACCOUNTS

	Restated Balance at 1st Apr 2023 £000	Movement in 2023/24 £000	Balance at 31st Mar 2024 £000	Movement in 2024/25 £000	Balance at 31st Mar 2025 £000
SOCIAL SERVICES, HEALTH & HOUSING					
HEMOCARE EQUIPMENT					
Electronic Call Monitoring (ECM) Equipment reserve to replace mobile phones.	(97)	7	(90)	90	-
COMMUNITY CARE TRANSFORMATION					
To fund support and expertise needed to drive forward change required to achieve savings put forward in the Financial Plan.	(2,514)	1,464	(1,050)	915	(135)
SOCIAL SERVICES, HEALTH & HOUSING INFORMATION TECHNOLOGY RENEWALS FUND					
To replace information technology equipment, systems and telephony when required.	(1,900)	-	(1,900)	1,472	(428)
EQUALISATION SOCIAL SERVICES					
To meet high cost cases - must make placements.	(3,370)	2,100	(1,270)	1,270	-
COMMUNITY RESILIENCE FUND					
To support the development of community activity and volunteering opportunities.	(1,750)	-	(1,750)	1,750	-
HOUSING WARRANTIES					
This reserve has been set aside in recognition of the warranties to potential liabilities following the transfer of Housing Services.	(220)	-	(220)	-	(220)
HILLSIDE GENERAL RESERVE					
The depreciation charge recovered through fees is set aside for capital renewal.	(431)	(144)	(575)	(512)	(1,087)
RING FENCED HEMOCARE FUNDING					
To support driving test and electric vehicle provision for Hemocare Workers.	(234)	163	(71)	55	(16)
YOUTH OFFENDING SERVICE (YOS)					
To meet the costs of providing therapeutic remand placements for young offenders, and also to meet the costs of YOS Managers Cymru and South Wales YOS Training.	(168)	-	(168)	28	(140)
ADOPTION SERVICE					
To fund the additional contribution to the regional adoption service if NPT adoption placements are higher than expected.	(880)	500	(380)	380	-
TOTAL SOCIAL SERVICES, HEALTH & HOUSING	(11,564)	4,090	(7,474)	5,448	(2,026)

NOTES TO THE ACCOUNTS

	Restated Balance at 1st Apr 2023 £000	Movement in 2023/24 £000	Balance at 31st Mar 2024 £000	Movement in 2024/25 £000	Balance at 31st Mar 2025 £000
ENVIRONMENT					
TRANSPORT					
To fund a cost effective transport and plant renewal programme.	(315)	(225)	(540)	-	(540)
ASSET RECOVER INCENTIVE SCHEME					
To smooth timing of expenditure.	(45)	(43)	(88)	-	(88)
SWANSEA BAY CITY DEAL					
To cover future expenditure as part of the five year plan.	(221)	(44)	(265)	-	(265)
LOCAL DEVELOPMENT PLAN					
Statutory obligation to develop a local development plan by all unitary authorities in Wales in line with Welsh Government guidance.	(363)	8	(355)	77	(278)
PARKING IMPROVEMENT					
Car park maintenance and up keep.	(88)	24	(64)	31	(33)
DECARBONISATION AND RENEWABLE ENERGY (DARE)					
To cover the cost of ongoing capital & revenue de-carbonisation schemes.	(2,000)	2,000	-	-	-
WASTE					
To provide funding to ensure that an efficient and economical waste service can be provided.	(1,536)	(1,153)	(2,689)	2,171	(518)
WINTER MAINTENANCE					
To aid in event of severe flooding / gritting.	(568)	(100)	(668)	-	(668)
NEATH MARKET					
To fund future repairs at Neath Market.	(253)	-	(253)	-	(253)
BAGLAN BAY INNOVATION CENTRE, DILAPIDATION					
Funding from Welsh Government for outstanding maintenance works including future essential repairs & upgrades.	(78)	-	(78)	-	(78)
RENEWABLE ENERGY					
Feeding tariff income to fund future schemes.	(18)	(6)	(24)	-	(24)
EQUALISATION ACCOUNT					
ENVIRONMENTAL HEALTH, HOUSING					
To smooth timing of expenditure for delayed inspections.	(95)	58	(37)	-	(37)
LAWDC CONTINGENCY					
This is held for aftercare obligations at the Giants Grave site.	(815)	815	-	-	-
WORKWAYS NPT					
Funding from Welsh European Funding Office ring fenced for scheme.	(326)	326	-	-	-
EQUALISATION ACCOUNT ENVIRONMENT					
To fund Directorate one off pressures.	(1,097)	(756)	(1,853)	(508)	(2,361)
METAL BOX					
To smooth maintenance costs until building has been fully leased.	(780)	780	-	(404)	(404)

NOTES TO THE ACCOUNTS

	Restated Balance at 1st Apr 2023 £000	Movement in 2023/24 £000	Balance at 31st Mar 2024 £000	Movement in 2024/25 £000	Balance at 31st Mar 2025 £000
ENVIRONMENT CONTINUED					
PANTTEG LANDSLIP					
The reserve is set up to fund ongoing costs.	(500)	65	(435)	66	(369)
TRADING ACCOUNTS					
EQUALISATION ACCOUNT OPERATING					
Smooth timing of expenditure.	(36)	-	(36)	-	(36)
VEHICLE TRACKING					
To provide funds for the vehicle tracking initiative.	(92)	(29)	(121)	91	(30)
VEHICLE RENEWALS					
To fund a cost effective transport & plant programme to meet service requirements and enhancements.	(3,472)	(1,134)	(4,606)	(1,024)	(5,630)
TOTAL ENVIRONMENT	(12,698)	586	(12,112)	500	(11,612)
FINANCE STRATEGY & CORPORATE SERVICES					
EQUALISATION ACCOUNT ELECTIONS FUND					
To meet cost of 4 year cycle of elections.	(151)	46	(105)	38	(67)
HEALTH & SAFETY / OCCUPATIONAL HEALTH					
Equalisation of spend.	(41)	-	(41)	-	(41)
DIGITAL TRANSFORMATION					
To support the Council's Digital Transformation Programme.	(1,170)	-	(1,170)	95	(1,075)
EQUALISATION ACCOUNT SCHOOLS IT (HWB)					
This reserve is to fund schools IT costs.	(470)	70	(400)	(50)	(450)
DEVELOPMENT FUND FOR MODERNISATION					
Funding for Members IT renewals, training and development.	(76)	76	-	-	-
DIGITAL RENEWAL FUND					
To spread the cost of major investment in the Council's IT.	(1,754)	468	(1,286)	720	(566)
CHIEF EXECUTIVE EQUALISATION					
To fund one off pressures arising across the directorate.	(360)	158	(202)	97	(105)
FINANCIAL SERVICE EQUALISATION					
To fund one off pressures arising across the directorate.	-	-	-	(211)	(211)
ORGANISATIONAL DEVELOPMENT					
To support the organisational development programme.	(4,636)	1,041	(3,595)	2,034	(1,561)
BUILDING CAPACITY					
This relates to developing capacity in relation to transformational projects across the Council.	(241)	64	(177)	102	(75)

NOTES TO THE ACCOUNTS

	Restated Balance at 1st Apr 2023 £000	Movement in 2023/24 £000	Balance at 31st Mar 2024 £000	Movement in 2024/25 £000	Balance at 31st Mar 2025 £000
FINANCE STRATEGY & CORPORATE SERVICES CONTINUED					
VOLUNTARY ORGANISATIONS					
This reserve is to be used towards Voluntary Organisation payments.	(90)	90	-	-	-
TOTAL CORPORATE STRATEGY & FINANCE	(8,989)	2,013	(6,976)	2,825	(4,151)
CORPORATE OTHER					
INSURANCE					
This reserve is generated from insurance settlements and surpluses from claims handling arrangements. It will be used to fund future insurance related projects and claims.	(4,445)	280	(4,165)	321	(3,844)
COVID RECOVERY					
To help NPT services after two years of COVID with one off posts and works.	(1,407)	750	(657)	402	(255)
INCOME GENERATION					
This reserve is to support income generation ideas.	(1,663)	1,550	(113)	-	(113)
MEMBERS COMMUNITY FUND					
The reserve is set up to enable members to invest in activities and projects that improve outcomes within their local wards.	(352)	352	-	-	-
CAPITAL SUPPORT					
To fund future capital expenditure.	(683)	-	(683)	-	(683)
HARDSHIP RELIEF SCHEME					
To develop a range of measures to support the cost of living crisis.	(1,725)	913	(812)	362	(450)
SERVICE RESILIENCE					
To meet short term service staffing issues.	(874)	777	(97)	97	-
DISCRETIONARY FUND					
Funds set aside to support Welsh Government discretionary cost of living	(336)	236	(100)	-	(100)
CORPORATE CONTINGENCY					
To fund unforeseen future pressures in delivering the forward financial plan.	(2,493)	(15)	(2,508)	(1,121)	(3,629)
EQUALISATION ACCOUNT TREASURY MANAGEMENT					
This reserve will be used to equalise the impact of fluctuations in Treasury Management returns and fund future	(8,408)	(605)	(9,013)	(1,482)	(10,495)
ACCOMMODATION STRATEGY					
This reserve will be used to support the Authority's Accommodation Strategy and other property costs.	(2,274)	(699)	(2,973)	785	(2,188)

NOTES TO THE ACCOUNTS

	Restated Balance at 1st Apr 2023 £000	Movement in 2023/24 £000	Balance at 31st Mar 2024 £000	Movement in 2024/25 £000	Balance at 31st Mar 2025 £000
CORPORATE OTHER CONTINUED					
STRATEGIC REGENERATION CAPACITY BUILDING					
To assist with capacity building.	(1,500)	1,500	-	-	-
TRANSFORMATION AND MODERNISATION					
Strategic investment to transform services.	-	(6,700)	(6,700)	2,906	(3,794)
TATA Transition Fund					
To Fund future support for businesses and individuals affected by Tata Steel UK decarbonisation transition.	-	-	-	(300)	(300)
CELTIC FREEPORT					
To fund programme management support for Celtic Freeport.	-	-	-	(152)	(152)
LEVELLING UP					
To fund future redundancy costs.	-	-	-	(99)	(99)
TOTAL CORPORATE OTHER	(26,160)	(1,661)	(27,821)	1,719	(26,102)
HELD ON BEHALF OF THIRD PARTY AGENCIES					
MARGAM DISCOVERY CENTRE, BUILDING MAINTENANCE					
To build up a renewal fund that can be used to help fund large building maintenance recharges in the future.	(117)	(57)	(174)	(58)	(232)
WORKWAYS, REGIONAL RESERVE					
Funding from Welsh European Funding Office ring fenced for scheme.	(170)	170	-	-	-
ENVIRONMENT LEGACY (South Wales Trunk Road Agency)					
Financial assistance to help ensure contract success.	(60)	(200)	(260)	136	(124)
SUBSTANCE MISUSE AREA PLANNING BOARD					
To fund the service across the Western Bay area.	(154)	(219)	(373)	(151)	(524)
WESTERN BAY SAFEGUARDING BOARD					
Transfer of partner's surplus contributions to fund future safeguarding work across Western Bay.	(95)	7	(88)	(62)	(150)
TOTAL HELD ON BEHALF OF THIRD PARTY AGENCIES	(596)	(299)	(895)	(135)	(1,030)
TOTAL REVENUE EARMARKED RESERVES	(71,343)	12,149	(59,194)	13,313	(45,881)
GENERAL RESERVE WORKING BALANCES	(20,151)	4,701	(15,450)	-	(15,450)
GENERAL FUND TOTAL	(91,494)	16,850	(74,644)	13,313	(61,331)

NOTES TO THE ACCOUNTS

8. OTHER OPERATING EXPENDITURE

2023/24 £000		2024/25 £000
2,579	Community Council Precepts.	2,779
25,760	Precepts and Levies (Police and Fire).	28,019
(77)	(Gains)/Losses on the Disposal of Non Current Assets.	1,802
28,262	Total	32,600

9. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2023/24 £000		2024/25 £000
10,395	Interest Payable and Similar Charges.	10,321
1,660	Pension Interest Cost and Expected Return on Pension Assets.	1,750
490	Changes in Impairment Loss Allowance.	(287)
(3,436)	Interest Receivable and Similar Income.	(3,404)
9,109	Total	8,380

10. TAXATION AND NON-SPECIFIC GRANT

2023/24 £000		2024/25 £000
(103,743)	Council Tax Income.	(112,622)
(46,574)	Non Domestic Rates.	(51,409)
(229,948)	Non Ring Fenced Government Grants.	(233,957)
(13,434)	Capital Grants and Contributions.	(42,872)
(393,699)	Total	(440,860)

11. PROPERTY, PLANT AND EQUIPMENT (PPE)

In accordance with the Temporary Relief offered by the update to the 2021/22 Code of Practice on infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

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

Service Concessions - These are agreements for services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the contractor. The Council is deemed to control the services provided under the contract and as ownership of the assets will pass to them at the end of the contract period, the Council carries the assets on its balance sheet as part of property, plant, and equipment.

NOTES TO THE ACCOUNTS

Further details of service concession costs and liabilities can be found in note 32.

2024/25	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total PPE	Service Concession in PPE
Cost or Valuation	£000	£000	£000	£000	£000	£000	£000
At 1st April 2024	627,053	31,231	873	8,520	9,218	676,895	22,790
Additions.	7,237	3,891	-	1,192	18,734	31,054	-
Revaluation Increases / (Decreases) Recognised in the Revaluation Reserve.	62,928	-	(26)	128	-	63,030	4,639
Revaluation Increases / (Decreases) Recognised in the Surplus/Deficit on the Provision of Services.	(862)	(138)	(2)	(3,323)	(470)	(4,795)	-
Derecognition - Disposals.	(64)	(920)	-	-	-	(984)	-
Derecognition - Other.	(9,025)	(4,081)	-	-	-	(13,106)	-
Assets Reclassified (to)/from Held for Sale.	-	-	-	(370)	-	(370)	-
Change in Asset Classification.	7,332	(102)	3	2,705	(13,866)	(3,928)	-
Other Movements in Cost of Valuation.	-	407	-	-	-	407	-
At 31st March 2025	694,599	30,288	848	8,852	13,616	748,203	27,429
Accumulated Depreciation and Impairment							
At 1st April 2024	(26,909)	(17,497)	-	(200)	(4)	(44,610)	1
Depreciation Charge.	(20,536)	(3,226)	-	(79)	-	(23,841)	(3,020)
Depreciation Written Out to the Revaluation Reserve.	17,761	-	-	273	-	18,034	3,020
Depreciation Written Out to the Surplus / Deficit on the Provision of Services.	2,035	85	-	2,196	-	4,316	-
Derecognition - Disposals.	-	866	-	-	-	866	-
Derecognition - Other.	-	4,081	-	-	-	4,081	-
Change in Asset Classification.	2,190	31	-	(2,190)	-	31	-
Other Movements in Depreciation and Impairment.	-	(407)	-	-	-	(407)	-
At 31st March 2025	(25,459)	(16,067)	0	0	(4)	(41,530)	1
Net Book Value							
At 31st March 2025	669,140	14,221	848	8,852	13,612	706,673	27,430
At 31st March 2024	600,144	13,734	873	8,320	9,214	632,285	22,791

NOTES TO THE ACCOUNTS

2023/24	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total PPE	Service Concession in PPE
Cost or Valuation	£000	£000	£000	£000	£000	£000	£000
At 1st April 2023	624,408	28,050	873	13,182	6,101	672,614	23,155
Additions	12,162	3,890	46	-	3,567	19,665	-
Revaluation Increases / (Decreases) Recognised in the Revaluation Reserve.	1,404	36	-	(94)	-	1,346	(365)
Revaluation Increases / (Decreases) Recognised in the Surplus / Deficit on the Provision of Services.	(307)	-	-	(742)	-	(1,049)	-
Derecognition - Disposals.	(36)	(760)	-	(140)	-	(936)	-
Derecognition - Other.	(11,144)	(1,190)	(46)	-	-	(12,380)	-
Assets Reclassified (to) / from Held for Sale.	-	-	-	(2,870)	-	(2,870)	-
Change in Asset Classification.	566	1,205	-	(816)	(450)	505	-
At 31st March 2024	627,053	31,231	873	8,520	9,218	676,895	22,790
Accumulated Depreciation and Impairment							
At 1st April 2023	(25,963)	(15,899)	-	(127)	(4)	(41,993)	1
Depreciation Charge.	(15,291)	(3,447)	-	(73)	-	(18,811)	(2,044)
Depreciation Written Out to the Revaluation Reserve.	12,855	-	-	7	-	12,862	2,044
Depreciation Written Out to the Surplus/Deficit on the Provision of Services.	1,395	-	-	-	-	1,395	-
Derecognition - Disposals.	-	747	-	-	-	747	-
Derecognition - Other.	-	1,190	-	-	-	1,190	-
Change in Asset Classification.	95	(88)	-	(7)	-	0	-
At 31st March 2024	(26,909)	(17,497)	0	(200)	(4)	(44,610)	1
Net Book Value							
At 31st March 2024	600,144	13,734	873	8,320	9,214	632,285	22,791
At 31st March 2023	598,445	12,151	873	13,055	6,097	630,621	23,156

Depreciation

The following useful lives have been used in the calculation of depreciation:

- Land – Depreciation not applicable
- Buildings – A minimum of 20 years
- Vehicles, Plant, Furniture and Equipment – 3 to 20 years
- Infrastructure – 40 Years

Effects of Changes in Estimates

During 2024/25, there have been no material changes made to the accounting estimates for property, plant, and equipment.

NOTES TO THE ACCOUNTS

Infrastructure Assets

2023/24 £000		2024/25 £000
283,653	Net Book Value 1st April	285,298
13,067	Additions	14,341
(1,145)	Derecognition	-
(505)	Change in Asset Classification	71
(10,917)	Depreciation	(11,227)
1,145	Derecognition - Other	-
285,298	Total	288,483

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.

2023/24 £000		2024/25 £000
285,298	Infrastructure Assets	288,483
632,285	Other Property Plant & Equipment Assets	706,673
917,583	Total Property Plant & Equipment	995,156

Revaluations

The Council carries out a rolling programme that ensures that all property, plant, and equipment required to be measured at fair value is revalued at least every five years. All valuations are carried out internally. Valuations of land and buildings is carried out in accordance with the methodologies and basis for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant, furniture, and equipment is based on historic cost.

During 2024/25 not all assets valued under the Depreciated Replacement Cost basis have been fully revalued, only those in the current cycle were revalued in line with our accounting policy, whilst those assets not within the current cycle were only partially revalued. This partial revaluation exercise was undertaken to more accurately reflect the current economic climate and the increase in construction costs relating to these asset valuations.

12. FINANCIAL INSTRUMENTS

Financial liabilities and financial assets represented by loans and receivables are carried in the balance sheet at principal plus accrued interest. Accrued interest is included within the current values as it is effectively payable or receivable within one year.

The debtors position differs from that reported in the balance sheet as the debts relating to council taxation do not meet the definition of a financial instrument.

NOTES TO THE ACCOUNTS

Categories of Financial Instruments

The following categories of financial instrument are carried in the balance sheet:

2024/25 Financial Assets	Long term (Non-current)		Short term (Current)	
	Investment	Debtors	Investment	Debtors
	31st Mar 2025	31st Mar 2025	31st Mar 2025	31st Mar 2025
	£000	£000	£000	£000
Amortised Cost.	5,086	630	31,585	83,983
Total Financial Assets	5,086	630	31,585	83,983

Financial Liabilities	Long term (Non-current)		Short term (Current)	
	Borrowing	Creditors	Borrowing	Creditors
	31st Mar 2025 £000	31st Mar 2025 £000	31st Mar 2025 £000	31st Mar 2025 £000
Amortised Cost.	(281,153)	(18,693)	(5,860)	(86,919)
Total Financial Liabilities	(281,153)	(18,693)	(5,860)	(86,919)

2023/24 Financial Assets	Long term (Non-current)		Short term (Current)	
	Investments	Debtors	Investments	Debtors
	31st Mar 2024 £000	31st Mar 2024 £000	31st Mar 2024 £000	31st Mar 2024 £000
Amortised Cost.	10,086	420	26,142	45,083
Total Financial Assets	10,086	420	26,142	45,083

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

NOTES TO THE ACCOUNTS

Income, Expenses, Gains and Losses

31st Mar 2024 £000	Surplus or Deficit on the Provision of Services	31st Mar 2025 £000
10,395	Financial Liabilities Measured at Amortised Cost.	10,321
10,395	Total Net Gains/Losses	10,321
(3,436)	Interest Expense	(3,404)

Fair Values of Assets and Liabilities

Financial liabilities and financial assets represented by loans and receivables are carried on the balance sheet at amortised cost. The fair value of the loans and receivables and financial liabilities is determined by calculating the net present value (NPV) of future cash flows, which provides an estimate of the value of payments in the future as at 31st March 2025, using the following assumptions:

- For loans from the Public Works Loan Board (PWLB) and other loans payable, borrowing rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures.
- For loans receivable prevailing benchmark market rates have been used to provide the fair value.
- No early repayment or impairment is recognised.
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The discount rate used in the NPV calculation is equal to the current rate in relation to the same instrument from a comparable lender and is the rate applicable in the market as at 31st March 2025, for an instrument with the same duration. Where it is difficult to obtain the rate for an instrument with identical features in an active market then the prevailing rate of a similar instrument with a published market rate has been used as the discount factor.

The values calculated are as follows:

NOTES TO THE ACCOUNTS

31st Mar 2024			31st Mar 2025	
Carrying Amount £000	Fair Value £000		Carrying Amount £000	Fair Value £000
(210,803)	(147,098)	Public Works Loan Board (PWLB)	(225,390)	(147,933)
(56,957)	(45,975)	Long Term Non-PWLB Debt.	(56,763)	(41,024)
(2,160)	(2,160)	Non-PWLB Debt Temporary Borrowing.	(2,314)	(2,314)
(269,920)	(195,233)	Total Debt	(284,467)	(191,271)
(17,536)	(17,536)	Long Term Creditors	(18,693)	(18,693)

31st March 2025 – Debt

The fair value of the liabilities is higher than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest payable is higher than the prevailing rates available for similar loans in the market at the balance sheet date. This shows a notional future loss, based on economic conditions at 31st March 2025, arising from a commitment to pay interest to lenders above market rates.

Fair value of assets:

31st Mar 2024			31st Mar 2025	
Carrying Amount £000	Fair Value £000		Carrying Amount £000	Fair Value £000
25,900	25,900	Short Term Loans and Receivables.	31,500	31,500
10,000	9,984	Long Term Loans and Receivables.	5,000	5,025
420	420	Long Term Debtors.	630	630

13. DEBTORS

31st Mar 2024 £000		31st Mar 2025 £000
26,258	Central Government Bodies.	51,290
2,832	Other Local Authorities.	15,002
5,614	NHS Bodies.	6,718
13,901	Other Entities and Individuals.	13,521
5,750	Payments in Advance.	7,018
(6,402)	Less Provision for Impairment Loss.	(6,255)
47,953	Total	87,294

NOTES TO THE ACCOUNTS

14. DEBTORS FOR LOCAL TAXATION

Included within the total debtors figure above are debts relating to the collection of local taxation, as adjusted for those that are unlikely to be collected.

31st Mar 2024 £000		31st Mar 2025 £000
1,864	Less than One Year.	2,155
2,321	More than One Year.	2,611
(1,315)	Less Provision for Impairment Loss.	(1,455)
2,870	Total	3,311

15. CASH AND CASH EQUIVALENTS

The balance of cash and cash equivalents is made up of the following elements:

31st Mar 2024 £000		31st Mar 2025 £000
85	Cash Held by the Authority.	87
4,524	Bank Current Accounts.	(41)
4,609	Total	46

16. ASSETS HELD FOR SALE

31st Mar 2024 Current Assets £000		31st Mar 2025 Current Assets £000
1,980	Balance Outstanding at Start of Year	4,850
	<i>Assets Newly Classified as Held For Sale:</i>	
3,050	Property, Plant and Equipment.	370
-	Revaluation Losses.	(45)
	<i>Assets Declassified as Held For Sale:</i>	
(180)	Property, Plant and Equipment.	-
4,850	Balance Outstanding at Year End	5,175

NOTES TO THE ACCOUNTS

17. CREDITORS

31st Mar 2024 £000		31st Mar 2025 £000
(6,167)	Central Government Bodies.	(5,843)
(8,452)	Other Local Authorities.	(7,114)
(1,108)	NHS Bodies.	(462)
(34,809)	Other Entities and Individuals.	(62,123)
(11,049)	Receipts in Advance.	(11,377)
(61,585)	Total	(86,919)

18. PROVISIONS

The Council holds a number of provisions as detailed below:

Insurance & Municipal Mutual Insurance (MMI) Scheme

This provision covers the estimated cost of settling all the outstanding insurance claims of the Council that existed at 31st March 2025.

Housing Warranties

This provision has been set aside in recognition of the warranties and commitments relating to potential liabilities following the transfer of housing services in 2010/11. The provision reflects the costs likely to be incurred in future years.

Redundancy

The provision has been set up to fund redundancy costs for agreements approved during this financial year with a leaving date post April 2025 in line with accounting regulations. A charge has been made to this year's individual revenue accounts, for the cost of those leaving.

Waste

This provision has been set aside following the transfer of the landfill licence from Neath Port Talbot Waste Management Ltd to the Council on 31st March 2023. The site is in an aftercare phase and provision reflects the potential aftercare costs likely to be incurred in the future.

	Balance at 31st March 2024 £000	Utilised / Released in year £000	Transfers to Provision £000	Balance at 31st March 2025 £000	Short Term £000	Long Term £000
Insurance & MMI Scheme.	(3,756)	2	(701)	(4,455)	(1,509)	(2,946)
Housing Warranties.	(923)	-	-	(923)	-	(923)
Redundancy.	(129)	129	(280)	(280)	(280)	-
Waste Provision	(1,565)	-	-	(1,565)	-	(1,565)
Total	(6,373)	131	(981)	(7,223)	(1,789)	(5,434)

NOTES TO THE ACCOUNTS

19. USABLE RESERVES

Movements in the Council's usable reserves are detailed in the movement in reserves statement and summarised below:

Restated 31st March 2024 £000		31st Mar 2025 £000
(74,644)	Earmarked and General Reserve Working Balance.	(61,331)
(13,863)	Unapplied Grants.	(24,876)
(4,896)	Usable Capital Receipts.	(3,756)
(93,403)	Total	(89,963)

20. UNUSABLE RESERVES

31st Mar 2024 £000		31st Mar 2025 £000
(224,390)	Revaluation Reserve.	(296,357)
(341,169)	Capital Adjustment Account.	(352,796)
53,800	Pensions Reserve.	48,800
(2)	Deferred Capital Receipts Reserve.	(2)
3,475	Accumulated Absences Account.	6,622
(508,286)	Total	(593,733)

Revaluation Reserve

The revaluation reserve contains the gains made by the Council arising from increases in the value of its property, plant, and equipment. The balance is reduced when assets with accumulated gains are:

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

The reserve contains only revaluation gains accumulated since 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.

NOTES TO THE ACCOUNTS

2023/24		Revaluation Reserve	2024/25	
£000	£000		£000	£000
	(215,278)	Balance at 1st April		(224,390)
		Historic cost adjustment between Revaluation Reserve and Capital Adjustment Account		(410)
(17,925)	(215,278)	Upward Revaluation of Assets.	(93,557)	(224,800)
3,717		Downward Revaluation of Assets and Impairment Losses Not Charged to the Surplus/Deficit on the Provision of Services.	12,345	
	(14,208)	Downward Revaluation of Assets and Impairment Losses Not Charged to the Surplus/Deficit on the Provision of Services.		(81,212)
5,062		Difference Between Fair Value Depreciation and Historical Cost Depreciation.	8,676	
34		Accumulated Gains on Assets Sold or Scrapped.	979	
	5,096	Amount Written Off to the Capital Adjustment Account.		9,655
	(224,390)	Accumulated Gains on Assets Sold		(296,357)

Capital Adjustment Account

The capital adjustment account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction, or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the comprehensive income and expenditure statement (with reconciling postings from the revaluation reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction, and enhancement.

The 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. Note 6 provides details of the source of all the transactions posted to the account, apart from those involving the revaluation reserve.

NOTES TO THE ACCOUNTS

2023/24		Capital Adjustment Account	2024/25	
£000	£000		£000	£000
	(346,519)	Balance at 1st April		(341,169)
		Historic cost adjustment between Revaluation Reserve and Capital		410
				(340,759)
29,728		Reversal of Items Relating to Capital Expenditure Debited or Credited to the Comprehensive Income and Expenditure Statement.	36,081	
(345)		Charges for Depreciation and Impairment of Non Current Assets.	478	
17,587		Revaluation (Gains) / Losses on Property, Plant and Equipment.	25,009	
188		Revenue Expenditure Funded from Capital Under Statute.	1,962	
	47,158	Non Current Assets Written Off on Disposal or Sale as Part of the (Gain)/Loss on Disposal to the Comprehensive Income and Expenditure Statement.		63,530
	(5,096)			(9,655)
	(304,457)	Non Current Assets Written Off on Disposal or Sale as Part of the (Gain)/Loss on Disposal to the Comprehensive Income and Expenditure Statement.		(286,884)
(465)		Net Written out Amount of the Cost of Non Current Assets Consumed in the Year.	(1,300)	
(22,682)		Capital Financing Applied in the Year:	(46,404)	
(11,447)		Use of the Capital Receipts Reserve to Finance New Capital Expenditure.	(12,836)	
(2,118)		Application of Grants to Capital Financing from the Capital Grants Unapplied Account.	(5,372)	
	(36,712)	Statutory Provision for the Financing of Capital Investment Charged Against the General Fund.		(65,912)
	(341,169)	Capital Expenditure Charged Against the General Fund.		(352,796)

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

NOTES TO THE ACCOUNTS

pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the pensions reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2023/24 £000	Pension Reserve	2024/25 £000
51,620	Balance at 1st April	53,800
6,360	Actuarial (Gains) or Losses on Pensions Assets and Liabilities.	1,830
29,000	Reversal of Items Relating to Retirement Benefits Debited or Credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.	28,440
(33,180)	Employer's Pensions Contributions and Direct Payments to Pensioners Payable in the Year.	(35,270)
53,800	Balance at 31st March	48,800

Accumulated Absences Account

The accumulated absences account absorbs the differences that would otherwise arise on the general fund balance from accruing for compensated absences earned but not taken in the year, that is, annual leave entitlement carried forward at 31st March. Statutory arrangements require that the impact on the general fund balance is neutralised by transfers to or from the account.

2023/24		Accumulated Absences Account	2024/25	
£000	£000		£000	£000
(5,452)	5,452	Balance at 1st April	(3,475)	3,475
3,475		Settlement or Cancellation of Accrual made at the end of the Preceding Year.	6,622	
	(1,977)	Amounts Accrued at the end of the Current Year.		3,147
		Amount by which Officer Remuneration Charged to the Comprehensive Income and Expenditure Statement on an Accruals Basis is Different from Remuneration Chargeable in the Year in Accordance with Statutory Requirements.		
	3,475	Balance at 31st March		6,622

NOTES TO THE ACCOUNTS

21. CASH FLOW STATEMENT – OPERATING ACTIVITIES

- a. Adjustments to net surplus or deficit on the provision of services for non-cash movements

2023/24 £000		2024/25 £000
29,728	Depreciation and Impairment on Non Current Assets.	36,081
(345)	Revaluation (Gains) / Losses on Property, Plant and Equipment.	478
169	(Increase)/Decrease in Long Term Debtors.	(210)
12,941	(Increase)/Decrease in Short Term Debtors.	(39,341)
(26)	(Increase)/Decrease in Inventories.	44
9,987	Increase/(Decrease) in Short Term Creditors.	25,334
969	Increase/(Decrease) in Long Term Creditors.	1,157
360	Increase/(Decrease) in Short Term Provisions.	346
1,974	Increase/(Decrease) in Long Term Provisions.	504
188	Amounts of Non Current Assets Written Off on Disposal or Sale as Part of the Gain/ Loss on Disposal to The Comprehensive Income And Expenditure Statement.	1,962
(4,180)	Increase/ (Decrease) in Pension Liability.	(6,830)
11,190	Adjustment for Non Enhancing Spend Included in the Property Plant and Equipment Additions.	7,232
(7)	Other Non-Cash Items Charged to Net Surplus/Deficit on the Provision of Services.	68
62,948		26,825

- b. Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities.

2023/24 £000		2024/25 £000
(265)	Proceeds from the Sale of Property, Plant and Equipment.	(160)
(18,128)	Other Receipts from Investing Activities.	(44,894)
(18,393)		(45,054)

22. CASH FLOW STATEMENT – INVESTING ACTIVITIES

2023/24 £000		2024/25 £000
(32,732)	Purchase of Property, Plant and Equipment.	(45,395)
(718,600)	Purchase of Short Term and Long Term Investments.	(813,400)
-	Other Payments for Investing Activities - Right of Use Assets.	(1,672)
265	Proceeds from the Sale of Property, Plant and	160
736,300	Proceeds from Short Term and Long Term Investments.	812,800
18,128	Other Receipts from Investing Activities.	44,894
3,361	Net Cash Flows From Investing Activities	(2,613)

NOTES TO THE ACCOUNTS

23. CASH FLOW STATEMENT – FINANCING ACTIVITIES

2023/24 £000		2024/25 £000
563	Cash Receipts of Short and Long Term Borrowing.	20,156
-	Other Receipts from financing activities.	-
-	Cash Payments for the Reduction of the Outstanding Liabilities Relating to Finance Leases.	(893)
(25,838)	Repayments of Short and Long Term Borrowing.	(5,609)
-	Other Payments for Financing Activities.	-
(25,275)	Other Payments for Financing Activities.	13,654

The financing activities relate to non-cash changes. The financing cash flows can be further split between short and long-term borrowing as follows:

	Long Term £000	Short Term £000	Lease Liabilities £000	Total £000
Cash Receipts	20,000	156	-	20,156
Repayments	(5,607)	(2)	(893)	(6,502)
Net Cash Flows from Financing Activities	14,393	154	(893)	13,654

24. AGENCY SERVICES

South Wales Trunk Road Agency (SWTRA)

The Council performs agency work on trunk roads in South and West Wales on behalf of the Welsh Government who fully reimburse the related expenditure. The financial activity relating to this contract is not included in the comprehensive income and expenditure statement.

Cost of Ukrainian Support Schemes Agency Arrangements

The Council administers schemes on behalf of the Welsh Government and Central Government Departments as an Agency service to pay grants to individual recipients totalling £186,000. These sums are not reflected within the Councils Income and Expenditure but any debtors or creditors relating to these sums are included in the Balance Sheet in accordance with the accounting arrangements in relation to Agency arrangements.

Details of the grants treated in this manner are set out below:

2024/25	Expenditure £000	Income £000
Ukraine host payments £350/£500	166	166
Ukraine cash payments £200	1	1
Ukraine thank you payment top ups £150	19	19
	186	186

NOTES TO THE ACCOUNTS

25. POOLED BUDGETS

Community Equipment Store – Swansea Bay University Health Board, Neath Port Talbot Council and the City and County of Swansea

Neath Port Talbot Council is party to a pooled arrangement with the Swansea Bay University Health Board and the City and County of Swansea Council. This arrangement is led by the City and County of Swansea.

The agreement for this pool is that the host partner shall retain operational responsibility for any costs, expenses, or liabilities in excess of the pooled fund at any time during its existence, other than where these have been incurred with the express agreement of the partners. Where this agreement has been made, the partners are jointly responsible in the proportions of their respective contributions to the pool.

2023/24			2024/25	
£000	£000		£000	£000
(326)		Funding Provided to the Pooled Budget:	(921)	
(648)		Grant.	(622)	
(364)		City and County of Swansea.	(350)	
(1,488)		Neath and Port Talbot Council.	(1,528)	
		Swansea Bay University Health Board.		
	(2,826)	Total In Year Contributions.		(3,421)
	(700)	In Year Reserve Utilisation.		-
	(3,526)	Total Income		(3,421)
	3,873	Expenditure Met from the Pooled Budget:		3,059
	347	Net (Surplus)/Deficit Arising on the Pooled Budget During the Year.		(362)
	0	Authority Share of the Net (Surplus) / Deficit Arising on the Pooled Budget		0

Intermediate Care – Neath Port Talbot Council and Swansea Bay University Health Board

Neath Port Talbot Council is host to a pooled arrangement with Swansea Bay University Health Board, which covers arrangements to plan and arrange provision of adult and older people's services.

The arrangement for this pool is that the partners shall be jointly responsible, in accordance with the funding agreement for any costs, claims, expenses or liabilities incurred in accordance with the terms of the pool agreement. Any underspend is either put into a ring-fenced reserve or distributed to partners as agreed by the partnership board. During 2024/25, the surplus was paid out in full.

NOTES TO THE ACCOUNTS

2023/24 £000 £000			2024/25 £000 £000	
(3,155)		Funding Provided to the Pooled Budget:	(3,267)	
(4,213)		Neath and Port Talbot Council.	(4,569)	
	(7,368)	Swansea Bay University Health Board		(7,836)
	6,699	Total Income		6,761
	(669)	Expenditure Met from the Pooled Budget:		(1,075)
		Net (Surplus)/Deficit Arising on the Pooled Budget During the Year.		
	(122)	Authority Share of the Net (Surplus) / Deficit Arising on the Pooled Budget		(258)

26. MEMBERS REMUNERATION

The Council paid the following amounts to members of the Council during the year, including on-costs for national insurance and pensions.

2023/24 £000		2024/25 £000
1,689	Basic and Senior Salaries.	1,801
2	Expenses.	2
1,691	Total	1,803

27. OFFICERS REMUNERATION

The Council is required to provide details on a range of remuneration issues, such as the median remuneration for all employees compared to the Chief Executive, the amounts earned by senior officers, salary costs greater than £60,000 and the cost and number of any exit packages. As the effect of including voluntary aided schools is not material, the information prepared for the remuneration notes includes the staff employed at the voluntary aided faith schools in the area, which are:

- Alderman Davies Church in Wales Primary
- Bryncoch Church in Wales Primary
- St Therese's Catholic Primary
- St Joseph's Catholic Primary, Infants and Junior schools
- St Joseph's Comprehensive.

The Accounts and Audit Regulations (Wales) 2014 introduced the requirement for the statement of accounts to disclose the organisations pay multiple. This is the ratio of the highest paid employee, the Chief Executive and the median earnings across the organisation. In 2024/25 this ratio is 4.84 (5:29 in 2023/24) times the median remuneration of the organisation which is £30,060 (£28,770 in 2023/24). During 2024/25 the ratio has fallen due to the appointment of a new Chief Executive whose starting salary is on a lower spinal column point than the prior Chief Executive.

The Employers pension contribution of 22.4% (restated 22.4% in 2023/24) excludes any deficit contribution to the Fund and represents the normal contribution required

NOTES TO THE ACCOUNTS

for the year. No contribution cost is included when an officer has left the employers pension scheme.

The remuneration paid to the Council's Senior Employees is as follows:

Officers whose salary is £150,000 or more are identified by name.

		2024/25			
		Salary, Fees and Allowances	Expenses Allowances	Employers Pension Contribution	Total
		£	£	£	£
Chief Executive.					
Karen Jones.	*	100,692	-	22,555	123,247
Frances O'Brien.	**	53,701	-	12,029	65,730
Director of Education, Leisure & Lifelong Learning.					
Andrew Thomas.		126,686	-	28,378	155,064
Director of Environment & Regeneration.					
Nicola Pearce.		129,585	227	29,027	158,839
Director of Social Services, Health & Housing.					
Andrew Jarrett.		129,585	-	29,027	158,612
Director of Strategy & Corporate Services.	***	120,891	-	27,080	147,971
Director of Finance.	***	105,390	-	23,607	128,997

		2023/24			
		Salary, Fees and Allowances	Expenses Allowances	Restated Employers Pension Contribution	Total
		£	£	£	£
Chief Executive.					
Karen Jones.	*	152,296	-	25,586	177,882
Director of Education, Leisure & Lifelong Learning.					
		120,768	-	27,052	147,820
Director of Environment & Regeneration.					
Nicola Pearce.		126,424	142	28,319	154,885
Director of Social Services, Health & Housing.					
Andrew Jarrett.		126,424	-	28,319	154,743
Director of Strategy & Corporate Services.	***	89,664	-	20,085	109,749
Chief Finance Officer.	***	100,412	-	22,492	122,904

The Chief Executive post was filled by appointment on 18th November 2024 after the retirement of the former Chief Executive. There are two lines showing for the

NOTES TO THE ACCOUNTS

Chief Executive in 2024/25 to show the pay of the * retiring Chief Executive, followed by the figures of the ** newly appointed Chief Executive.

The former Chief Executive opted out of the pension scheme between 31st January 2022 and 30th June 2023. The figures do not include any remuneration for the former Chief Executive in her role as returning officer. The amount paid to the former Chief Executive in 2024/25 was £10,166 plus pension contribution of £783 and £115 for expenses (2023/24 was £495) which is based on rates defined by the respective election bodies.

The current Chief Executive received remuneration of £83 and expenses of £10 in her role as returning officer, these are not included in her remuneration figures above.

***The Chief Finance Officers post was redesignated to Director of Finance in May 2024. The Director of Finance remuneration includes the cost of both designations.

****The Director of Strategy and Corporate Services was appointed on 26th June 2023. Since his appointment the Chief Digital Office, Head of People & Organisational Development and Head of Legal Services report to him and not the Chief Executive. Full year costs have been included in the remuneration greater than £60,000 table for 2023/24 and 2024/25.

The 2023/24 figures have been restated to include Officers who reported directly to the Chief Executive until 26th June 2023. These Officers now report to the Director of Strategy and Corporate Services.

The number of other staff employed by the Council, including teachers, receiving more than £60,000 remuneration for the year, excluding employer's pension contributions, is listed below, in bands of £5,000.

Restated Number of Employees 2023/24				Number of Employees 2024/25
59	£60,000	-	£64,999	74
45	£65,000	-	£69,999	63
35	£70,000	-	£74,999	27
19	£75,000	-	£79,999	32
15	£80,000	-	£84,999	11
20	£85,000	-	£89,999	15
2	£90,000	-	£94,999	19
-	£95,000	-	£99,999	1
4	£100,000	-	£104,999	-
1	£105,000	-	£109,999	2
2	£110,000	-	£114,999	1
1	£115,000	-	£119,999	2
-	£120,000	-	£124,999	1
1	£125,000	-	£129,999	-
-	£130,000	-	£134,999	1
204				249

NOTES TO THE ACCOUNTS

The number has increased due to the Teachers pay award in September 2024 of 5½% resulted in 28 Teachers' salaries to rise above the £60k threshold. There are a further nine Officers who receive a market supplement and three in receipt of overtime and other allowance which has increased their pay to over the £60k threshold.

As a result of a voluntary redundancy scheme in 2024/25, five employees received remuneration above £60,000. These individuals were paid the following amount:

Number of Employees 2023/24		Number of Employees 2024/25
2	£60,000 - £64,999	1
1	£65,000 - £69,999	2
-	£70,000 - £74,999	1
-	£85,000 - £89,999	1
1	£90,000 - £94,999	-
1	£115,000 - £119,999	-
1	£130,000 - £134,999	-
1	£135,000 - £139,999	-
7		5

The Council continues to minimise compulsory redundancy as far as is possible by using alternatives such as voluntary redundancy and redeployment to alternative employment. Those who left under either voluntary or compulsory redundancy received redundancy payments in line with the Council's scheme and where eligible, accessed their pensions.

The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below.

Exit Package cost band	Number of Compulsory Redundancies		Number of other Departures Agreed		Total Number of Exit Packages by Cost Band		Total Cost of Exit Packages in Each Band	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24 £000	2024/25 £000
£0 - £20,000	1	11	35	47	36	58	274	372
£20,001 - £40,000	-	1	9	18	9	19	262	500
£40,001 - £60,000	-	-	4	3	4	3	195	136
£60,001 - £80,000	-	-	2	5	2	5	149	363
£80,001 - £100,000	-	-	1	2	1	2	85	169
Total	1	12	51	75	52	87	965	1,540

NOTES TO THE ACCOUNTS

28. EXTERNAL AUDIT COSTS

The Council has incurred the following costs in relation to the audit of the statement of accounts, certification of grant claims and statutory inspections provided by the Council's external auditors:

2023/24 £000		2024/25 £000
222	Fees Payable to Audit Wales for External Audit Services Carried Out by the Appointed Auditor for the Year.	215
115	Fees Payable to Audit Wales in respect of Performance Audit work.	117
63	Fees Payable to Audit Wales for the Certification of Grant Claims and Returns for the Year.	57
400	Total	389

29. GRANT INCOME

The Council credited the following grants and contributions to the comprehensive income and expenditure statement:

2023/24 £000	Grant Income	2024/25 £000
	Credited to Taxation and Non Specific Grant Income	
229,948	Revenue Support Grant.	233,957
-	Shared Prosperity Fund.	1,723
695	Regeneration and Town Centre Redevelopments.	610
-	Sustainable Communities for Learning.	547
359	21st Century Schools.	-
557	Local Transport Fund.	956
1,910	Safe Routes / Accident Reduction Measures.	634
-	Coal Tip Safety.	5,726
10	Community Focused Schools.	1,928
1,065	Active Travel.	653
-	City Deal.	293
-	Additional General Capital Grant.	869
19	Childcare Offer Capital Grant.	916
244	Additional Schools Funding / Free School Meals.	3,851
440	HWB - Education Technology Grant.	441
2,167	Drainage.	753
-	TATA Transition Fund.	4,500
1,679	Levelling Up Fund.	14,377
4,289	Other Capital Grants.	4,095
243,382	Total Grants Credited to Taxation and Non Specific Grant Income	276,829

NOTES TO THE ACCOUNTS

2023/24 £000	Grant Income	2024/25 £000
	Credited to Services	
2,185	Post 16.	2,388
215	Youth.	549
990	Childcare Offer.	-
8,664	Children & Communities.	9,376
7,004	Regional Consortia School Improvement Grant (RCSIG).	-
9,172	Local Authority Education Grant.	18,464
-	Teachers Pension Contribution.	2,805
6,812	Pupil Deprivation Grant.	7,111
241	Other Schools Grants.	2,433
1,708	Communities for Work.	1,007
4,526	Other Education Grants.	3,383
-	TATA Transition Fund	1,973
1,760	Concessionary Bus Fares.	1,482
1,178	Enabling Natural Resources and Well being.	-
3,094	Other Highways Grants.	3,172
1,049	Social Care Workforce Development.	1,260
4,675	Substance Misuse.	4,962
1,130	Homes for Ukraine.	463
1,298	Homelessness Phase 2 Funding.	919
2,235	Sustainable Social Services.	2,336
2,931	Other Social Services Grants.	3,004
561	Housing Benefit Administration.	547
38,933	Mandatory Rent Allowances.	40,389
3,655	General Capital Grant for Housing Expenditure.	2,977
281	Housing Energy Efficiency Grant.	281
-	Shared Prosperity Fund	24,753
-	City Deal	2,147
6,704	Housing Support Grant.	7,146
821	Workways.	-
2,276	Other Services Grants.	5,508
114,098	Total Grants Credited to Services	150,835
357,480	Total Grant Income	427,664

30. RELATED PARTIES

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

NOTES TO THE ACCOUNTS

Members

Members of the Council have direct control over the Council's financial and operating policies. The total paid to members in 2024/25, including on-costs, is shown in note 26.

Under the code of conduct incorporated in the Council's Constitution, members are required to record in the register of members interests any financial and other personal interests, together with any gift, hospitality, material interest or advantage. The register is open to inspection by the public and is available on an individual member basis on the Council Website.

Members of the Council serve on numerous outside bodies some of which either receive funding from the Council or issue levies and precepts to be paid by the Council. These payments are made with proper consideration of declarations of interest and relevant members do not take part in any discussion or decision relating to the grants.

Officers

The Head of Legal and Democratic Services is an unpaid shareholder representative on behalf of the Council with Neath Port Talbot Waste Management Ltd; the company is in the process of being dissolved.

The Head of Legal and Democratic Services is the Monitoring Officer for South West Wales Corporate Joint Committee (CJC); the Council is reimbursed by the CJC for costs.

The Director of Environment was a non-remunerated Director of Celtic Freeport Company Ltd for the majority of the financial year. However, Cabinet approved to replace the Director of Environment as the appointed director with the Director of Strategy and Corporate Services from 17th March 2025.

Under the Employees' Code of Conduct, officers are required to declare potential conflicts of interest arising from employment arrangements together with gifts or hospitality received. Several Senior Officers benefited from gifts and hospitality during 2024/25 none of which were material or deemed to be a conflict of interest.

Central Government

Central government has significant influence over the general operations of the Council – it is responsible for providing the statutory framework, within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties, such as council tax bills and housing benefits. Grants and contributions received from government departments are set out in the notes 5 and 29.

NOTES TO THE ACCOUNTS

Entities Significantly Influenced by the Council

Swansea Bay City Deal

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

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

The Head of Legal is the monitoring officer and cost of £28,000 for Democratic Services in respect of the Joint Scrutiny Committee were recharged for 2024/25.

The two projects for Neath Port Talbot Council are Supporting Innovation and Low Carbon Growth and Homes as Power Stations.

Celtic Leisure

The Council has a contract with Celtic Leisure (a company limited by guarantee) to manage its indoor leisure activities and the Gwyn Hall. A Decision was taken by Cabinet on 02/10/2024 to extend the contract for a further five years to 31st March 2030.

The Council pays Celtic Leisure an annual management fee to run the service (excluding the structural maintenance of buildings) which for 2024/25 was £3.662m (£3.469m in 2023/24). There was £55,000 (£106,000 in 2023/24) balance owed by Celtic Leisure to the Council on 31st March 2025.

South West Wales Corporate Joint Committee

Formally constituted in January 2022, the Corporate Joint Committee for South West Wales covers the local authority areas of Carmarthenshire, Neath Port Talbot, Pembrokeshire, and Swansea. The Committee will improve the regional planning, co-ordination and delivery of transport, land use planning, economic development, and energy.

The Corporate Joint Committee has been created by the Local Government and Elections (Wales) Act 2021 and is made up of representatives from the four Councils as well as Bannau Bryncheniog and the Pembrokeshire Coast National Park Authority.

Neath Port Talbot Council commits a sum by way of a levy, £114,094 for 2024/25 (£126,022 for 2023/24), and are reimbursed for officer time associated with the governance arrangements of the Corporate Joint Committee. Service Level Agreements are in place between the Corporate Joint Committee and the respective public bodies for service delivery.

NOTES TO THE ACCOUNTS

Celtic Freeport

The Council is the accountable body for the use of public funding by the Celtic Freeport Company Limited. The Celtic Freeport Company Limited is a private-public sector partnership led by Associated British Ports (ABP), Neath Port Talbot Council, Pembrokeshire County Council and the Port of Milford Haven. The Freeport also includes renewables developers, energy companies, industrial complexes, innovation assets, academic institutions and education providers.

It will provide the backbone for a cleaner future based on floating offshore wind, the hydrogen economy, sustainable fuels, carbon capture and storage, cleaner steel and low-carbon logistics.

31. CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it.

2023/24 £000		2024/25 £000
	Capital Investment	
32,732	Property, Plant and Equipment.	45,395
6,397	Revenue Expenditure Funded from Capital Under Statute.	17,777
39,129		63,172
	Sources of Finance	
(465)	Capital Receipts.	(1,300)
(22,682)	Government Grants and Other Contributions.	(46,404)
	Sums Set Aside from Revenue:	
(2,118)	Direct Revenue Contributions and Reserves.	(5,372)
(13,864)	Loans.	(10,094)
(39,129)		(63,170)

As at 31st March 2025, the Council has entered into a number of contracts for the construction of Property, Plant and Equipment. The budgeted cost of these commitments for 2025/26 and future years are shown in the table below.

The major commitments are:

Major Capital Commitments	2025/26 £000	Future £000	Total £000
Pontardawe Arts Centre Cinema	71	-	71
Coal Tip Safety - Dyffryn Rhondda	3,130	-	3,130
Coedffranc Universal Primary Free School Meals	458	-	458
Childcare Offer Cwmavon	605	-	605
Redevelopment of the Former Youth Offending Team	687	-	687
Levelling up Gnoll Park	5,412	-	5,412
Valley Industrial Units	2,586	-	2,586
	12,949	0	12,949

NOTES TO THE ACCOUNTS

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.

2023/24 £000		2024/25 £000
(355,073)	Opening Capital Financing Requirement	(357,491)
(4,426)	Increase in Underlying Need to Borrow (Supported by Government Financial Assistance).	(4,415)
(9,439)	Increase in Underlying Need to Borrow (Unsupported by Government Financial Assistance).	(5,679)
-	Assets Acquired Under Right of Use (IFRS16).	(3,308)
11,447	Minimum Revenue Provision and Prudential Borrowing.	12,836
(357,491)	Closing Capital Financing Requirement	(358,057)

32. SERVICE CONCESSION

On 1st April 2012, the Council entered into a service concession arrangement with Tai Gwalia CYF to take over and operate the Council's long-term care and short-term respite care homes. As part of this arrangement, the Council transferred its existing care homes to Tai Gwalia CYF who have constructed two new residential care homes, Plas Bryn Rhosyn in Neath, and Llys Y Seren in Port Talbot, on land owned by the Council. This arrangement is in place until 2037.

The agreement included the construction of two residential care homes with a commitment that the Council will purchase a guaranteed number of beds for the duration of the contract. The contract includes a series of events which could trigger termination of the contract. At the end of the contract the assets transfer into the ownership of the Council for no additional charge. The Council carries the non-current assets used under the contract on the balance sheet as service concession assets.

The following table shows the payments to be made under the service concession:

	Payment for Services £000	Reimburse Capital Expenditure £000	Interest £000	Total £000
Payable:				
Within 1 year	4,300	122	130	4,552
Within 2 to 5 years	13,913	569	441	14,923
Within 6 to 10 years	16,022	935	327	17,284
Within 11 to 12 years	6,409	461	44	6,914
Total	40,644	2,087	942	43,673

NOTES TO THE ACCOUNTS

The future service liability for reimbursing capital expenditure is:

2023/24 £000		2024/25 £000
2,310	Balance Outstanding at 1st April.	2,202
(108)	Payments During the Year.	(115)
2,202	Balance outstanding at 31st March	2,087

33. LEASES

In 2024/25, the Council has applied IFRS 16 Leases as adopted by the Code of accounting Practice. The main impact of the new requirements is that, for arrangements previously accounted for as operating leases (i.e. without recognising the leased property as an asset and future rents as liability), a right-of-use asset and a lease liability are to be brought into the balance sheet at 1 April 2024. Leases for items of low value and leases that expire on or before 31 March 2024 are exempt from the new arrangements.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 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. The details of the changes in accounting policies are disclosed below.

A. Definition of a Lease

Previously, the Council determined at contract inception whether an arrangement is or contains a lease under IFRIC 4 and IAS 17. Under IFRS 16, the Council assess whether a contract is or contains a lease based on the definition of a lease as explained below:

A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Council assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distant or represent substantially all of the capacity of a physically distinct asset. If the supplier had a substantive substitution right, then the asset is not identified.
- The Council has the right to obtain substantially all of the economic benefits and service potential from use of the asset throughout the period of use; and
- The Council has the right to direct the use of the asset throughout the period of use. The Council has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Council has the right to direct the use of the asset if either:

NOTES TO THE ACCOUNTS

- The Council has the right to operate the asset; or
- The Council designed the asset in a way that predetermines how and for what purpose it will be used

On transition to IFRS 16, the Council elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not previously identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 April 2024.

B. Council as Lessee

As a lessee, the Council 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 most leases – i.e. these leases are on-balance sheet.

The Council 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. The Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases classified as operating leases under IAS 17

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Council's incremental borrowing rate as at 1 April 2024. Right of use assets are measured at either:

- Their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the Council's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments
- For right-of-use assets for peppercorn or nominal lease payments a right-of-use asset shall be recognised at fair value on 1 April 2024. With any gain, being the difference between that fair value and the lease liability, recognised as a donated asset as an adjustment to opening balances

The Council used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024, discounted by the Council's incremental borrowing rate at that date
- A single discount has been applied to portfolios of leases with reasonably similar characteristics

NOTES TO THE ACCOUNTS

- The weighted average of the incremental borrowing rates used to discount liabilities was 5.24%
- Right-of-use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the balance sheet on 31 March 2024 – any initial direct costs have been excluded
- All leases were assessed as to whether they were onerous at 31 March 2024, so right-of-use assets have not been subject to an impairment review – carrying amounts have been reduced by any provisions for onerous contracts that were in the 31 March 2024 balance sheet

Application of the Code's adaptation of IFRS16 has resulted in the following additions to the balance sheet as at 1 April 2024:

- £6.234m Property, plant and equipment - land and buildings (right-of-use assets)
- £1.696m Non-current creditors (lease liabilities)
- £0.823m Current creditors (lease liabilities)

The newly recognised lease liabilities of £3.308m compare with the operating lease commitments of £6.210m at 31 March 2024 disclosed in the notes to the 31 March 2024 financial statements. When these are discounted to their present value of £6.210m (using the incremental borrowing rate at 1 April 2024), there is a difference of £2.902m from the newly recognised lease liabilities. This is explained by the fact that the lease liabilities exclude amounts for leases of low value items and leases that will expire before 31 March 2025.

Leases Classified as finance Leases under IAS 17

For leases that were classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at 1 April 2024. are determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

C. Council as Lessor

The Council is not required to make any adjustment on transition to IFRS 16 for leases in which it acts as a lessor, except for sub-leases, or where the Council is party to a lease for nil consideration. Otherwise, the Council shall account for leases applying IFRS16 as adopted by the Code from 1 April 2024

- Under IFRS 16, authorities acting as an intermediate lessor are required to assess the classification of a sub-lease with reference to the right-of-use asset, not the underlying asset.
- Where the Council is party to a lease for nil consideration, in which it is acting as lessor and the lease is classified as finance lease, the Code requires it will derecognise the asset being provided to the third party, and recognise any unguaranteed residual value in accordance with the requirements of IFRS 16.

The Council was not party to any sublease arrangements as lessor as at 1 April 2024.

NOTES TO THE ACCOUNTS

D. Sale-and-leaseback

The Council did not have any Sale and Leaseback transactions as at 1 April 2024.

Operating Lease

The Council currently leases out property under operating lease agreements ranging from indoor market units to shops, clubs, land, etc.

The lease income received in 2024/25 was £1.128m (2023/24 was £1.194m). The leases are short term by nature and future income streams will be affected by external factors, most noticeably economic conditions and therefore cannot be estimated with certainty.

Council as Lessee

Right of Use Assets

The table below show the changes in the value of right-of-use assets held under leases by the Council:

	Land and Buildings £000	Vehicles, Plant and Equipment £000	Total £000
Balance at 1st April 2024	5,746	488	6,234
Additions	104	-	104
Revaluations	224	-	224
Depreciation and amortisation	(734)	(279)	(1,013)
Other	54	(9)	45
Balance at 31st March 2025	5,394	200	5,594

During 2023/24 the Council recognised one finance lease within the balance sheet included in the property plant and equipment totals, with an asset value of £3.745m. For 2024/25 this one asset has been included in the right of use calculation.

Maturity analysis of lease liabilities

The lease liabilities are due to be settled over the following time bands (measured at the discounted amounts of expected payments):

31st Mar 2024 £000		31st Mar 2025 £000
	- Less than 1 Year.	823
	- Between 1 and 5 Years.	486
	- More than 5 Years.	1,210
0	Total Discounted Liabilities	2,519

Transactions under Leases:

NOTES TO THE ACCOUNTS

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

31st Mar 2024 £000		31st Mar 2025 £000
	Comprehensive Income and Expenditure Statement:	
	- Interest expense on lease liabilities.	151
	- Expense relating to short-term leases.	444
	- Expense relating to exempt leases of low-value items.	237
	- Multiple exempt lease commitments excluded from lease liabilities.	124
	Cash Flow Statement:	
	- Total cashflow for leases.	893
	- Cash payments for interest portion of lease liabilities.	151
	- Short term lease payments where exemptions taken.	444
	- Low value lease payments where exemptions taken.	237
	- Initial lease liabilities.	(11)
	- Multiple exempt lease payments excluded from lease liabilities.	124

34. PENSION SCHEMES ACCOUNTED FOR AS DEFINED CONTRIBUTION SCHEMES

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

The Scheme is a multi-employer defined benefit scheme. The Scheme is unfunded, and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. Valuations of the notional fund are undertaken every four years.

The Council is not able to identify its share of underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this statement of accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2024/25 the Council paid £16.8m (£13.5m in 2023/24) to Teachers' Pensions in respect of teachers' retirement benefits, based on a 28.68% from April 2024 (23.68% 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 discretionary basis within the defined benefit detailed in note 35.

The Council is not liable to the scheme for any other entities' obligations under the plan.

NOTES TO THE ACCOUNTS

35. DEFINED BENEFIT PENSION SCHEMES

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Council participates in two post-employment schemes:

- the Local Government Pension Scheme, administered locally by the City and County of Swansea. This is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions' liabilities with investment assets.
- arrangements for the award of discretionary post-retirement benefits upon early retirement – this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there is no investment assets built up to meet these pensions' liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

The City and County of Swansea Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme (LGPS) and the governance of the scheme is the responsibility of the pensions committee of the City and County of Swansea Council. Policy is determined in accordance with the pension fund regulations. The investment managers of the fund are appointed by the committee and the committee consist of the Director of Finance, Council members and independent investment advisers.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme, (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the general fund the amounts required by statute.

Discretionary Post–Retirement Benefits

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities.

NOTES TO THE ACCOUNTS

Transactions Relating to Post-Employment Benefits

The cost of retirement benefits is recognised in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the general fund via the movement in reserves statement.

Goodwin

In June 2020 an Employment Tribunal ruled that the provisions for survivor's benefits in opposite sex marriages were treated less favourable than those in same sex marriages. Changes have not been reflected in the LGPS Regulations and adjustments have not been included in defined benefit obligation.

Virgin Media Case

In June 2023, the High Court found that changes to member benefits in contracted out defined benefit pension schemes between 6th April 1997 and the abolition of contracting-out in 2016 required an actuarial certificate in line with section 37 of the Pension Schemes Act 1993 and that changes without this certification are to be considered void. An appeal in June 2024 was dismissed. In June 2025 the Department of Work and Pensions advised that the Government would introduce new legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historical benefit changes met the necessary standard. Scheme obligations will otherwise be unaffected.

The Pension Liability included within the accounts does not include an adjustment for the Virgin Media Case.

Actuarial Valuation

The pension fund liability disclosed in the balance sheet is the total projected surplus or deficit that exists over the expected life of the fund. This surplus or deficit changes on an annual basis dependent on the performance of investments and the actuarial assumptions that are made in terms of current pensioners, deferred pensioners, and current employees.

The fund is subject to a 3 yearly actuarial valuation which assesses the then state of the pension fund and advises the various admitted bodies on the appropriate rate of employers' contributions that needs to be made in order to restore the fund to a balanced position over a period of time. The contribution rate used in 2024/25 relates to the valuation undertaken on 31st March 2022.

The effect of allowing for this is shown in the 'Actuarial (gains) / losses due to liability experience' and the 'Return on plan assets (in excess of)/below that recognised in net interest' and is reflected in the balance sheet position. The demographic assumptions have also been updated to reflect those of the 2022 valuation. These changes have had a positive effect on the balance sheet position.

NOTES TO THE ACCOUNTS

Surplus Recognition and Additional Liability

The defined benefit Pension Scheme has a net pension asset at the accounting date. The Actuary has calculated the maximum economic benefit that can be recognised in the accounts (referred to as the asset ceiling) calculated in accordance with IFRIC 14. As the asset ceiling is below the net pension asset, the net pension asset has been restricted to the asset ceiling.

The Council is currently paying deficit contribution. IFRIC 14 requires recognition of an additional liability with the current year's accounts due to the obligation to pay deficit contributions in the future under a minimum funding requirement. The additional liability is equal to the value of the future deficit contributions that cannot be recognised as a net pension asset after they have been paid into the Fund (i.e. they would have no economic benefit to the Council).

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the balance sheet arising from the Council's obligation in respect of its defined benefits plan is as follows:

Local Government Pension Scheme	Discretionary Benefits Arrangement		Local Government Pension Scheme	Discretionary Benefits Arrangement
2023/24 £m	2023/24 £m		2024/25 £m	2024/25 £m
(965.68)	(23.85)	Present Value of the Defined Benefit Obligation.	(832.65)	(20.99)
1,069.54		Fair Value of Plan Assets.	1,084.12	
(103.86)		Unrecognised Asset.	(251.47)	
(29.95)		Additional liability due to minimum funding requirement.	(27.81)	
(29.95)	(23.85)	Additional liability due to minimum funding requirement.	(27.81)	(20.99)

The transactions made in the comprehensive income and expenditure statement and the general fund balance via the movement in reserves statement during the year are disclosed in the following table.

NOTES TO THE ACCOUNTS

Local Government Pension Scheme	Discretionary Benefits Arrangements		Local Government Pension Scheme	Discretionary Benefits Arrangements
2023/24			2024/25	
£m	£m		£m	£m
27.24	-	Comprehensive Income and Expenditure Statement (CIES)	26.55	-
0.10	-	Cost of Services:	0.14	-
		Current Service Cost.		
		Past Service Costs.		
0.47	1.19	Financing and Investment Income and Expenditure	0.66	1.09
		Net Interest Expense.		
27.81	1.19	Total Post-Employment Benefit Charged to the Surplus or Deficit on the Provision of Services.	27.35	1.09
(88.38)	-	Other Post-Employed Benefit Charged to the Comprehensive Income and Expenditure Statement	37.24	-
		Remeasurement of the Net Defined Benefit Liability Comprising:		
		amount included in the net interest expense).		
(34.19)	(0.33)	Actuarial Gains and Losses Arising on:	(167.62)	(1.43)
(15.07)	(0.61)	Changes in Financial Assumptions.	(6.91)	(0.14)
11.62	(0.49)	Changes in Demographic Assumptions.	1.61	0.04
103.86	-	Liability Experience.	142.62	-
29.95	-	Restriction of Surplus.	(3.58)	-
		Minimum Funding Requirement.		
7.79	(1.43)	Total Amount Recognised in Other Comprehensive Income.	3.36	(1.53)
35.60	(0.24)	Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement.	30.71	(0.44)
		Movement in Reserves Statement		
(35.60)	0.24	Reversal of Net Charges Made to the Surplus or Deficit for the Provision of Services for Post Employment Benefits in Accordance with the Code.	(30.71)	0.44
30.81	-	Actual Amount Charged Against the General Fund Balance for Pensions in the	32.85	-
-	2.37	Employers' Contributions Payable to Scheme.	-	2.42
		Retirement Benefit Payable to Pensioners.		

NOTES TO THE ACCOUNTS

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation).

Funded Liabilities: Local Government Pension	Unfunded Liabilities: Discretionary Benefits		Funded Liabilities: Local Government Pension	Unfunded Liabilities: Discretionary Benefits
2023/24 £m	2023/24 £m		2024/25 £m	2024/25 £m
(960.14)	(26.46)	Opening Balance at 1st April	(965.68)	(23.85)
(27.24)	-	Current Service Cost.	(26.55)	-
(44.48)	(1.19)	Interest cost.	(45.60)	(1.09)
(8.78)	-	Contributions from Scheme Participants.	(9.25)	-
15.07	0.61	Remeasurement Gains and (Losses): Actuarial Gains/Losses Arising from Changes in Demographic Assumptions.	6.91	0.14
34.19	0.33	Actuarial Gains/Losses Arising from Changes in Financial Assumptions.	167.62	1.43
(11.62)	0.49	Actuarial Gains and Losses Due to Liability Experience.	(1.61)	(0.04)
(0.10)	-	Past Service Cost.	(0.14)	-
37.42	2.37	Benefits Paid.	41.65	2.42
(965.68)	(23.85)	Closing Balance at 31st March	(832.65)	(20.99)

Reconciliation of the Movements in the Fair Value of the Scheme (Plan) Assets.

2023/24 £m		2024/25 £m
934.98	Opening Fair Value of Scheme Assets	1,069.54
44.01	Interest Income on assets.	51.37
88.38	Remeasurement Gains/(Losses): The Return on Plan Assets, Excluding the Amount Included in the Net Interest Expense.	(37.24)
30.81	Contributions by the Employer.	32.85
8.78	Contributions from Employees into the Scheme.	9.25
(37.42)	Benefits Paid.	(41.65)
1,069.54	Closing Fair Value of Scheme Assets	1,084.12

NOTES TO THE ACCOUNTS

Local Government Pension Scheme Assets for Neath Port Talbot

Estimated 2023/24	Final 2023/24	Fair value of Scheme Assets	Estimated 2024/25
£'000	£'000		£'000
5,684	5,654	Cash and Cash Equivalents	7,290
683,503	679,921	Pooled Equity Investment Vehicles: Global	625,485
30,652	30,492	Property	30,066
44,237	44,006	Fixed Interest:	45,805
8,522	8,477	Fixed Interest	7,571
		Index-Linked	
52,759	52,483		53,376
21,519	21,407	Hedge Funds	22,388
78,782	82,713	Private Equity	92,179
49,822	49,616	Infrastructure	60,195
25,915	25,364	Private Debt	21,355
10,953	11,056	Residential Housing	14,746
25,115	25,881	Timberland & Farmland	25,676
3,100	3,083	Derivatives	4,859
35,400	35,215	Trade Finance	36,714
45,746	45,506	Global Bond Funds	89,253
38	38	Cash - Dividends Due	12
552	1,111	Net Current Assets	526
1,069,540	1,069,540	Total Assets	1,084,120

The three segregated equity funds with JP Morgan, Aberdeen and Schroders UK were transitioned in January 2019 to the Wales Pension Partnership Global Opportunities Fund, a Pooled Equity Investment Vehicle.

The following investments represented more than 5% of the Fund's net assets;

Neath Port Talbot Share 2023/24			Neath Port Talbot Share 2024/25	
Value of Net Assets £000	Proportion of Net %		Value of Net Assets £000	Proportion of Net %
211,879	19.8	Blackrock ACS Low Carbon Tracker Fund.	214,530	19.8
382,784	35.8	WPP Global Opportunities	368,830	34.0

NOTES TO THE ACCOUNTS

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. Both the Local Government Pension Scheme and discretionary benefits liabilities have been assessed by AON Hewitt Ltd, an independent firm of actuaries, estimates for the Fund being based on the latest full valuation of the scheme as at 31st March 2022.

The significant assumptions used by the actuary have been:

Local Government Pension Scheme	Discretionary Benefit Arrangements		Local Government Pension Scheme	Discretionary Benefit Arrangements
2023/24			2024/25	
		Mortality Assumptions:		
		Longevity at 65 for Current Pensioners:		
21.7	21.7	Men.	21.6	21.6
24.3	24.3	Women.	24.2	24.2
		Longevity at 65 for Future Pensioners:		
22.4	-	Men.	21.9	-
25.3	-	Women.	25.0	-
		Rate of Inflation:		
2.6%	2.6%	Consumer Price Index (CPI).	2.5%	2.5%
4.1%	-	Rate of Increase in Salaries.	4.0%	-
2.6%	2.6%	Rate of Increase in Pensions.	2.5%	2.5%
4.8%	4.8%	Rate for Discounting Scheme	5.8%	5.8%

Sensitivity Analysis

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31st March 2025 and the projected service cost for the year ending 31st March 2026 is set out below:

Discount Rate Assumption

Adjustment to Discount Rate.	+0.1% p.a.	-0.1% p.a.
Present Value of Total Obligation (£m's).	820.16	845.14
% Change in Present Value of Total Obligation.	-1.5%	1.5%
Projected Service Cost (£m's).	16.90	18.60
Approximate % Change in Projected Service Cost.	-4.7%	4.9%

NOTES TO THE ACCOUNTS

Rate of General Increase in Salaries

Adjustment to Salary Increase Rate.	+0.1% p.a.	-0.1% p.a.
Present Value of Total Obligation (£m's).	834.32	830.98
% Change in Present Value of Total Obligation.	0.2%	-0.2%
Projected Service Cost (£m's).	17.73	17.73
Approximate % Change in Projected Service Cost.	0.0%	0.0%

Rate of Increase to Pensions and Rate of Revaluation of Pension Accounts

Adjustment to pension increase rate.	+0.1% p.a.	-0.1% p.a.
Present Value of Total Obligation (£m's).	843.47	821.83
% Change in Present Value of Total Obligation.	1.3%	-1.3%
Projected Service Cost (£m's).	18.60	16.90
Approximate % Change in Projected Service Cost.	4.9%	-4.7%

Post Retirement Mortality Assumption

Adjustment to mortality age rating assumption.	-1 year	+1 year
Present Value of Total Obligation (£m's).	851.80	813.50
% Change in Present Value of Total Obligation.	2.3%	-2.3%
Projected Service Cost (£m's).	18.39	17.07
Approximate % Change in Projected Service Cost.	3.7%	-3.7%

Asset Liability Matching Strategy (ALM)

The pension committee of the City and County of Swansea has agreed to an asset and liability matching strategy (ALM) that matches, to the extent possible, the types of assets invested to the liabilities in the defined benefit obligation. The fund has matched assets to the pensions' obligations by investing in long-term fixed interest securities and index linked gilt edged investment with maturities that match the benefits payments as they fall due. This is balanced with a need to maintain the liquidity of the fund to ensure that it is able to make current payments.

Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The City and County of Swansea has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over 25 years. Funding levels are monitored on an annual basis.

The last triennial valuation was as at 31st March 2022.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31st March 2014. The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The Council expects to pay £34.02m contributions to the scheme in 2025/26. Expected payments to beneficiaries of the discretionary benefits schemes in the year to 31st March 2026 are £0.93m for the LGPS Scheme and £1.54m for Teachers.

NOTES TO THE ACCOUNTS

36. DISCLOSURE OF NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS

Key Risks

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

- Credit risk The possibility that other parties might fail to pay amounts due to the Council
- Liquidity risk The possibility that the Council might not have funds available to meet its commitments to make payments
- Market risk The possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates movements.

Overall Procedures for Managing Risk

The Council's overall risk management procedures focus on the unpredictability of financial markets and are structured to implement suitable controls to minimise these risks. Risk management is carried out by a central treasury team, under policies approved by Council in the treasury management strategy, annual investment strategy, capital strategy and minimum revenue policy report. The full report can be accessed on the Council's web site.

Credit Risk

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

This risk is minimised through the annual investment strategy, which is available on the Council website.

The key areas of the investment strategy in relation to minimum criteria for investment counterparties and investment limits are included within the Council Annual Investment Strategy.

The Council's maximum exposure to credit risk in relation to its investments in individual banks and building societies cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. A minimal risk of irrecoverability applies to all the Council's deposits and by adopting stringent investment criteria this risk continues to be minimised.

No breaches of the Council's counterparty criteria occurred during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

NOTES TO THE ACCOUNTS

The Council does not allow credit for its trade debtors. The following analysis shows the age profile of the due amounts:

31st Mar 2024 £000		31st Mar 2025 £000
2,818	Current - Up to One Month.	4,183
3,381	One to Three Months.	2,136
1,193	Three to Six months.	913
1,206	Six Months to One Year.	840
2,739	More than One Year.	2,864
11,337	Total	10,936

Liquidity Risk

The Council has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Council has ready access to borrowings from the money and the Public Works Loan Board. There is no significant risk that it will be unable to raise finances to meet its commitments under financial instruments.

Refinancing and Maturity Risk

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

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

The maturity analysis of financial liabilities (excluding interest) is as follows:

31st Mar 2024 £000		31st Mar 2025 £000
(7,767)	Less than 1 Year.	(3,509)
(1,194)	Between 1 and 2 Years.	(427)
(1,009)	Between 2 and 5 Years.	(15,583)
(29,240)	Between 5 and 10 Years.	(34,240)
(230,710)	More than 10 Years.	(230,708)
(269,920)	Total	(284,467)

NOTES TO THE ACCOUNTS

Market Risk

Interest Rate Risk

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

- Borrowings at variable rates – the interest expense charged to the surplus or deficit on the provision of services will rise;
- Borrowings at fixed rates – the fair value of the liabilities borrowing will fall
- Investments at variable rates – the interest income credited to the surplus or deficit on the provision of services will rise;
- Investments at fixed rates – the fair value of the assets will fall.

Borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the surplus or deficit on the provision of services or other comprehensive income and expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the surplus or deficit on the provision of services and affect the general fund balance.

The Council has a number of strategies for managing interest rate risk. The annual treasury management strategy draws together Council's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. This strategy is used to set a treasury indicator which provides maximum limits for fixed and variable interest rate exposure. The central treasury team will monitor the market and interest rate forecasts during the year and adjust exposures appropriately. For instance, during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long-term returns, similarly the drawing of longer-term fixed rates borrowing would be postponed.

If there were a fluctuation of 1% in the interest rates (with all other variables held constant) the financial effect at 31st March would be:

	31st Mar 2025 £000
Increase/Decrease in Interest Received and Credited to the Comprehensive Income and Expenditure Statement.	250
Increase/Decrease in External Interest Payable and Debited to the Comprehensive Income and Expenditure Statement.	2,809

Price Risk

The Council does not invest in equity shares or marketable bonds.

NOTES TO THE ACCOUNTS

37. LOCAL TAXATION

Council Tax

Council tax is the current form of local taxation for domestic properties. All domestic properties are placed into one of nine valuation bands according to their open market value at 1st April 2003. The average amount of council tax for a property in band D in 2024/25 was £2,281. This was calculated by dividing the amount of council tax required by Neath Port Talbot Council, each community council, and the South Wales Police Authority by the council tax base of 48,827 (which is the number of properties we collect council tax from, adjusted by discounts etc., and converted to the equivalent number of band d properties). The amounts for properties in other bands are calculated by multiplying the band D figure by the relevant multiplier in the table below:

Band	A	B	C	D	E	F	G	H	I	Total
Multiplier	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	21/9	
Number of Chargeable Dwellings	13,280	26,416	11,387	7,195	4,358	1,353	529	95	14	64,627

Significant Precepts or Demands

An element of the council tax bill relates to funding which is paid over to other organisations. The main demands and precepts were:

Town or Community Councils	2024/25 £000
Blaengwrach	80
Blaenhonddan	276
Briton Ferry	228
Cilybebyll	115
Clyne and Melincourt	32
Coedffranc	521
Crynant	69
Cwmllynfell	48
Dyffryn Clydach	69
Glynneath	216
Gwaencaeaurwen	118
Neath	421
Onllwyn	29
Pelenna	45
Pontardawe	234
Resolven	65
Seven Sisters	60
Tonna	48
Ystalyfera	105
	2,779
Other Levies and Demands	
Police and Crime Commission for South Wales	17,220
Mid and West Wales Fire and Rescue Authority	10,799
	28,019

NOTES TO THE ACCOUNTS

Business Rates

Non-domestic rates are calculated by multiplying a property's rateable value by the rating multiplier (or rate in the pound). Rateable values are determined by the Valuation Office Agency and the multiplier is set by the Welsh Government. The multiplier for 2024/25 was 56.2p (2023/24 53.5p). The Council is responsible for collecting rates due from businesses in its area but pays the proceeds into the NNDR pool administered by the Welsh Government. The Welsh Government redistributes the sums payable back to local authorities on the basis of a fixed amount per head of population.

In 2024/25, the total non-domestic rateable value at the year-end was £105.335m (2023/24 £105.399m).

38. ANNUAL GOVERNANCE STATEMENT

The Council is required by statute to provide an Annual Governance Statement that covers all significant corporate systems, processing, and controls, spanning the whole range of its activities. It is signed by the Council's Leader and Chief Executive and approved by Cabinet.

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

Opinion on financial statements

I have audited the financial statements of Neath Port Talbot County Borough Council for the year ended 31 March 2025 under the Public Audit (Wales) Act 2004.

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

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

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

- give a true and fair view of the financial position of Neath Port Talbot County Borough Council as at 31 March 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 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 of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

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

Conclusions relating to going concern

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

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

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

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

Other Information

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

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

I have nothing to report in this regard.

Opinion on other matters

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

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 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 Neath Port Talbot County Borough Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Governance Statement.

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

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

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

Responsibilities of the responsible financial officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

My procedures included the following:

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

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

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

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

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

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

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

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

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

Other auditor's responsibilities

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

Certificate of completion of audit

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



Adrian Crompton
Auditor General for Wales
10 September 2025

1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

The maintenance and integrity of Neath Port Talbot County Borough Council's website is the responsibility of the Intranet Administrator; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

GLOSSARY OF TERMS

This glossary of terms has been prepared on the basis that a basic knowledge of accountancy terms is held. It provides a description of specialist terms relating to local government finance.

Accumulated Absences	The Code of Practice requires an adjustment for accumulated absences which gives a monetary value to the cost of holidays accrued by staff but not taken at the end of the financial year. The net effect of this adjustment is reversed from the accounts.
Actuary	An actuary is someone who works out insurance and pension fund valuations, taking into account relevant factors such as trends in insurance claims and life expectancy.
Amortised Cost	Amortised costs are used to spread the financial impact of depreciation or using an equivalent interest rate or the effect of a premium or discount over a number of years on the income and expenditure account.
Audit	An audit is an independent examination of the Council's activities.
Balance Sheet	This is a statement of our assets, liabilities, and other balances at the balance sheet date i.e. 31 st March.
Budget	A budget is a spending plan, based upon which the Council tax is set. Actual expenditure and income is subsequently monitored against this plan.
Capital Expenditure	Capital expenditure is spending on fixed assets. These are assets that will be used for several years in the provision of services and are items such as buildings, equipment, and vehicles.
Capital Receipt	Capital receipts are proceeds from the sale of fixed assets such as land and buildings.
Cash Flow Statement	This statement summarises the movements in cash during the year.
CIPFA/LASAAC	The Chartered Institute of Public Finance and Accountancy and Local Authority Scotland Accounts Advisory Committee (CIPFA/LASAAC) is the body that sets the Code of Practice on Local Authority Accounting in the United Kingdom.
Comprehensive Income and Expenditure Statement (CIES)	This account records day to day spending and income on items such as salaries and wages, the running costs of services and the financing of capital expenditure.
Componentisation	Accounting standards require that assets are split into separate components where there are significant differences in the life of elements of the assets which would have a significant effect on the depreciation costs.

GLOSSARY OF TERMS

Contingent Asset	This is a possible asset that arises from past events but whose existence will only be confirmed after an uncertain future.
Contingent Liability	This is a possible obligation that may arise from past events and whose existence will be confirmed by the occurrence of uncertain future events.
Creditor	A creditor is someone we owed money to at the date of the balance sheet for goods or services received.
Current Asset	These are short-term assets which are available for us to use in the following accounting year.
Current Liability	These are short-term liabilities which are due for payment by us in the following accounting year.
Debtor	A debtor is someone who owed money to us at the date of the balance sheet.
Depreciation	Depreciation is the estimated loss in value of fixed assets that are presented in the Balance Sheet.
Expenditure and Funding Analysis	This analysis is designed to provide a more direct link between the Council's budgeted spend and the figures reported under generally accepted accounting practices. It provides a link between management information and the figures included in the Comprehensive Income and Expenditure Statement.
Fair Value	This is the estimated value of an asset or liability at the balance sheet date. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
Finance Lease	Leasing is a method of financing capital expenditure by paying the owner to use property or equipment for a number of years. Finance leases are used to finance purchases where the Council takes on most of the risks associated with owning the asset.
Financial Year	This is the accounting period. For local Authorities it starts on 1 April and finishes on 31 March of the following year.
Financial Instruments	This relates to any contract which gives rise to a financial asset in one organisation and a financial liability or equity instrument of another. A collective name for investments, trade debtors and borrowings.
General Fund Balance	This represents the cumulative retained surpluses on the Council's revenue budget. It includes reserves the Council has earmarked to fund its plans as well as a cushion against unexpected events or emergencies. The level of the balance is considered as part of the annual budget process each year.

GLOSSARY OF TERMS

IFRIC	International Financing Reporting Interpretations Committee.
Impairment	This happens when fixed asset or investment values change significantly due to changes in circumstances. It can occur if there is a significant change in a fixed asset's market value or significant physical damage such as fire. The cost of impairment is charged to the revenue account in the year it occurs.
Liability	A liability is an amount payable at some time in the future.
Minimum Revenue Provision (MRP)	This is an amount we have set aside to repay loans.
Movement in Reserves Statement	This statement shows the movement in the year on the different reserves held by the Council, analysed between the usable reserves which can be applied to fund expenditure or reduce local taxation and the unusable reserves which cannot be utilised in this way.
National Non-Domestic Rates (NDR)	Also known as the Business Rate, it is the charge occupiers of business premises pay which is collected by this Council and paid to the Welsh Government for reallocation. The charge is based on the rateable value of the business premises.
Net Realisable Value	The selling price of an asset, reduced by the relevant cost of selling it.
Pension Reserve	The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits (pensions) and for funding benefits in accordance with statutory provisions.
Pooled Budgets	These are budgets which are joined up across differing organisations with similar objectives and used to ensure improvements through coordinating expenditure.
Precepts	Precepts are levied on the Council by non-billing organisations such as the police and community councils to enable them to cover their costs in the performance of their services or duties.
Provision	This is an amount set aside in the accounts for a past event which is likely or certain to result in a financial cost some time in the future, though the exact amount and date may be uncertain.
Public Works Loans Board (PWLB)	This is a Government Agency which provides longer term loans to local authorities.
Related Party Transactions	These are disclosed to highlight any relationships that may exist between the Council and third parties who may materially affect or influence the way the Council or third parties are able to operate.

GLOSSARY OF TERMS

Reserves	These are sums set aside to meet future expenditure. This Council splits the total reserve to show those earmarked to fund specific expenditure and those held to fund non-specific future expenditure in the general reserve.
Revaluation Reserve	This reserve is used to record gains in fixed asset values as a result of formal revaluations of the Council's fixed assets.
Revenue Expenditure Funded from Capital under Statute	This represents revenue expenditure which the Council is allowed to apply to Capital under statutory provisions. It does not result in fixed assets controlled by the Council.
Revenue Support Grant/NDR	This is general government grant in support of local council services which is paid by the Welsh Government. The distribution of this grant tries to take account of the differing needs in each Council.
Service Concession	A service concession arrangement arises when a Council grants a contract to a supplier who provides or maintains capital assets on the Council's behalf, which revert to the Council's ownership at the end of the contract. The grantor regulates the services the operator must provide using the assets and also controls any significant residual interest in the assets at the end of the term of the arrangement.
The Code of Practice	<p>The Code of Practice incorporates guidance in line with IFRS, IPSAS and UK GAAP accounting standards. It sets out the proper accounting practice to be adopted for the Statement of Accounts to ensure they 'present fairly' the financial position of the Council.</p> <p>Note: values throughout these accounts are presented rounded to whole values as shown throughout the accounts. Totals in supporting tables and notes may not appear to cast, cross-cast, or exactly match to the core statements or other tables due to rounding differences.</p>