

Statement of Accounts

2024 - 2025

Published Subject to Audit



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1 NARRATIVE REPORT

The following Statement of Accounts brings together in summary form the financial transactions of the Authority for the year 2024/25.

The Authority's Accounts for the year 2024/25 are set out on the following pages of this report and have been produced in line with the 2024/25 Code of Practice on Local Authority Accounting (the Code).

1.1 The accounts consist of the following financial statements:

Expenditure and Funding Analysis

Comprehensive Income and Expenditure Statement (CIES)

Movement in Reserves Statement

Balance Sheet

Cash Flow Statement

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

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

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

Dyfed Welsh Church Fund and Other Trust Funds

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

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

1.2.1 Revenue Budget

The following table shows how the actual spend on services during 2024/25 compared with the budget set for the year.

Service	Working Budget				Actual				Variance For Year
	Expenditure	Income	Net Non Controllable	Net	Expenditure	Income	Net Non Controllable	Net	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive	23,043	(5,358)	(10,663)	7,022	26,583	(9,743)	(10,663)	6,177	(845)
Communities	228,780	(104,331)	18,617	143,066	258,570	(131,368)	18,617	145,819	2,753
Corporate Services	74,928	(40,162)	(4,967)	29,799	73,087	(39,055)	(4,967)	29,065	(734)
Education, Children & Family Services	236,590	(46,939)	40,342	229,993	265,741	(72,620)	40,342	233,463	3,470
Place, Infrastructure & Economic Development	147,031	(79,199)	33,347	101,179	169,767	(101,935)	33,347	101,179	0
Departmental Expenditure	710,372	(275,989)	76,676	511,059	793,748	(354,721)	76,676	515,703	4,644
Net Interest & Capital Accounting Adjustments				(45,753)				(49,220)	(3,467)
Pension Reserve Adjustment				462				462	0
Accumulated Leave				(219)				(219)	0
Levies and Contributions:									
Brecon Beacon Nat Parks				158				152	(6)
Fire Authority				14,367				14,367	0
Corporate Joint Committee				175				151	(24)
Net Expenditure				480,249				481,396	1,147
Teachers & Firefighters Pensions Grant				(4,052)				(3,960)	92
General Government Grant				0				(5,218)	(5,218)
Contribution to/(from) General Balances				0				3,251	3,251
To/(from) Earmarked/Departmental Reserves				(3,000)				(3,000)	0
Transfers to/(from) Earmarked Reserves				0				791	791
Net Budget				473,197				473,260	63
Revenue Support Grant				(281,597)				(281,597)	0
Non Domestic Rates				(69,049)				(69,049)	0
Council Tax				(122,551)				(122,614)	(63)
				0				0	0

The 2024/25 revenue budget was approved by County Council on 28th February 2024. The budget endeavoured to meet the aspirations of the Authority, whilst recognising the extraordinary financial risks facing local authorities. The budget addressed specific demands in certain service areas whilst seeking to balance the impact on service delivery and local taxpayers.

The financial position at year-end showed an overspend at department level of £4,644k. This does not include the overspend on schools as this is captured in the LMS reserve movement (see note 6.22).

The Chief Executive Department is underspent by £845k for the year. The main variance is salary savings due to vacant posts within IT, Policy, Legal, Business Support, Electoral Services and Marketing & Media divisions. There are also savings on supplies and services during the year. In addition there have been savings on Members pay & travelling.

The Department for Communities is overspent by £2,753k for the year. Social Care ended the year with an overspend of £2,137k. Overspends are due to increased demand for services e.g. Local Authority/Private Homes and in areas where budget savings proposals remain difficult to deliver as Social Work teams have prioritised the safe delivery of key services, meaning that the department has been unable to progress some of the planned savings' proposals. Leisure and Culture finished the year with an overspend of £338k due in part to a number of income shortfalls. Council Funded Housing and Public Protection Services are £279k overspent mainly due to an underachievement of income in licensable properties and the inability to amend fees due to statutory guidance.

The Corporate Services Department is underspent by £734k for the year. There is a £277k underspend on pre LGR pension costs, a £37k underspend on Subscriptions, an £898k underspend on the corporate retirement fund, a £229k underspend on Council Tax Reduction Scheme along with a £73k underspend on Rates Relief due to lower than budgeted take up of both schemes. These are offset by an overspend in Miscellaneous Services due to the need to set aside some of the departmental underspend for known future pressures, along with an overspend in Revenues, primarily due to an increase in bank charges as a result of a rise in card payments.

The Department for Education, Children & Family Services is overspent by £3,470k at year end (excluding schools). While the Education Services division is reporting a net underspend of £456k there are significant pressures in other areas. This is due to a combination of factors such as pressures within Commissioning and Social Work being £261k overspent mainly due to increased demand for the provision of goods & services to enable children to remain with their families. Additionally, there are a number of highly complex placements creating an overspend of £3,059k within Commissioned Residential services. There are also significant overspends in Fostering and Other Looked After Services due to an increased number of foster placements and specialist support packages. Residential Settings £1,093k overspend is mainly due to providing specialist agency staff support for young people with highly complex needs. These pressures are partially offset by underspends of £1,282k in relation to maximisation of grant income and part year vacant posts in other service areas.

The Place, Infrastructure & Economic Development department is reporting a break-even position for 2024/25. The Service Improvement and Transformation division is underspent by £180k. The Environmental Infrastructure division is overspent by £737k which is mainly due to a £1,018k pressure on School and public transport. However this is mitigated by the Economic Development and Property Division being underspent by £460k. The Property Maintenance Operational account is underspent by £271k as a result of increased income and the Property Design Business Unit is £94k underspent as running costs were lower than budgeted for.

After taking account of savings on capital financing costs, increased interest income and significant additional Welsh Government Grant Funding including support for the NJC pay award and unexpected funding to support pressures, plus the movement in Earmarked and Departmental reserves, the Authority transferred £3,251k to general reserves for the 2024/25 financial year.

HOUSING REVENUE ACCOUNT	Working Budget			Actual			Variance For Year
	Expenditure	Income	Net	Expenditure	Income	Net	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Housing Revenue Account	54,263	(54,556)	(293)	59,262	(58,205)	1,057	1,350
Transfers to/(from) HRA balances	0	0	293	0	0	(1,057)	(1,350)

The Housing Revenue Account (HRA) reported an overspend of £1,350k for the year.

The main variances were:

- Overspends in Repairs and Maintenance costs £4,588k reflect the increased number of responsive jobs to deal with the backlog of housing repairs partially offset by surplus on operational account delivering HRA services of £2,419k
- Overspends on Supervision and Management such as employee costs of £97k (payaward etc.), investment in estates of £472k, increased energy costs of £473k, compensation payments of £159k, IT investment costs of £146k and other fees/supplies of £55k
- The revised funding of the capital programme and delivery of some services directly within communities decreased for direct revenue funding by £205k.
- Reduced weighted average debt rate resulted in a decrease in capital charges of £283k.
- Rental/service charge income will be £1,127k better off due to a reduction in void loss.
- Additional Housing Support Grant will provide savings of £586k.
- HRA balances/reserves suffered from slightly lower interest rates than predicted resulting in less income of £60k.
- Additional Housing Support Grant will provide savings of £306k.
- Reduction in use of bad debt provision saved £50k.

1.2.2 Principal vs Agency Grants

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

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

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

1.3 Reserves

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

	£'000	£'000
Council Fund:		
Held by Schools under Local Management of Schools Regulations (LMS)	(1,838)	
Generally available for new expenditure	17,252	15,414
Housing Revenue Account		10,939
		<u>26,353</u>

In addition to general reserves the Authority holds earmarked reserves of £128.123m for specific purposes.

1.4 Borrowing

£15m new borrowing was taken from the Public Works Loans Board (PWLB) in 2024/25.

As at the 31st March 2025 the Authority's total borrowing stood at £416m, which was within the Authority's authorised limit of £614m. Further detail is included in Note 6.44 to the Accounts.

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

1.5 Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The debit balance on the Pensions Reserve of £34.5m shows a deficit on an accounting basis in the resources the Authority has set aside to meet the benefits earned by past and current employees. This deficit relates to unfunded pension liabilities which are excluded from the asset ceiling calculation.

1.6 Current Economic Climate

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

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

Whilst CPI inflation remains low relative to its peak of 11.1% in October 2022, the Bank of England has not cut interest rates as rapidly as previously expected due to upward pressure from factors including international trade disputes and the employer national insurance increase announcement in the autumn budget. As reported in previous years

accounts, it remains the case that as existing mortgage holders reach the end of fixed rate deals, they will need to remortgage at much higher rates, continuing to put pressure on more households' finances.

These wider economic factors have been considered when reviewing bad debt provisions, as well as in setting realistic but prudent budget allowances – which included an increase in inflation and pay assumptions between draft and final budgets to take into account the latest available information.

The UK Government elected in July 2024 reported a £22bn “black hole” in the current financial year, over and above known pressures in the public finances. This, in conjunction with new spending plans, has led to changes in pensioner winter fuel allowances, other planned tightening of benefits criteria and an increase in employers' national insurance costs. At the time of writing, there is no clarity over the exact level of funding available to Welsh Local Authorities to meet this increased NI cost.

Against this backdrop, our overall financial standing has been maintained at a prudent level, with budgets for future years prepared in a robust manner. Additional one-off grant funding during the year has allowed the authority to increase the level of general balances at the year-end to £17.3m, exceeding the generally accepted prudent level of 3% of net revenue budgets. The Authority also holds significant earmarked reserves which are held for specific purposes, whether this is to address liabilities now or in the future e.g. insurance reserves or for financing specific capital schemes.

Given this assessment, the Section 151 Officer does not currently believe the Authority is at risk of having to issue a Section 114 notice in the immediate future.

1.7 **Capital**

In 2024/25 the Authority spent some £165.7m on capital projects. This expenditure was financed by a combination of borrowing, useable capital receipts, government grants, contributions, reserves and direct revenue financing.

£42m was spent on Housing with the areas of spend being as follows:

Public Sector

Refurbishment & redevelopment of housing stock and the purchase of additional housing stock	£38.6m
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Private Sector

Disability Facility Grants	£2.7m
Other Improvements	£0.7m

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

	£'m	
Education & Children's Services	19.1	New Schools, Renovations and Improvements to existing Schools and Children & Family Services Projects
Leisure	3.9	Sports & Leisure, Arts & Culture and Libraries
Infrastructure & Recycling and Fleet Replacement	26.1	Roads, Bridges, Cycle Paths, Road Safety, Car Parks, Rights of Way, Coast & Flood Defence, Depots, Waste Management & Recycling and Fleet Replacement
Economic Development	68.4	Physical Regeneration Projects County Wide, Community Development, Joint Ventures, Swansea Bay City/Regional Deal projects and Levelling-up projects
Social Services	1.7	Care Homes and Learning Disability Developments
Corporate	4.5	Capital Minor Works and ICT Strategy Developments

1.8 **Further Information**

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

2 STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority's Responsibilities

The Authority is required:

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

The Director of Corporate Services' Responsibilities

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

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

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

Certification of Accounts

I certify that the Statement of Accounts on pages 58 to 156 gives a true and fair view of the financial position of Carmarthenshire County Council at 31st March 2025 and its income and expenditure for the year ended 31st March 2025.

Chris Moore FCCA
Director of Corporate Services

Dated: 30 June 2025

ANNUAL GOVERNANCE STATEMENT 2024/25**Executive Summary**

This Annual Governance Statement (AGS) looks at how effective our governance has been in 2024/25 and looks forward to possible improvements and priorities for 2025/26.

Assurance

The Corporate Governance arrangements of the Council are considered to be acceptable.

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

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

Findings of Carmarthenshire CC's Internal Audit Review of AGS and Corporate Governance	
Post Review Assurance Level	Description for Assurance Level
High	A sound system of internal control exists, is operating effectively and is being consistently applied to support the achievement of objectives in the area audited.
Internal Audit found no fundamental control issues to be addressed as a high priority.	

Scope of Responsibility: Corporate Framework and Strategy

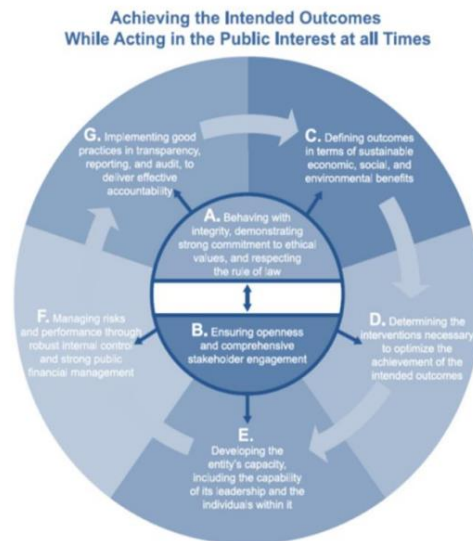
The Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, whilst also ensuring that public money is safeguarded, accounted for, and used economically, efficiently, and effectively so as to secure continuous improvement.

Below is a table outlining the measures and governance responsibilities undertaken by the Authority to ensure that these standards are upheld:

Corporate Governance Group	Comprising key Officers and 2 Cabinet Members, the Corporate Governance Group is in place to inform and monitor progress on issues affecting Governance, including the Code of Corporate Governance , which was approved by Council in June 2012 and most recently updated in July 2021.
CIPFA/SOLACE Framework	'Delivering Good Governance in Local Government' (Guidance Notes for Welsh Authorities 2016 Edition – Published September 2016). This framework identifies 7 key principles of good governance which complement the Well-being of Future Generations Act requirements. The Authority's Code of CG recognises policies and processes in line with the 7 principles adopted in the framework.

The Seven CIPFA Principles

As detailed within the Authority's Code of Corporate Governance, the seven fundamental principles are as follows:



Each of the principles will be considered, in turn, with a detailed account of measures taken and any improvements or priorities necessary to enhance the Authority's Governance procedures in the financial year.

We believe that the 2024/2025 Governance measures adopted by the Authority are effective in achieving sound governance arrangements and provide a pragmatic approach to challenges and priorities.

Wendy Walters
Chief Executive

Darren Price
Leader

Dated: 30 June 2025

Principle A – Integrity and Values

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Process	Means by which this is achieved:	How well are we progressing and how do we know?	Priorities and challenges for 2025/26? (Action Plan)
Standards Committee	The Chair of Standards Committee presents an annual report to full Council on the Committee's activities, which must by law describe how the committee's functions have been discharged during the financial year, and includes a summary of what has been done to ; reports and recommendations made or referred to the committee; action taken by the committee following its consideration of such reports and recommendations; notices given to the committee, as well as the committee's assessment of the extent to which leaders of political groups on the council have complied with their duties to take reasonable steps to promote and maintain high standards of conduct by the members of the group and co-operate with the council's standards committee. This Committee also has oversight of the Whistleblowing Policy and Procedure.	<p>-Training on the Code of Conduct was provided to County Councillors and to Town and Community Councils after the May 2022 elections. Refresher training was delivered in June 2024 for Town and Community Councillors, with a session for County Councillors being arranged for 2025.</p> <p>-During 2024/25 a total of 10 referrals were made to the Public Services Ombudsman for Wales about the conduct of Carmarthenshire County Council members. Eight of the complaints were not investigated, for 1 there was a lack of evidence and in 1, no evidence of a breach.</p> <p>-Dispensations were granted by the Committee to 20 town and community councillors to participate in items of business where they had some form of interests, and to 33 County Councillors.</p> <p>Standards Committee meetings attracted 69 live views and 381 archive views in 2024/25, compared with 143 live and 247 archive in 2023/24.</p>	1. A National Standards Forum has been established of the chairs of all the Standards Committees in Wales as a forum for sharing best practice, ensuring in so far as possible consistency on similar decisions and discussing topical issues. The Chair or Vice-Chair of the Standards committee should continue to attend meetings of the Forum and share best practice with the rest of the committee.

Process	Means by which this is achieved:	How well are we progressing and how do we know?	Priorities and challenges for 2025/26? (Action Plan)
The Constitution	The Authority adopted a new form of Constitution in the form promoted by the Welsh Government upon the modernisation of local government, following the Local Government Act 2000, and this has been kept under review since then to ensure that it meets the needs of the Authority and its regulators in terms of transparency of Governance, accountability and decision making. The Constitution is published on the Council's website and explains the way the Council operates and how it takes decisions. This is updated on an as and when basis and at least once per annum.	<p>-The Authority has moved to a model of encouraging and promoting pre-decision scrutiny of its decision making and policies, and to that end it has strengthened its Forward Work Programmes so that Scrutiny Committees can better see which decisions / policies are going to be considered and when, giving them an opportunity to involve themselves at an early stage.</p> <p>-Data shows that there is interest in the business of the Authority with webcasts of County Council meetings having had 560 live views and 2330 archived viewings during the year, and Cabinet 252 and 2650 respectively.</p>	<p>1. Nine Questions on Notice were asked under the Council Procedure Rules at Full Council of Cabinet Members by Members during 2024/2025 However, questions put in this way can only be presented at the scheduled meetings of the full County Council and therefore there can be a delay before they can be dealt with. Therefore, such questions might have received quicker responses had they been asked directly of the Cabinet members outside of the cycle of Full Council meetings.</p> <p>2. Only 2 Questions on Notice were asked by members of the public at Full Council during 2024/2025, which may demonstrate a lack of awareness of the facility and so this should be closely monitored.</p> <p>3. The Authority has published its Public Participation Scheme which provides information on the ways in which the public can interact with the Authority.</p>

Process	Means by which this is achieved:	How well are we progressing and how do we know?	Priorities and challenges for 2025/26? (Action Plan)
Corporate Governance Group	Corporate Governance Group has been established to coordinate, manage and report on the Governance arrangements of the Authority. The Group are responsible for updating the Code of Governance and developing the Annual Governance Statement, for approval by the Leader, Chief Executive, and the Governance and Audit Committee.	-There is a Co-ordinated approach to the drafting of the Annual Governance Statement and challenge of the contents, to ensure it reflects the actual governance position and identifies what improvements are required. An action plan is produced annually, and the governance issues are monitored through the quarterly Governance Group Meetings.	<p>1.The timescale for producing the Annual Governance Statement is to be kept under constant review.</p> <p>2.Must ensure that, when compiling the AGS;</p> <ul style="list-style-type: none"> • The Code of Governance is applied. • Our Well-being Objectives, Thematic Priorities and Service Priorities have appropriate governance arrangements. • That we are applying the sustainable development principle. • Governance arrangements are effective to ensure we are fulfilling our 'performance requirements'; that is the extent to which we are exercising our functions effectively and using resources economically, efficiently and effectively. • Engagement with Governance and Audit Committee Members <p>3.We continue to ensure that Corporate Performance Management and Internal Audit work together, to ensure that the Annual Governance Statement plays its part in the Overall Council's Self-Assessment.</p>

Process	Means by which this is achieved:	How well are we progressing and how do we know?	Priorities and challenges for 2025/26? (Action Plan)
Monitoring Officer	<p>The monitoring officer (Head of Law, Governance and Civil Services) works closely with the Chief Executive and S.151 officer in accordance with the provisions of the Local Government and Housing Act 1989 and is to report any potential unlawfulness.</p> <p>Other duties include the maintenance of and compliance with the Constitution; supporting Members and Officers to comply with the law and Authority's principles; overseeing the Democratic Services Unit; and attendance at the All-Wales Network of Monitoring Officers on a quarterly basis.</p>	<p>The Monitoring Officer did not have to publish any statutory reports during the 2024/25 year.</p>	<p>As the Monitoring Officer did not have to publish any statutory report during the 2024/25 year no recommendations are made.</p>

B – Openness and Engagement**Ensuring openness and comprehensive stakeholder engagement**

Process	Means by which this is achieved:	How well are we progressing and how do we know?	Priorities/Challenges for 2025/26?
Consulting and Engaging with Citizens and Service Users	<p>There are numerous network groups representing a range of interests from the youth forum to the ageing well network as well as fora that we engage with to seek the views of those with specified protected characteristics as recognised by The Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011. All consultations are published on the Council website providing residents with a comprehensive 360-degree overview of the consultation process. This approach aims to improve transparency and encourage active participation.</p> <p>Secondary sources of information are also utilised to build a comprehensive picture. Such data is used within the Annual report and self-assessment.</p>	<p>- During the year, the Authority undertook extensive consultation on its Budget, which included a week of face-to-face member seminars as well as Insight events for young people, on-line surveys, social media, and stake holder meetings with Town and Community Councils and Unions. The results of the consultations are considered and presented to Cabinet and County Council as part of the Budget Strategy Report. This year, there were 2,905 responses.</p> <p>- Responses to our Residents Survey for 2024 saw a slight decrease of 9% on the previous year, receiving 3,597 responses. This remains a significant improvement on our baseline year in 2022.</p> <p>- Additionally, a recent Housing and regeneration masterplan received 2,522 completed surveys in comparison to 189 in a similar survey run in 2018. The increase in participation is attributed to the closer relationship developed with the Media and Marketing team ensuring that</p>	<p>1. A Council Involvement Strategy has been drafted and is due for Cabinet approval in April 2025. The Strategy outlines the requirements for the Council and confirms some of the current approaches being utilised. Once the Strategy is approved, a cross-departmental officer Task & Finish Group will be convened to further develop our approach and opportunities for involvement across the Council. This includes engagement and consultation activity as well as sharing intelligence gleaned from any involvement work across Council services.</p> <p>2. Data Insight & Performance Team to support in the development and analysis of consultation activity arising from the Local Government and Elections (Wales) Act 2021.</p> <p>3. We will work with other Council services to further develop the Council's involvement and use of data gathered as part of a Council wide involvement, participation, and consultation framework. (12435) (WAO Regulatory Recommendation – 'Use of Data').</p>

Process	Means by which this is achieved:	How well are we progressing and how do we know?	Priorities/Challenges for 2025/26?
		consultations are promoted on social media and the corporate website and are sent to all key stakeholders.	4. The Council should explore the options available to share performance information in a more transparent and easily accessible way. This extends to sharing with residents (where possible) how and why financial resources are spent and invested where they are.
Complaints	<p>The Council has a Complaints Policy (adopted in 2021/22) for corporate complaints based on an All-Wales model and issued by the Complaints Standards Agency under powers contained within Section 36 of the Public Services Ombudsman (Wales) Act 2019.</p> <p>The procedure for complaints and compliments is outlined and statistics and analysis of the complaints received are reported as part of quarterly performance monitoring.</p> <p>The Council has a centralised Corporate Complaints Team for most services and this team liaise with other relevant Council services to respond to complaints. The exception being that Adult social services and Childrens social services are managed by the Communities Department.</p>	<p>The breakdown of the complaints investigated and responded to during 2024/25 as follows:</p> <ul style="list-style-type: none"> • Corporate complaints: 1,564 complaints received. 35 complaints progressed to Stage 2. • Statutory adult social care complaints: 62 Stage 1 complaints and 7 Stage 2. • Statutory children's social care complaints: 47 Stage 1 complaints and 8 Stage 2. <p>The Council has not been able to respond to all complaints within statutory timescales:</p> <ul style="list-style-type: none"> • Corporate complaints: 65% of Stage 1 and 12% of Stage 2 complaints were responded to within statutory timescales. • Statutory adult social care complaints: 52 (67%) Stage 1 and 7 (57%) Stage 2 complaints responded to within statutory timescales. There were also 3 corporate complaints at Stage 1 (100%) and no Stage 2 complaints. 	<p>1. During 2024/25, we have seen the Stage 2 complaints increasing in numbers and complexity. This has had a direct impact on our ability to reach the statutory timescales. We acknowledge that performance in terms of responding to complaints within statutory timescales is below where we would want it to be, especially for Stage 2 complaints.</p> <p>2. During 2024-25, we have appointed to a new Complaints Management Officer role as part of the corporate complaints team to support the management of Stage 2 complaints. They are scheduled to join the team during the summer, 2025.</p>

Process	Means by which this is achieved:	How well are we progressing and how do we know?	Priorities/Challenges for 2025/26?
	For social services related complaints (adult and children) the Council works in accordance with the Social Services Complaints Procedure (Wales) Regulations 2014.	<ul style="list-style-type: none"> Statutory children's social care complaints: 47 (45%) Stage 1 and 8 (13%) Stage 2 complaints responded to within statutory timescales. There were also 10 Children's Services corporate complaints at Stage 1 (80%) and 1 at Stage 2 (0%). <p>There is now a varied training programme in place for complaints.</p>	3. Arrangements for greater analysis of complaints trends and patterns are being put in place to improve learning from complaints and sharing of knowledge and understanding with a key focus on working to resolve issues.
Public Service and Ombudsman	<p>The Public Services Ombudsman for Wales considers complaints from members of the public and members in relation to Members' conduct, and from members of the public in relation to alleged maladministration and has powers to instigate investigations of her own initiative. Her Report is published annually.</p> <p>S.16 Ombudsman's Public Interest Reports are reported to County Council as required by law.</p> <p>We provide data on a quarterly basis to the Ombudsman's Complaints Standards Agency.</p>	<p>-We provide data on a quarterly basis to the Ombudsman's Complaints Standards Agency, which is an Agency created to drive improvements across Authorities in relation to complaints handling and outcomes.</p> <p>-No Public Interest Reports were issued against the Authority during the 2024/25 year. No referrals were made for hearings into any complaints about County Councillors conduct, either to the Authority's Standards Committee or to the Adjudication Panel for Wales during 2023/24.</p>	It is essential to establish clear priorities that will enhance our efforts in collaboration with the Ombudsman. The Ombudsman plays a crucial role in ensuring accountability, transparency, and fairness within the council. We will ensure that the public is well-informed about their rights and the services provided by the Ombudsman. We will ensure that our work with the Ombudsman during 2025/26 will lead to improvements in accountability and transparency. These efforts will benefit the council.

Process	Means by which this is achieved:	How well are we progressing and how do we know?	Priorities/Challenges for 2025/26?
Communication	<p>The Authority's Marketing and Media team promotes the work of the council and supports proactive engagement with members of the public, helping them to access information on council services. The Hwbs in Ammanford, Carmarthen and Llanelli offer pre-booked appointments and drop-in advice to an average of 5,500 residents per month, as well as providing advice and access to training and employment support.</p> <p>Hwb bach y wlad collaborates with key partner agencies to deliver a comprehensive range of services designed to support the wellbeing and financial resilience of rural communities in Carmarthenshire.</p> <p>The Marketing and Media team work with the Cabinet and Departmental Management Teams to plan proactive communications, supporting service areas to engage with the right people, at the right time, in the right way.</p>	<p>- My Hwb account for online services and payments continues to be an effective way to access services.</p> <p>Throughout 2024/25 we have seen residents and businesses accessing information, support and council services online, the number of sessions on our website has this year again reached over 4.5 million.</p> <p>Accessibility of information is key is very important to us, this year we worked with DAC (Digital Accessibility Centre) to audit our website to make sure their digital products/ services are usable and comply wherever possible with level AA of the Web Content Accessibility Guidelines (WCAG 2.2) in line with the requirements of The Equality Act 2010. It is so important to remember that residents, visitors and businesses are now accessing the website in various ways, 62.9% access using their mobile device. This is key when considering how to present information to ensure we engage to as a wide an audience as possible. Social media continues to be a great way to communicate.</p> <p>X published posts – 1,151 Facebook post impressions – 6.9 million Facebook reach – 6.5 million Face book published posts – 1,627 New Facebook followers – 1,876 (1,458 in 23/24) Total followers – 27,931 New X followers – -332 (-12) Total followers – 11,317</p>	<ol style="list-style-type: none"> 1. We will continue exploring ways to engage with our external customers in a clear and consistent manner. 2. We will continue to promote services and to promote the work of the council. Assist and inform the public as to how and why financial resources are allocated and invested. https://vimeo.com/1045390849 3. Council communications now align with and reference the Corporate Strategy and well –being objectives.

C – Making a Difference

Defining outcomes in terms of sustainable economic, social, and environmental benefits.

Process	Means by which this is achieved:	How well are we progressing and how do we know?	Priorities/Challenges for 2025/26?
Purpose and Vision	<p>The Well-being of Future Generations Act places a duty on public bodies to act jointly through the Carmarthenshire Public Services Board (PSB), which the Authority is a member of.</p> <p>The Council's Corporate Strategy, published in March 2023, was shaped by the findings of the well-being assessment, and confirms four well-being objectives as can be found on the Authority's webpage; Start Well, Live & Age Well, Prosperous Communities, and Our Council.</p>	<ul style="list-style-type: none"> - The PSB seeks to improve the overall well-being of Carmarthenshire residents through its Well-being Plan and focuses on 5 well-being objectives; these were developed based on the findings of a well-being assessment undertaken. During the year the PSB has taken action to make progress against the objectives and steps identified. -The Council's business planning processes are fully aligned to the Corporate Strategy Well-being Objectives, Thematic and Service priorities. - As a Council we already have a lot of data that we report and the Data Insight Team are looking to improve the way we use intelligence and understanding to inform service planning, setting a corporate approach to become a data driven authority. Furthermore, we are stepping up the use of data within our business planning. 	<p>1.The PSB will continue to monitor progress on the steps already being implemented and has a number of task and finish groups with multi-agency membership to progress the different areas of work.</p> <p>2.During 2025/26 we will continue to develop the Corporate Data Suite to support the Corporate Strategy for 2022-2027 and key policy areas.</p>

Process	Means by which this is achieved:	How well are we progressing and how do we know?	Priorities/Challenges for 2025/26?
Well-being of Future Generations Act	<p>The Act identifies ‘a core set of activities that are common to the corporate governance of public bodies (SPF1 Para 47). Applying the requirements of the Act to these activities is likely to most effectively secure the type of change required.’</p> <p>The general purpose of the Act is to ensure that the governance arrangements of public bodies are aligned to improving the well-being of Wales, taking the needs of future generations into account. As a public body we must publish our Well-being Objectives to maximise our contribution to the National Well-being Goals.</p>	<p>- We address the Act through our Corporate Strategy Annual Report, and wellbeing statement.</p> <p>- In December 2024 we published a Council Annual Report on our progress during 2023/24. It provides a comprehensive and balanced assessment and information to the public about our services, so that they can see how we are performing and the challenges we are facing. We used a range of information to inform our self-assessment of each Well-being Objective and triangulate evidence to make a judgement on progress</p>	<p>1. We need to continue to promote the Well-being of Future Generations Act and the sustainable development principle, and when we reset our Corporate Strategy and Well-being Objectives following Local Government elections, we will involve our stakeholders in identifying future priorities in order to inform the Council's well-being objectives and ensure that the work of the whole organisation fully aligns to the delivery of those objectives.</p>
Local Govt & Elections Wales Act 2021	<p>This Act established a new and reformed legislative framework for local government elections, democracy, governance and performance. It replaces the Local Government Measure 2009. Duties of the Council as per Part 6 include the duty to keep performance under review, consult on performance, report on performance, arrange a panel performance assessment, and respond to said panel assessment.</p>	<p>-Our Annual Self-Assessment of these Performance Requirements consisted of a self-assessment by each division against the requirements, with self-scoring in terms of meeting the expectations. Self-Assessments were then pulled together to form an overall corporate self-assessment which was incorporated into the Council's Annual Report.</p>	<p>1. We will continue to enhance the use of information and intelligence from a range of sources to inform quarterly Performance Management Monitoring Reports.</p> <p>2. We will ensure the Council fully embeds the requirements relating to performance and governance of the Local Government and Elections Act and align them to our current duties relating to the Well-being of Future Generations Act.</p>

Process	Means by which this is achieved:	How well are we progressing and how do we know?	Priorities/Challenges for 2025/26?
		- As part of our duty to assess the degree to which we are meeting our performance requirements the Council will be subject to its first Panel Performance Assessment in 2025/26. This is based around the concept of sector-led support and improvement.	3. We will publish a Council Annual Report for the period 2024-25, embedding self-assessment requirements, that brings together the expectations of the Local Government and Elections Act Wales 2021 and the Well-being of Future Generations Act. 4. The Marketing & Media Team and Data Insight and Performance Team will support in the development and analysis of consultation activity arising from the Local Government and Elections Act. 5. We will host and respond to the findings of the Carmarthenshire Panel Performance Assessment in line with Statutory Guidelines.
Leader's Annual Report/ 5-Year Plan	Following local government elections in May 2022 the administration published its Cabinet Vision Statement for 2022-27 in July 2022. This Vision Statement guided the development of the new Corporate Strategy and Well-being Objectives and actions are embedded in service delivery plans.	- The 113 commitments are being tracked and monitored via the Council's Performance and Improvement Monitoring System (PIMS) and reported on a quarterly basis.	1. Leader and Chief Executive meet quarterly to monitor progress and report any issues to progress through performance management arrangements.

D – Making sure we achieve what we set out to do

Determining the interventions necessary to optimise the achievement of the intended outcomes.

Process	Means by which this is achieved:	How well are we progressing and how do we know?	Priorities/Challenges for 2025/26?
Managing Performance / Scrutiny Function	<p>The Corporate Strategy's Well-being Objectives identify the key steps that will be taken to deliver the objectives. These steps are supported by detailed actions and measures that are identified in Business Plans. These actions and measures are monitored on PIMS. This enables responsible officers to update progress on a quarterly basis that can be monitored and approved by Heads of Service and reviewed at Departmental Management Teams. On a quarterly basis the Corporate Management Team and Cabinet Members examine performance at dedicated meetings.</p> <p>Scrutiny committees receive quarterly Performance Management reports as well as the end of year report. Reports are prepared to respond to the specific portfolio areas of each committee. Supplementary and more detailed reports on sickness absence and well-being are reported in Q2 and Q4.</p>	<ul style="list-style-type: none"> - The performance management framework sets out the Council's approach to monitoring and managing the performance of the Council's services. Its aim is to keep the Council on track and focused on delivery of its key priorities; by providing councillors, managers and staff with the information and tools they need to deliver high-quality and high-performing services which help to achieve good outcomes for residents. - Integrated quarterly monitoring reports are continually being developed to build up a more rounded view of progress. - All business plans are aligned to the Corporate Strategy and the actions and measures set to deliver the strategy are monitored quarterly and reports tailored to each Scrutiny remit are made available quarterly. - Annual Reporting - We produce an Annual Report that looks at how we are progressing our Well-being Objectives and meeting our 'Performance Requirements'. - As part of our duty to assess the degree to which we are meeting our performance requirements the Council will be subject to its first Panel Performance Assessment in 25/26. This is based around the concept of sector-led support and improvement. 	<ol style="list-style-type: none"> 1. We will continue to enhance the use of information and intelligence from a range of sources to inform quarterly Performance Management Monitoring Reports. 2. We will continue to develop the Corporate Data Suite to support the Corporate Strategy for 2022-27 and key policy areas. 3. We will host and respond to the findings of the Carmarthenshire Panel Performance Assessment.

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

Process	Means by which this is achieved:	How well are we progressing/have we progressed and how do we know:	Priorities/Challenges for 2025/26?
Democratic Services Committee	This is a statutory Committee with terms of reference which include promoting and supporting good governance. An important aspect of that aim is secured by the provision of reasonable training and development opportunities for Members and the appointment of the Chair of the Committee as the Member Development Champion.	n/a	n/a
Managing our workforce	<p>The Council's Workforce Strategy has 5 key objectives which have been developed to underpin the Council's Corporate Strategy, Transformation Strategy and Cabinet Vision. This is underpinned by a 5-year delivery plan and a suite of measures to assess its effectiveness.</p> <p>The Council's workforce and succession planning framework provides managers with the tools to effectively forward plan. Our Learning and Development policy outlines our commitment to fair access to learning for all; sitting alongside that is our Learning Management System (Thinqi).</p>	<p>Investors in People Accreditation since 2009 Achieved the Gold Standard in 2022. Review identified "Expectations and Recognition" as an area in need of improvement as does the most recent Annual Staff Engagement Survey.</p> <p>Audit Wales Review of Workforce Management (2022). Overall, the review found that the Council is improving the strategic planning for its workforce and is taking action to address staff capacity issues in key service areas, but recognises that performance monitoring of workforce management needs strengthening.</p>	<p>1. Safeguarding - Finalise volunteer policy, guidance and database.</p> <p>2. Data - Further develop the way we use our workforce data via the development of a workforce performance dashboard.</p> <p>3. Workforce Planning - Encourage managers to continue to use the workforce planning resources and translate activities into Workforce Planning Action Plans for their service.</p>

Process	Means by which this is achieved:	How well are we progressing/have we progressed and how do we know:	Priorities/Challenges for 2025/26?
	<p>We have a range of flexible HR policies that help us manage and support our workforce. Our Occupational Health team supports staff to remain in work or return to work following a period of absence. We have a corporate Health and Safety Team that helps to ensure the health, safety and welfare of our staff while you are at work.</p> <p>Safeguarding in employment continues to be a high priority and related policies and guidance ensure that our recruitment and ongoing employment processes are as robust as possible. We have recently appointed a Lead Business Partner - Resourcing & Safe Employment who will drive forward the recommendations of the Audit Wales review.</p>	<p>Workforce Planning resources now available for managers to support resource planning. Workforce Planning seen as an integral part of the business planning cycle.</p> <p>Sickness Absence Monitoring Reports - CMT / Cabinet / Scrutiny Committee monitors performance on a regular basis. Also, Heads of Service have access to real time data in relation to attendance.</p> <p>Annual Staff Engagement Survey - tells us how engaged our staff are in terms of working for us. Overall results are positive with staff feeling proud to work for the Council and being willing to recommend us as an employer</p> <p>Staff Surveys – periodic surveys on specific topics provide feedback for improvement or help to inform policy development e.g. Sexual Harassment Survey March 2025</p> <p>Corporate Health Standard – We retained the recognition in March 2023 and have been awarded the Platinum standard.</p>	

Process	Means by which this is achieved:	How well are we progressing/have we progressed and how do we know:	Priorities/Challenges for 2025/26?
		<p>Employee Wellbeing Annual Report - CMT monitoring report. This report provides a comprehensive overview of activities for CMT and the Authority, including detailed reporting on accident and near-miss incidents, statutory Health and Safety performance metrics, and the range of support services delivered by the Employee Wellbeing function, all within the context of our Health, Safety, and Wellbeing framework</p> <p>Regular update reports to the Transformation Board from the Workforce Transformation Group on key projects.</p>	
Scheme of Delegation to Officers	The Scheme of Delegation itemises the range of decisions which are delegated to officers, whether by the Council or by the Cabinet. In exercising delegated powers Officers must comply both with any statutory requirements and the Council's Policy and Budget Framework, amongst other requirements. Any significant decisions must be recorded and are subject to the call-in rules. Significant executive decisions by officers are published.	<p>- Each Department will maintain its own records of delegated decisions made by officers.</p> <p>The more significant decisions are published and made available for call in before they can be implemented.</p>	1. The Scheme of Delegation is incorporated within the Constitution. An updated scheme of delegation will be presented for approval at the Annual meeting on 21 st May 2025.

F – Managing Risks, Performance, and Finance

Managing risks and performance through robust internal control and strong public financial management.

Process	Means by which this is achieved:	How well are we progressing/have we progressed and how do we know:	Priorities/Challenges for 2025/26?
Risk Management	<p>The Authority's Risk Management Steering Group reports its activity to the Governance and Audit committee. The group comprises of the Risk Champion Cabinet Member, Departmental Risk Champions and is chaired by a Head of Service.</p> <p>The Authority aims to embed good risk management into all its processes including a specific section in Committee Reports for the implications from a Risk Management perspective to be discussed and explained. Corporate, Service and Project Risks are captured within Risk Registers. We use "Web Based Risk Register Software". All Departments have direct inputting access.</p> <p>The Corporate Risk Register is reported to the Governance and Audit Committee on a six-monthly basis, following quarterly review and critical assessment of the risks by Corporate Management Team (CMT).</p>	<ul style="list-style-type: none"> - Workshops have been held with CMT and Heads of Service to develop a Risk Appetite Statement. These workshops resulted in a comprehensive Statement and provides a framework for informed decision-making. - A dedicated Risk Training session was delivered for Cabinet and Governance and Audit Committee Members on 27th June 2023. - WLGA in conjunction with ALARM (Embrace Risk) arranged a pan Wales training Seminar specifically for Members of Governance and Audit Committees, on March 19th, 2024 - 'WLGA Essentials: Risk management for councillors (governance and audit)'. - Following an independent review of the Corporate Risk register, recommendations were made for improvement and progress. This review was crucial in identifying gaps and has led to significant enhancements and changes to the Risk Management Strategy. 	<ol style="list-style-type: none"> 1. Continue to keep under review where training / awareness sessions are required in relation to Risk. Continually keep under review the Corporate Risk Register and ensure continuous improvement on the reporting of corporate risks. 2. Maintain ongoing oversight of the Corporate Risk Register and continuously enhance the reporting of corporate risks to ensure they are clearly articulated, strategic, and effectively governed 3. Risk Management Strategy to be considered by CMT May 2025 and then presented to Governance & Audit Committee.

Process	Means by which this is achieved:	How well are we progressing/have we progressed and how do we know:	Priorities/Challenges for 2025/26?
		<p>The Corporate Risk Register is included on each Directorate Management Team's agenda biannually. During these meetings, Risk Officers attend to discuss Directorate respective risks in detail, providing challenges on content, scoring, definitions, and other relevant aspects.</p> <p>Regular monthly meetings are conducted with departmental risk management administrators to discuss new approaches and emerging issues. The new risk form was piloted by these individuals and is now being implemented for risk recording across each department.</p>	
Risk Management Steering Group	<p>The Risk Management Steering Group examines how Risk Management can be developed and help ensure that Risk Management is embedded in decision making throughout the organisation. The Group meet quarterly and is supported by the work of its Sub-groups i.e. Property & Liability Risks, Motor Fleet Risks, and Contingency Planning.</p>	<ul style="list-style-type: none"> - The Terms of Reference of the Risk Management Steering Group and its various subgroups have been reviewed and implemented. This allows the Strategic Group to adopt more of a strategic approach to its consideration of risk management issues, such as undertaking regular reviews of the Corporate Risk Register. - Business continuity has been identified as an area for monitoring through the Corporate Risk Register. Business Continuity templates have been revised and reviewed by the Contingency Planning Group. 	<p>1. The Steering Group's role in allocating the £250k of risk management funding could be strengthened by introducing clearer criteria for how this funding is prioritised and spent on an annual basis.</p> <p>2 Enhance business continuity plans: ensure that effective BCPs are in place to mitigate operational disruptions, financial losses and reputational damage.</p> <p>3 Test Business Continuity Plans</p>

Process	Means by which this is achieved:	How well are we progressing/have we progressed and how do we know:	Priorities/Challenges for 2025/26?
		These templates have now been issued through the Risk Champions for use by all services. IT systems form a greater part in the assessment and IT support has been offered to any service wishing to use their skills and knowledge to complete their business continuity plans.	
Scrutiny Committees	<p>The Authority has five Scrutiny Committees. The Scrutiny Function plays a valuable role in ensuring performance improvement and challenge. The role of Scrutiny in “Task and Finish Groups” has clearly had a positive influence on policy development.</p> <p>The Authority has a well-developed system of performance management. Scrutiny Committees receive quarterly reports and an Annual Report on performance which includes an update on all Performance Indicators and Key Actions contained within the Corporate Strategy.</p> <p>Under the Council’s constitution, any 3 Council Members have the power to call-in executive decisions in respect of their own functional responsibilities, whether taken by the Cabinet collectively or by individual Cabinet Members on their own portfolio areas.</p>	<p>- The Chairs and Vice-Chairs of Scrutiny Forum meets on a quarterly basis to discuss and propose improvements to the scrutiny function for consideration by the Authority’s Constitutional Review Working Group; to put forward items for discussion at the biannual meetings with the Cabinet; and acts as a forum for sharing scrutiny good practice.</p> <p>In February 2025 we arranged a WLGA hosted two-day Scrutiny Self-Assessment Workshop. The self-assessment process concentrated on:</p> <p>Part One: Effective Scrutiny workshop</p> <ul style="list-style-type: none"> • Understand and agree the role and purpose of the scrutiny function • Review the characteristics of effective scrutiny • Review your approaches to scrutiny 	<p>A common theme across all local authorities is the challenge to increase public participation in Scrutiny. We will continue to promote Scrutiny through its Communication Plan.</p> <p>Members further promoting Scrutiny themselves was agreed as part of self-assessment workshops.</p> <p>Member participation in Scrutiny committees is being monitored and a pro-active approach by officers to encourage participation is being undertaken.</p>

Process	Means by which this is achieved:	How well are we progressing/have we progressed and how do we know:	Priorities/Challenges for 2025/26?
	In line with the formula set out in the Local Government Measure 2011, the Chairs of two out of the Authority's five Scrutiny Committees are allocated to the Opposition.	Part Two: Self evaluation <ul style="list-style-type: none"> • Assess overall scrutiny performance • Reflect on individual and committee practices • Identify any improvements that could be made personally and locally. 	
Financial Admin (s.151 Officer)	<p>The Director of Corporate Services is the responsible officer for the administration of the Authority's affairs under Section 151 of the Local Government Act 1972 and carries overall responsibility for the financial administration of the County Council. CIPFA have published a detailed account of the S151 officers' role in Local Government – CIPFA S151.</p> <p>The Financial Services Division provides support to Departments and co-ordinates and supports the budget preparation and financial monitoring process. The Authority operates to a defined set of Financial Procedure Rules and Contract Procedure Rules which are maintained by the Corporate Services Department, with any amendments approved by the Governance and Audit Committee.</p>	<p>Internal Audit's overall opinion reported in July 2023 to the Governance and Audit Committee: The Authority has an ACCEPTABLE control environment in operation.</p> <p>Financial Procedure Rules and Corporate Procurement Rules are regularly reviewed and updated when appropriate. Financial Procedure Rules went to Governance and Audit Committee in July 2022. Corporate Procurement Rules went to Governance and Audit Committee in September 2023.</p> <p>In September 2024, Audit Wales issued an unqualified audit report in respect of our 2023/24 Statement of Accounts, with Carmarthenshire being the first Welsh Local Authority to gain this assurance for that year.</p> <p>During the year, Carmarthenshire continued to provide the S151 Officer as well as financial support functions to the Swansea Bay City Region, the South West Wales Corporate Joint Committee and the Wales Pension Partnership.</p>	<p>1. Whilst the Local Authority was able to meet our own goal of completing the draft accounts by the end of June, and audit completion by the end of September, this was challenging to deliver. It is now required (under guidance issued by Audit Wales) that draft accounts preparation and audited accounts signoff should be 30th June and 30th September respectively. We need to ensure that we continue to deliver against these deadlines – this includes the desktop valuation of the majority of property assets. In particular, the 2024/25 accounts preparation will include a change to the adoption of IFRS16 (Leases), a requirement for the 2024/25 statement.</p> <p>2. The scores from our residents' survey suggest that more work is needed either to engage residents to understand how the council uses financial resources, and to seek their views on what or how we could do better.</p> <p>3. Medium-Term Financial Planning - need to do further work on aligning with Transformation Strategy and Corporate Strategy</p>

Process	Means by which this is achieved:	How well are we progressing/have we progressed and how do we know:	Priorities/Challenges for 2025/26?
Dyfed Pension Fund Committee	<p>Carmarthenshire County Council is the statutorily appointed Administering Authority for the Dyfed Pension Fund. The Pension Fund Committee comprises of three County Council Members plus a nominated substitute to act in the absence of a member.</p> <p>The Pension Fund Committee has the following responsibilities: To review the performance of the Dyfed Pension Fund, decide on the strategic direction of all matters relating to the investment of the Fund and monitor all aspects of the investment function and to determine on Administering Authority Pension Fund matters.</p>	<p>- There has been sustained high levels of engagement related to climate change as well as other ESG matters including Israel/Palestine, which the fund has continued to engage in with various organisations. The fund has recognised climate related risk within its investment performance and established a responsible investment policy.</p>	<p>1. Legislation introduced by the new Westminster government requires significant changes to the governance of the Wales Pension Partnership – this is an extremely demanding agenda, with very accelerated timescales which are requiring work to be undertaken immediately, including during the consultation period</p>
The City Deal	<p>On the 29th of August 2018 Carmarthenshire County Council, Neath Port Talbot County Borough Council, Pembrokeshire County Council and the Council of the City and County of Swansea signed an Agreement for the establishment of a Joint Committee for the Swansea Bay City Region.</p> <p>The first meeting of the Joint Committee was held on the 30th of August 2018. Carmarthenshire is the Accountable Body for the City Deal function.</p>	<p>The Portfolio received an Amber-Green Delivery Confidence Assessment (DCA) rating, the third consecutive Amber-Green rating, indicating that the Portfolio is in good shape and indications are that successful delivery appears probable.</p> <p>The Portfolio continues to make progress under the leadership of a strong SRO and Portfolio Director. The Portfolio continues to exercise good disciplines and work well with the individual SROs across the multiple partners in a quest to capitalise on the opportunities SBCE presents to the region.</p>	<p>1. The Welsh Cities and Growth Implementation Board were very complimentary in respect of the progress the Swansea Bay City Deal has made and acknowledged that the Portfolio is in full delivery, well managed and making good progress.</p> <p>The Conclusions from the reports and reviews noted above will strengthen governance arrangements, internal process and support best practise to ensure the successful the delivery of programmes and projects.</p>

Process	Means by which this is achieved:	How well are we progressing/have we progressed and how do we know:	Priorities/Challenges for 2025/26?
	<p>The Joint Committee is made up of the Leaders of the four regional Authorities and one non-voting, co-opted member each from the Hywel Dda University Health Board, Swansea Bay University Health Board, Swansea University and the University of Wales Trinity Saint David. A Joint Scrutiny Committee has also been formed, with the scrutiny function being administered by Neath Port Talbot County Borough Council.</p> <p>A portfolio of nine programmes and projects has been approved under the Swansea Bay City Deal – three of which are delivered regionally.</p>	<p>There is a need to keep all parts of the Portfolio strategically relevant in enabling, contributing to, or delivering directly the Outcomes and Benefits intended. The Review Team made four recommendations to the Portfolio SRO to ensure that the portfolio is positioned for effective management and delivery. Communications regarding strategic intent, benefits management, governance (in terms of the alignment with the CJC) and maximising value from dependencies and opportunities, particularly in relation to the private sector.</p> <p>-The internal audit report has determined an audit assurance rating of 'Substantial'; There are none or few weaknesses in the adequacy and/or effectiveness of the governance, internal control, risk management and financial management arrangements, and they would either be unlikely to occur or their impact is not likely to affect the achievement of the SBCD objectives.</p>	<p>As the portfolio is now well into its delivery phase, there is an emphasis on benefits realisation, change management process, risk management and maximising the impact of the SBCD across the region. Recommendations will be reviewed and implemented within portfolio management, governance and control activities and monitored in line with governance arrangements.</p> <p>We are in the process of carrying out a review on regional governance structures in southwest and how best to align current structures between the City Deal and Corporate Joint Committees (CJC)</p>

Process	Means by which this is achieved:	How well are we progressing/have we progressed and how do we know:	Priorities/Challenges for 2025/26?
Partneriaeth	The Joint Committee between Carmarthenshire, Swansea, and Pembrokeshire – “Partneriaeth” - has been established, and the relevant staff transferred from the predecessor ERW to Partneriaeth. This framework delivers some of the objectives that were previously being provided by ERW namely professional development of the school workforce and the design and development of a new curriculum.	Regional arrangements to support the delivery of educational improvements are currently being delivered by Partneriaeth via a Legal Agreement effective from 2022, creating a Joint Committee between the Local Authorities of Carmarthenshire, Pembrokeshire and Swansea. Clause 20 of the Legal Agreement allows the Parties to terminate the current arrangements on terms to be jointly agreed. The Partneriaeth Joint Committee met on 18 October 2024 to agree new running costs and note the proposal to reduce governance arrangements. In addition, it was noted that the decision making to transfer from a joint committee model to a new collaboration agreement would be a matter for each constituent Council of Partneriaeth. As a result, a Cabinet report was brought forward in December 2024 to seek formal approval of the future arrangements.	Enter into a new collaboration agreement with effect from 1 st April 2025. A new Collaboration Agreement is required to maintain a proportionate level of governance to maintain collective responsibility and effective partnership working.

Process	Means by which this is achieved:	How well are we progressing/have we progressed and how do we know:	Priorities/Challenges for 2025/26?
School Finances	<p>School finances are governed by the Local Management of Schools system, which delegates financial management responsibilities to individual schools. Overall school funding is allocated according to the fair funding formula.</p> <p>School finances are governed by the Local Management of Schools system, which delegates financial management responsibilities to individual schools. Overall school funding is allocated according to the fair funding formula.</p>	<p>During the year, budget monitoring identified significant overspends within both schools as well as children's and family services both by value as well as on a proportional basis. Monitoring was through the corporate reporting process, and additional reporting was put in place through the Corporate Management team, Scrutiny function, with the Governance and Audit Committee holding two dedicated workshops focussing on budgetary controls and drivers behind the areas of overspend. Schools with the largest in year overspends have been provided with targeted support, and the Deputy Chief Executive chairs a children's services officers board charged with overseeing the implementation of an agreed improvement plan</p> <p>The position at the end of the year is that whilst the overall corporate position has improved, both schools and children's services structural overspends have persisted.</p>	<p>In respect of budgetary overspends, continued close monitoring through existing governance structures is required, with further support and intervention needed both to address both structural budgetary issues as well as overspends in individual areas and schools.</p>

G – Good transparency and accountability

Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

Process	Means by which this is achieved:	How well are we progressing/have we progressed and how do we know:	Priorities/Challenges for 2025/26?
Governance and Audit, Standards, and Democratic Services Committees	<p>The Governance and Audit Committee is a key component of Corporate Governance, meeting throughout the year and providing a source of assurance about the Authority's arrangements for managing risk, maintaining an effective control environment and reporting on financial as well as nonfinancial performance. The Governance and Audit Committee also has delegated responsibilities for approving the Authority's Statement of Accounts.</p> <p>The Standards Committee (which includes many lay persons) promotes high standards of conduct for Members as well as maintaining an overview of the Authority's processes for complaints handling and its Whistleblowing Procedure.</p>	<p>During 2022/23, appointments were confirmed for three of the lay members, and by the end of the year, an applicant to fill the remaining vacancy had been selected and appointed by full Council on the 19th of April 2023. Governance and Audit Committee agree on their development needs and a training programme is agreed.</p> <p>- The Governance and Audit Committee held a Self-Assessment session in May 2023. An action plan was devised and agreed, and delivery of the actions was completed by July 2024 through the delivery of the Committee's Annual Report. The action plan ensures that the improvement and development plan is up to date and reflects the needs of the Committee and contributes towards the Authority's self-assessment.</p>	<p>1. The Governance and Audit Committee should revisit the self-assessment of its role and responsibilities to ascertain where further improvements and development are required.</p> <p>2. A workshop/training session to be arranged for the Governance and Audit Committee on the new Internal Audit Standards (GIAS in the UK Public Sector).</p>

Process	Means by which this is achieved:	How well are we progressing/have we progressed and how do we know:	Priorities/Challenges for 2025/26?
	The Authority also has a Democratic Services Committee (5 Elected Members) and a statutory designated Head of Democratic Services. The Committee's terms of reference as set by the Authority include securing the provision of reasonable training and development opportunities for Members, appointing a Member Development Champion and promoting and supporting good governance.	- - The Global Internal Audit Standards in the UK Public Sector (GIAS in the UK Public Sector) came into force on 1 April 2025; the Internal Audit team has undertaken training sessions on the new standards and updated the necessary documentation to bring working practices in line with the requirements of the new standards. The Internal Audit Charter has been updated, and an Internal Audit Strategy implemented – with both documents being approved by the Governance and Audit Committee at its meeting in March 2025.	
Internal Audit	The review of the effectiveness of the system of Internal Control and Governance arrangements is informed by the work of the Internal Auditors on which the Authority gains assurance. Internal Audit is required to undertake their work in accordance with the standards as set out in the Public Sector Internal Audit Standards (PSIAS). The PSIAS established in 2013 are the agreed professional standards for Internal Audit in Local Government. As required by the Standards, the Head of Internal Audit prepares an annual report for consideration by the Governance and Audit Committee. The format of the	-Strategic and Annual Audit Plans presented to Governance and Audit Committee in the March meetings. Quarterly updates are provided on the work carried out and Annual Report is presented every July. -Actions to deliver recommendations made in 2022/23 External Quality Assessment have all been completed. -Client feedback surveys have been introduced during the year, which assist us to know how we are doing. From the results so far, we have received positive affirmations (Excellent or Good) to over 90% of the questions. Results of the surveys are used as a discussion basis to improve our performance.	1. Review the effectiveness of the new performance indicators introduced in 2022/23 to ensure that the aim of assisting the service in becoming more efficient is delivered. 2. Review the results of surveys to assist service improvement. 3. Ensure the function is adhering to and complying with the new Global Internal Audit Standards in the UK Public Sector, which replaced the PSIAS, from 1 April 2025.

Process	Means by which this is achieved:	How well are we progressing/have we progressed and how do we know:	Priorities/Challenges for 2025/26?
	<p>Annual Report complies with the requirements of the Code of Practice.</p> <p>The Authority maintains an effective Internal Audit function. The Strategic and Annual Audit Plans are approved by Governance and Audit Committee annually and regular reports are made to the Governance and Audit Committee throughout the year on progress and any significant weaknesses identified.</p> <p>In addition to the planned work, the Internal Audit Unit undertakes fraud investigation and proactive fraud detection work.</p> <p>Action plan responses to Internal Audit reviews are entered into the Council's Performance Information Monitoring System (PIMS) and progress is updated quarterly by responsible officers.</p>		
External Regulators	Services are reviewed during the year by external regulators, such as Estyn, CIW and Audit Wales (formerly Wales Audit Office). The subsequent reports are actioned accordingly.	- We track Audit Wales and Care Inspectorate Wales National and Local Regulatory report recommendations and report on them quarterly.	1. To liaise with Audit Wales and other regulatory bodies on their local and national audit programmes.

Process	Means by which this is achieved:	How well are we progressing/have we progressed and how do we know:	Priorities/Challenges for 2025/26?
	<p>Each year Audit Wales, as External Auditor to the Authority complete work to meet the Audit of Accounts, Value for Money, Continuous Improvement, and Sustainable development principle.</p> <p>We also maintain a log of regulatory reports and recommendations. The external regulatory reviews recommendations or proposals for improvement are entered into the Council's Performance Information Monitoring System and progress is reported quarterly on dashboards. An Annual Report is issued to the Governance and Audit Committee.</p>	<ul style="list-style-type: none"> - We also submit an annual report on Audit Wales recommendations to the Governance and Audit Committee. - We expect all reports that are going to be reported to the Governance and Audit Committee to go via CMT. - During the year we have agreed that Estyn national report recommendations will be addressed by the newly created Focus Groups set up to support the future direction of Education Services in Carmarthenshire 2022 – 2032 key themes and high-level priorities. 	
Information Assets	<p>The Council's Chief Digital Officer acts as the Authority's Senior Information Risk Owner. A Cyber & Information Governance Group (CIGG) meets regularly to safeguard and secure the Authority's information. Minutes of these meetings are provided for consideration to the Corporate Management Team biannually.</p>	<p>-The Authority employs A Cyber Security Manager, and a Cyber team, who advise on data security. We utilise external advisers and consultants from time to time to test and advise on the Authority's security arrangements.</p> <p>We employ a Data Protection Officer who advises on legal compliance and ensures that policies and procedures are in place and are being adhered to.</p>	<p>1.The CymruSOC is designed to enhance cyber resilience for member bodies by providing a protective, virtual "cyber umbrella" that includes network monitoring, cyber-attack defence, and threat intelligence sharing. The council is currently in the onboarding stage for membership to the CymruSOC with completion set for the end of May 2025.</p>

Process	Means by which this is achieved:	How well are we progressing/have we progressed and how do we know:	Priorities/Challenges for 2025/26?
	There are various safeguards in place to guard against the loss or release of personalised information, including staff training, corporate communications, relevant policies and procedures, a significant number of technical cyber and data protection capabilities, and numerous data protection protocols and procedures.	<p>In addition, we have annual CREST-certified ICT Health Check (ITHC) which is a comprehensive vulnerability assessment, backed by the UK government, that identifies potential security risks in ICT environments, ensuring compliance with standards. This is conducted as part of the Public Services Network (PSN) compliance. We also take part in cyber exercises run by the Welsh Government cyber resilience team.</p> <p>- In 2024/25, a total of 32 personal data breaches were reported and recorded. The SIRO, relevant Director and Head of Service received detailed reports on all these incidents, which were also reported to and discussed at meetings of the Cyber & Information Governance Group. Information on personal data breaches is also included in a bi-annual report to the Corporate Management Team. By comparison, 20 breaches were recorded for 2023/24.</p> <p>- The Cyber Security Team have responded to 53 incidents in the last year.</p>	<p>This involves setting up additional proactive monitoring and incident management expertise to complement the in-house team. Additionally, the CymruSOC provides 24/7 incident management expertise and out-of-hours services.</p> <p>2.The WLGA Cyber Assessment Framework (CAF) is being implemented throughout 2025 across Welsh Local Authorities (LAs) to manage and improve their cyber security infrastructure. The framework includes four pillars that focus on various aspects of cyber security, and full implementation is expected by the end of December 2025. The CAF aims to provide a comprehensive approach to managing cyber security risks, detecting cyber security events, and minimising the impact of cyber security incidents. The framework also involves thematic reviews conducted by Wales Audit to ensure thorough assessment and improvement of cyber security practices.</p> <p>3. Breach reports will be added to the PIMS system to increase visibility within each service area.</p> <p>.</p>

Process	Means by which this is achieved:	How well are we progressing/have we progressed and how do we know:	Priorities/Challenges for 2025/26?
		<p>Each of these were the result of blocked malware or a phishing link that was executed by the user on a device through a malicious email or software download and has required a response by the cyber team to ensure containment, eradication, find out the point of entry, and offer the user support. None of the incidents caused the discovery, loss, or destruction of data or unauthorised access to our infrastructure but nevertheless required a response.</p> <p>In February this year, the cloud hosted recruitment system used by the Council was targeted by a Distributed Denial of Service (DDoS) attack. At no point was there evidence of a data breach or compromise. The attack only affected system performance and availability but highlights the importance of continued supply chain risk management and cyber security assurance checks.</p>	<p>4. We will continue to educate staff highlighting the potential that cybercrime is on the increase and by mandating cyber security awareness training for all staff.</p> <p>5. We will continue to be a member of the regional WARP (Warning, Advice and Reporting Point) group.</p> <p>6. We will ensure a robust approach to Cyber security and sustainable solutions are implemented for Information Governance and fulfil our statutory obligation under the Data Protection Act and ensure we are up to date with revisions in law being introduced in the UK.</p> <p>7. Further increase our use of the latest digital technology to further transform the services delivered by the Council.</p> <p>8. Continue to hold cyber exercises to test the cyber incident response plan and report back to the CIGG group and CMT</p>

Process	Means by which this is achieved:	How well are we progressing/have we progressed and how do we know:	Priorities/Challenges for 2025/26?
Review of Effectiveness	<p>A review of the effectiveness of our Governance arrangements (including the system of Internal Control) is undertaken regularly by the Corporate Governance Group through its work.</p> <p>The review of effectiveness is informed by managers within the Authority who have responsibility for the development and maintenance of the Governance environment, the Head of Internal Audit's Annual Report and by comments made by the External Auditors (Audit Wales).</p>	<p>-The review draws on evidence and assurances from a range of areas including, but not limited to, Council, Cabinet and its members, Governance and Audit Committee, Internal/External Audit, and the Public Services Ombudsman for Wales.</p> <p>-Internal Audit view for 2023/24 assessed the process and supporting evidence for the Annual Governance Statement as high assurance. Annual Governance Statement produced timely in line with the closure timetable.</p>	<p>1. Improve on the completion timetable for the Annual Governance Statement to ensure that it aligns with the earlier closure of accounts timetable, as it is included in the Statement of Accounts.</p>
Council	<p>The Council meets monthly and takes decisions on Council functions. Its meetings are held on a hybrid basis with members – and the public – given the choice of attending in person or online.</p> <p>Agendas are published at least 3 clear days in advance of meetings, and meetings are open to the public (subject to exemptions) and webcast. Minutes are published and are available to the Public.</p>	<p>-The enforced move to online meetings did not inhibit the democratic process and the provision of training enabled all members to be able to attend meetings and participate online.</p> <p>-All our meetings are webcast, thus allowing the public to be able to hear and follow proceedings.</p>	<p>1. In January 2024 the Council revised its Multi Locations Meetings Policy to included greater guidance on the use of cameras for remote attendees to maintain the integrity of the Authority's decision-making process and to reduce the opportunity for legal challenge in this regard.</p>

Process	Means by which this is achieved:	How well are we progressing/have we progressed and how do we know:	Priorities/Challenges for 2025/26?
Leadership/Cabinet and Cabinet Members	<p>The Cabinet takes decisions on executive functions within the policy and budget framework set by the Council. The Agenda is published at least 3 clear days in advance of its meetings and meetings are held in public (subject to statutory exemptions) and webcast. Its Minutes are published, and its decisions are subject to call in by any 3 Council Members.</p> <p>The Authority normally meets with Town and Community Councils twice yearly in a formal Forum.</p> <p>The Cabinet Members have decision making powers in relation to their own portfolio areas. Their decisions are published and are subject to call in by the relevant Scrutiny Committees.</p>	<p>-Cabinet meets formally every two weeks. Scrutiny Committee has call-in rights; no call-ins were made during 2024/2025</p> <p>-All Cabinet meetings are webcast, thus allowing the public to be able to hear and follow proceedings. The public are also allowed to ask questions, on notice, at Cabinet meetings.</p> <p>-Cabinet Member decision meetings are held on a bi-monthly basis, with the agendas and decisions published on the Council's website.</p>	<ol style="list-style-type: none"> 1. We will continue to encourage public participation, in accordance with our Public Participation Strategy. 2. We will continue to publish agendas and decisions, in accordance with legal requirements.

A Forward Look and Action Plan: Challenges and Priorities

In summary :

Achievements

- The Corporate Governance arrangements of the Council were deemed acceptable, with a sound system of internal control operating effectively
- The Internal Audit found no fundamental control issues to be addressed as a high priority
- **Principle A – Integrity and Values**
 - The Standards Committee maintained high standards of conduct and provided training on the Code of Conduct to County Councillors and Town and Community Councils
 - The Council's Constitution was kept under constant review to ensure transparency of governance, accountability, and decision-making
- **Principle C – Making a Difference** - The Council's business planning processes were fully aligned to the Corporate Strategy Well-being Objectives, Thematic and Service priorities
- **Principle E – Valuing our people; engaging, leading, and supporting** - The Council retained the Corporate Health Standard Platinum recognition in March 2023

Improvements

- **Principle B – Openness and Engagement**
 - The Council introduced a new Complaints Management Officer role to support the management of responses, with an initial focus on Stage 2 complaints
 - The Council's Involvement Strategy was approved by Cabinet in April 2025
 - The Council's Communication Plan was aligned with the new Corporate Strategy and Well-being Objectives
- **Principle F – Managing Risks, Performance, and Finance**
 - The Council's Risk Management Strategy was reviewed and updated, with recommendations for improvement and progress
 - The Council's recruitment system was updated, and training was provided to ensure streamlined recruitment processes

Focus for the Next Financial Year

- **Principle C – Making a Difference** - The Council will continue to promote the Well-being of Future Generations Act and the sustainable development principle
- **Principle D – Making sure we achieve what we set out to do**
 - The Council will continue to enhance the use of information and intelligence from a range of sources to inform quarterly Performance Management Monitoring Reports
 - The Council will develop the Corporate Data Suite to support the Corporate Strategy for 2022-2027 and key policy areas
 - The Council will host and respond to the findings of the Carmarthenshire Panel Performance Assessment in line with the Statutory Guidelines.
- **Principle F – Managing Risks, Performance, and Finance**
 - Medium-Term Financial Planning - need to do further work on aligning with Transformation Strategy and Corporate Strategy
- **Principle G – Good transparency and accountability** - The Council will ensure a robust approach to Cyber security and sustainable solutions for Information Governance

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

APPENDIX 1

Governance Issues Identified in 2024/25 Annual Governance Statement					
Ref	Issue	Responsible officer	Actions /Progress		Status
A: Integrity & Values					
AGS 2024/25 No.1	The Chair or Vice-Chair of the Standards committee should continue to attend meetings of the Forum and share best practice with the rest of the committee.	Monitoring officer	March 2026		
B: Openness & Engagement					
AGS 2024/25 No.2	Develop and improve the way in which performance information is shared.	Corporate Policy & Partnership Manager	March 2026		
C: Making a Difference					
AGS 2024/25 No.3	Further develop the Council Corporate Data Suite for use to support performance management against the Corporate Strategy and key policy areas	Corporate Policy & Partnership Manager	Sept 2025		

Governance Issues Identified in 2024/25 Annual Governance Statement					
Ref	Issue	Responsible officer	Actions /Progress		Status
D: Making sure we achieve what we set out to do					
AGS 2024/25 No.4	Continue to enhance the use of information and intelligence from a range of sources to inform quarterly Performance Management Monitoring Reports	Corporate Policy & Partnership Manager	March 2026		
AGS 2024/25 No.5	Develop the Corporate Data Suite to support the Corporate Strategy for 2022-2027 and key policy areas	Corporate Policy & Partnership Manager	March 2026		
AGS 2024/25 No.6	Host and respond to the findings of the Carmarthenshire Panel Performance Assessment	Corporate Policy & Partnership Manager	Sept 2025		

Governance Issues Identified in 2024/25 Annual Governance Statement					
Ref	Issue	Responsible officer	Actions /Progress		Status
E: Valuing our people: engaging, leading & supporting (actions noted in Appendix 2 from 2023/34 AGS review)					
F: Managing risk, performance & finance					
AGS 2024/25 No.7	Test business continuity plans.	Head of Revenues & Financial Compliance / Chief Digital Officer	March 2026		
AGS 2024/25 No.8	Medium-Term Financial Planning - need to do further work on aligning with Transformation Strategy and Corporate Strategy	Head of Financial Services / Corporate Policy & Partnership Manager / Director of Corporate Services	March 2026		

Governance Issues Identified in 2024/25 Annual Governance Statement					
Ref	Issue	Responsible officer	Actions /Progress		Status
G: Good transparency & accountability					
AGS 2024/25 No.9	Review the effectiveness of the new performance indicators introduced in 2022/23 to ensure that the aim of assisting the service in becoming more efficient is delivered. Review the results of surveys to assist service improvement	Head of Revenues & Financial Compliance	Dec 2025		
AGS 2024/25 No.10	Ensure Internal Audit is adhering to and complying with the new Global Internal Audit Standards in the UK Public Sector, which replaced the PSIAS, from 1 April 2025.	Head of Revenues & Financial Compliance	March 2026		

APPENDIX 2

<i>Outstanding Governance Issues Identified in Previous Annual Governance Statements</i>						
Ref	Issue	Responsible officer	Actions /Progress		Status	Update last noted @ May 2025
AGS 2020/21 No.2	Implement The Local Government and Elections (Wales) Act requirements.	Corporate	May 2022	<p>The elements that have not been implemented to date have a timetable that needs to be met to deliver the Act's requirement / timescale.</p> <p>Elements of performance & governance implemented.</p> <p>Elections – in hand</p>	<p>Ongoing</p> <p>Parts of the Legislation that needed to be implemented have been completed.</p> <p>Self-assessment element has been incorporated.</p> <p>Awaiting guidance from WLGA re: peer assessment.</p> <p>Part completed – performance element completed.</p>	<p>Final guidance for undertaking Panel Performance Assessment (PPA) now received from WLGA.</p> <p>Carmarthenshire making arrangements to conduct first PPA in June 2025.</p> <p>Performance & Governance elements of the Act now in place and will be continually reviewed as part of on-going arrangements.</p>
AGS 2021/22 No.1	Develop recruitment strategy and workforce plan alongside implementation of new recruitment software to ensure recruitment service can be	People Services Manager	March 2023	<p>In progress – new software in place – testing system and rolling out training – from March 2023</p> <p>Strategy will follow once system in place.</p> <p>New recruitment system is in place and training is continuing. (March 2024). Recruitment strategy is being drafted and will be consulted</p>	<p>Commenced. Testing complete and post-test updates to the system underway. (May 2023).</p> <p>Workforce strategy to CMT 30 March</p> <p>Dedicated workforce related CMT meeting on 4th May and progress on new software</p> <p>Strategy to Pre cabinet on 18th May</p>	<p>Recruitment system is in place and all CCC recruiters have been brought on board. Some schools have not yet signed up so work is ongoing to encourage all to utilise the new system. No alternative system will be available after March 2025.</p> <p>Recruitment processes continue to be refined and training provided and consultation is commencing regarding the Council's future recruitment requirements and strategy.</p>

<i>Outstanding Governance Issues Identified in Previous Annual Governance Statements</i>						
Ref	Issue	Responsible officer	Actions /Progress		Status	Update last noted @ May 2025
	streamlined and maintained.			upon during summer/early autumn 2024.		Recruitment Strategy being considered at CMT 8 May 2025
AGS 2021/22 No.4	Develop an Engagement and Consultation plan for the local authority.	Media and Marketing Manager Corporate Policy, Performance & Partnership Manager	March 2023	Work has commenced – reflecting on the staff survey findings and IIP	Commenced Engagement with TU – introduced a joint consultancy forum – group leaders and Chief also attends. Aim to improve engagement and consultation Staff feedback completed	Council Involvement Strategy approved by Cabinet in April 2025.
AGS 2021/22 No.12	Review the Governance arrangements for both Local Authority Trading Companies (LATC) with a view to aligning the arrangements and clarifying the roles of Members and Scrutiny Committees in relation to the LATCs.	Director of Corporate Services Head of Legal and Administration	March 2023	Monitoring Officer review carried out and completed. Report is being finalised. CWM taking a governance review report to the CWM Board.	Commenced Update: Monitoring Officer Governance update review carried out and completed. Report is being finalised. CWM has taken a governance review report to the CWM Board. – Cwm action Complete	Final draft report to be discussed with Chief Executive at the end of May 2025.

Update on Governance Issues Identified in 2023/24 Annual Governance Statement					
Ref	Issue	Responsible officer	Actions /Progress		Status @ May 2025
Integrity & Values - Completed					
Openness & Engagement					
AGS 2023/24 No.3	Involvement strategy to be developed, with a view to making our consultations more effective.	Media & Marketing Corporate Policy & Partnership Manager	January 2025	Involvement Strategy drafted	Council Involvement Strategy approved by Cabinet in April 2025.
AGS 2023/24 No.4	Develop and improve the way in which performance information is shared.	Corporate Policy & Partnership Manager	March 2025	On-going work within and across services being undertaken to ensure increased understanding across the Council of key performance issues and pressures. Work on public facing information has been limited due to staff capacity and resources to develop.	Quarterly observations reports continue to be well-received, and work continues to enhance the breadth of information included. There has been a particular focus on the further inclusion of information on service-user perspective. Work to review the public facing performance management pages continues with updates planned for the coming months.

Update on Governance Issues Identified in 2023/24 Annual Governance Statement					
Ref	Issue	Responsible officer	Actions /Progress		Status @ May 2025
AGS 2023/24 No.5	Improve the use and monitoring of complaints information and intelligence to support learning and service improvement, for both Corporate and Social Care complaints.	Corporate Policy & Partnership Manager	March 2025	On-going work but monthly summaries on complaints data is now shared with Directors. Arrangements for corporate Complaints dashboard are nearing completion and will provide 'live' data for departments. Quarterly performance reports to CMT provide overview of key complaints pressure areas and Service Design & Improvement Transformation Workstream will look to review complaints data on an on-going basis.	Complaints data dashboard under development and will be introduced during 2025-26 to enable live monitoring of complaints performance by departments.
AGS 2023/24 No.6	Ensure alignment of the Council's Communication Plan with the new Corporate Strategy and Well-being Objectives,	Corporate Policy & Partnership Manager Media & Marketing	September 2024	Work underway but further alignment required to ensure all opportunities are progressed in terms of performance and communications.	Commenced

Update on Governance Issues Identified in 2023/24 Annual Governance Statement					
Ref	Issue	Responsible officer	Actions /Progress		Status @ May 2025
Making a Difference					
AGS 2023/24 No.7	Introduce the Council Corporate Data Suite for use to support performance management against the Corporate Strategy and key policy areas	Corporate Policy & Partnership Manager	September 2024	Corporate Data Suite/Dashboard developed but limited use to date due to staff capacity and resource issues.	Further development planned once new Strategic Performance Manager is recruited.
Valuing our people: engaging, leading & supporting					
AGS 2023/24 No.8	Safeguarding - Finalise Volunteer policy and database	Assistant Chief Executive	December 2024	Volunteer policy completed. A potentially suitable database has been identified which is being used by Leisure Services.	A small team overseen by the Workforce Safeguarding group is looking at how this can be rolled out across the Council including schools.
AGS 2023/24 No.9	Further develop the workforce data via performance dashboard	Assistant Chief Executive	December 2024	Data is already available and a workforce performance dashboard is in first phase of development.	Focus will be on recruitment and workforce strategy performance.

Update on Governance Issues Identified in 2023/24 Annual Governance Statement					
Ref	Issue	Responsible officer	Actions /Progress		Status @ May 2025
AGS 2023/24 No.10	<p>To ensure the requirements of the Social Partnership and Public Procurement (Wales) Act 2023 are embedded as appropriate across the Council:</p> <p>Part 1: The Social Partnership Council</p> <p>Part 2: Social Partnership & Sustainable Development</p> <p>Part 3: Socially responsible public procurement</p>	<p>Part 1 & 2: Assistant Chief Executive (People Management)</p> <p>Part 3: Head of Revenues and Financial Compliance</p>	March 2025	<p>Part1:</p> <p>Part 2: Social Partnership & Sustainable Development. Engagement on development of WBOs</p> <p>Part 3: The Social Partnership and Public Procurement (Wales) Act 2023 became law in Wales on 24 May 2023. Certain provisions of the Act are due to come into force when the Welsh Ministers make one or more commencement orders. It is anticipated that Part 3 of the Social Partnership and Public Procurement Act, which focuses on socially responsible public procurement will commence in Autumn 2025 at the earliest.</p>	<p>Part 1:</p> <p>Part 2: Understanding of Act requirements in terms of engagement on development/review of Council Corporate Strategy and WBOs. On-going discussions with Trade Unions on Carms approach.</p> <p>Part 3: Preparations are under way to comply with the new Act's requirements.</p>
Managing risk, performance & finance					
AGS 2023/24 No.11	Continue to develop and improve on risk management arrangements, through reporting of risks.	Head of Revenues & Financial Compliance	March 2025	Reviewed and updated Risk Management strategy	For consideration by CMT in May 2025. Currently working with Audit Wales on their review of Risk management, suggested improvements will be taken on board.

Update on Governance Issues Identified in 2023/24 Annual Governance Statement					
Ref	Issue	Responsible officer	Actions /Progress		Status @ May 2025
Good transparency & accountability					
AGS 2023/24 No.13	Ensure a robust approach applied to Cyber security and sustainable solutions are implemented for Information Governance.	Chief Digital Officer	March 2025	We have ensured a robust approach to Cyber security by implementing comprehensive measures to protect our digital infrastructure and sensitive information. Our Cyber Security Stocktake highlights the significant work done to build resilience into our infrastructure, including the development of Disaster Recovery and Cyber Incident Response Plans, and a robust backup strategy. In terms of sustainable solutions for Information Governance, we have continued to educate staff on the importance of data protection, cyber hygiene, and secure password practices. We have mandated Data protection and cyber security awareness training for all staff and continue to hold cyber exercises to test our incident response plans. Our Cyber and Information Governance group plays a crucial role in ensuring compliance with all relevant legislation, managing data securely and efficiently, and protecting the Council and its employees. We have also participated in Cyber Simulation exercises to enhance our cyber resilience and maturity. The Cymru Security Operations Centre, which we are currently joining, offers a centralised and coordinated approach to cybersecurity, providing member organisations across the Welsh public sector with a robust defence against cyber threats. Lastly, the Cyber Assessment Framework (CAF), which we are currently implementing, helps us assess and improve our cyber security practices.	We are currently helping Wales Audit to conduct a comprehensive audit of our Cyber arrangements, which we hope will provide assurance and recommend improvements.

APPENDIX 3

Governance issues – Actions Completed			
AGS 2021/22 No.5	Further development work on handling complaints and investigating complaints.	Corporate Policy, Performance & Partnership Manager	Completed Guidance for Investigating Officers developed. Briefing sessions held for officers likely to undertake investigations.
AGS 2021/22 No.6	Review the customer service that we as a Council provide and how we can further improve the customer journey.	Media and Marketing Manager	Completed New Claim what's yours developed and implemented. Agreements in place with major partners to ease customer journey. Hwb bach y wlad now operational
AGS 2022/23 No.4	Governance and Audit Committee Annual Report to be produced and consideration given as to whether the annual report be presented to full Council.	Governance & Audit Committee & Corporate Services – Head of Revenues & Financial Compliance	Chair presented the report to the G&AC held in July 2024 and then to full Council October 2024. Completed

Annual Governance Statement 2023/24 - Governance Issues - Completed					
Ref	Issue	Responsible officer	Actions /Progress		Status @ May 2025
Integrity & Values					
AGS 2023/24 No.1	Develop and improve Standards Committee decision making and through the learning from the National Standards Forum	Monitoring officer	March 2025	A high standard of decision by the Standards Committee has been maintained throughout the year. The Chair and/or Vice-Chair attend forum meetings and share best practice with the rest of the committee as well as sharing our own examples of best practice with the rest of the forum.	<u>Completed</u>
AGS 2023/24 No.2	Ensure that the Annual Governance Statement plays its part in the Council's self-assessment.	Corporate Policy & Partnership Manager Head of Revenues & Financial Compliance	March 2025	AGS and self-assessments processes aligned with information from each feeding each other. On-going work to ensure identified actions/areas for development from AGS and self-assessment inform divisional business plans.	<u>Completed</u>
Managing risk, performance & finance					
AGS 2023/24 No.12	Draft accounts sign off should be concluded by 30 th June, and final approved by 30 th September, timetable and processes have been amended to ensure delivery against the closure timetable.	Head of Financial Services	Sept 2024	This was achieved in 2024	<u>Completed</u>

5 FINANCIAL STATEMENTS

The financial statements comprise the following:

5.1 EXPENDITURE AND FUNDING ANALYSIS (EFA)

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

5.2 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)

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

5.3 MOVEMENT IN RESERVES STATEMENT

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

5.4 BALANCE SHEET

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

5.5 CASH FLOW STATEMENT

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

5.1 EXPENDITURE AND FUNDING ANALYSIS (EFA)

2024-25	Difference between Council Fund (CF) and Housing Revenue Account (Surplus)/Deficit and Comprehensive Income and Expenditure Statement (CIES) (Surplus)/Deficit		
	Net Expenditure Chargeable to the CF and HRA £'000	Total Adjustments £'000	Net Expenditure in the CIES £'000
Department			
Chief Executive	5,583	873	6,456
Education, Children & Family Services	204,780	34,847	239,627
Corporate Services	27,024	(1,640)	25,384
Communities	134,568	9,352	143,920
Place, Infrastructure & Economic Development	77,082	22,727	99,809
Housing Revenue Account	(11,139)	21,436	10,297
Insurance & Corporate	12,449	(11,765)	684
Net Cost of Services	<u>450,347</u>	<u>75,830</u>	<u>526,177</u>
Other Income & Expenditure	(443,345)	(96,960)	(540,305)
(Surplus)/Deficit before transfers to/(from) earmarked reserves	<u>7,002</u>	<u>(21,130)</u>	<u>(14,128)</u>
Transfers to/(from) earmarked reserves	(9,196)		
(Surplus)/Deficit after transfers to/(from) earmarked reserves	<u>(2,194)</u>		
CF & HRA Balance at 31st March 2024:	(25,997)		
(Surplus)/Deficit	(2,194)		
CF & HRA Balance at 31st March 2025:	<u>(28,191)</u>		
2023-24			
Department			
Chief Executive	11,473	21,145	32,618
Education, Children & Family Service	195,220	16,712	211,932
Corporate Services	25,395	(1,400)	23,995
Communities	125,777	12,662	138,439
Place, Infrastructure & Economic Development	62,786	7,001	69,787
Housing Revenue Account	(5,844)	34,128	28,284
Insurance & Corporate	24,339	(23,926)	413
Net Cost of Services	<u>439,146</u>	<u>66,322</u>	<u>505,468</u>
Other Income & Expenditure	(414,878)	(71,105)	(485,983)
(Surplus)/Deficit before transfers to/(from) earmarked reserves	<u>24,268</u>	<u>(4,783)</u>	<u>19,485</u>
Transfers to/(from) earmarked reserves	(18,511)		
(Surplus)/Deficit after transfers to/(from) earmarked reserves	<u>5,757</u>		
CF & HRA Balance at 31st March 2023:	(31,754)		
(Surplus)/Deficit	5,757		
CF & HRA Balance at 31st March 2024:	<u>(25,997)</u>		

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

5.2 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)

2023-24 Total Gross Expenditure £'000	2023-24 Total Gross Income £'000	2023-24 Total Net Expenditure £'000 (Restated)		2024-25 Total Gross Expenditure £'000	2024-25 Total Gross Income £'000	2024-25 Total Net Expenditure £'000
48,662	(16,044)	32,618	Department			
			Chief Executive	10,598	(4,142)	6,456
273,264	(61,332)	211,932	Education, Children &			
60,979	(36,984)	23,995	Family Services	299,070	(59,443)	239,627
229,682	(91,243)	138,439	Corporate Services	62,536	(37,152)	25,384
			Communities	237,306	(93,386)	143,920
			Place, Infrastructure &			
96,262	(26,475)	69,787	Economic Development	165,986	(66,177)	99,809
76,980	(48,696)	28,284	Housing Revenue Account	63,925	(53,628)	10,297
414	(1)	413	Insurance & Corporate	682	2	684
786,243	(280,775)	505,468	Net Cost of Services	840,103	(313,926)	526,177
			Precepts and Levies:			
		152	Brecon Beacons National Park			152
		13,014	Mid & West Wales Fire Authority			14,367
		168	South West Wales Corporate Joint Committee			151
		7,886	Community Councils			8,656
		23,471	Dyfed Powys Police Authority			25,387
		2,875	(Gains)/losses on the disposal of non-current assets			(298)
			(Surpluses)/Deficits on Trading Activities not included			
		332	in Net Cost of Services		Note 6.6	(158)
		47,898	Other Operating Expenditure			48,257
			Interest Payable and Similar Charges			16,663
		16,488	Net interest on the net defined benefit liability (asset)			1,599
		(3,154)	Interest and Investment Income			(5,837)
		(6,839)	Income and expenditure in relation to investment properties			
			and changes in their fair value		Note 6.11	1,004
		3,874	Other income			0
		(345)	Financing and Investment (Income) and Expenditure			13,429
		10,024				
			Revenue Support Grant		Note 6.35	(281,597)
		(276,430)	General Government Grants		Note 6.35	(9,178)
		0	Council Tax		Note 6.7	(156,657)
		(143,537)	Net Proceeds of Non-Domestic Rates		Note 6.8	(69,050)
		(61,981)	Capital Grants and Contributions		Note 6.35	(85,509)
		(61,957)	Taxation and Non-specific Grant Income			(601,991)
		(543,905)				
		19,485	(Surplus)/Deficit on Provision of Services			(14,128)
			(Surplus) or deficit on revaluation of Property, Plant			
			and Equipment assets			(69,651)
		(33,900)	Remeasurement of the net defined benefit liability/(asset) *			(967)
		97,202				
		63,302	Other Comprehensive (Income) and Expenditure			(70,618)
		82,787	Total Comprehensive (Income) and Expenditure			(84,746)

* Restated due to the effect of the asset ceiling on the pensions reserve. (See note 6.46 for further details).

5.3 MOVEMENT IN RESERVES STATEMENT

	Council Fund Balance £'000	Earmarked Council Fund Reserves £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	TOTAL USABLE RESERVES £'000	Unusable Reserves £'000	TOTAL AUTHORITY RESERVES £'000
						(Restated)		
Balance at 31 March 2023	(14,756)	(153,992)	(16,998)	(11,505)	(17,501)	(214,752)	(1,333,981)	(1,548,733)
Movement in reserves during 2023/24								
(Surplus) or deficit on the provision of services	(4,158)	0	23,643	0	0	19,485	0	19,485
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	63,302	63,302
Total Comprehensive Income and Expenditure	(4,158)	0	23,643	0	0	19,485	63,302	82,787
Adjustments between accounting basis and funding basis under regulations(Note 6.4)	20,432	0	(15,649)	(4,150)	2,486	3,119	(3,119)	0
Net (Increase)/Decrease before Transfers to/from Earmarked Reserves	16,274	0	7,994	(4,150)	2,486	22,604	60,183	82,787
Transfers to/(from) Earmarked Reserves(Note 6.22)	(15,519)	18,511	(2,992)	0	0	0	0	0
(Increase)/Decrease in Year	755	18,511	5,002	(4,150)	2,486	22,604	60,183	82,787
Balance at 31 March 2024	(14,001)	(135,481)	(11,996)	(15,655)	(15,015)	(192,148)	(1,273,798)	(1,465,946)

* Restated due to the effect of the asset ceiling on the pensions reserve. (See note 6.46 for further details).

	Council Fund Balance £'000	Earmarked Council Fund Reserves £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	TOTAL USABLE RESERVES £'000	Unusable Reserves £'000 (Restated)	TOTAL AUTHORITY RESERVES £'000
Balance at 31 March 2024	(14,001)	(135,481)	(11,996)	(15,655)	(15,015)	(192,148)	(1,273,798)	(1,465,946)
Adjustments on transition to new accounting arrangements for leases	(1,482)	0	0	0	0	(1,482)	0	0
Transitional adjustments between accounting basis and funding basis	1,482	0	0	0	0	1,482	(1,482)	0
Balance at 31 March 2024	(14,001)	(135,481)	(11,996)	(15,655)	(15,015)	(192,148)	(1,275,280)	(1,467,428)
Movement in reserves during 2024/25								
(Surplus) or deficit on the provision of services	(17,451)	0	3,323	0		(14,128)	0	(14,128)
Income and Expenditure	0	0	0	0		0	(70,618)	(70,618)
Total Comprehensive Income and Expenditure	(17,451)	0	3,323	0	0	(14,128)	(70,618)	(84,746)
Adjustments between accounting basis and funding basis under regulations(Note 6.4)	21,058	0	72	3,422	(8,408)	16,144	(16,144)	0
Net (Increase)/Decrease	3,607	0	3,395	3,422	(8,408)	2,016	(86,762)	(84,746)
Transfers to/(from) Earmarked Reserves(Note 6.22)	(6,858)	9,196	(2,338)	0	0	0	0	0
(Increase)/Decrease in Year	(3,251)	9,196	1,057	3,422	(8,408)	2,016	(86,762)	(84,746)
Balance at 31 March 2025	(17,252)	(126,285)	(10,939)	(12,233)	(23,423)	(190,132)	(1,362,042)	(1,552,174)

* Restated due to the effect of the asset ceiling on the pensions reserve. (See note 6.46 for further details).

5.4 BALANCE SHEET

31/03/24				31/03/25
£'000				£'000
(Restated)				
		Notes		
1,526,309	Property, Plant & Equipment	6.9	1,639,368	
0	Right of Use Assets	6.39	10,253	
264,486	Infrastructure Assets	6.9	268,994	
2,414	Heritage Assets	6.10	2,607	
21,157	Investment Property	6.11	24,458	
1,009	Long Term Investments	6.12	1,009	
8,181	Long Term Debtors	6.13	12,331	
<u>1,823,556</u>	Long Term Assets			<u>1,959,020</u>
31,074	Short Term Investments	6.14	8,997	
1,980	Inventories	6.15	1,455	
110,569	Short Term Debtors	6.16	134,959	
53,220	Cash and Cash Equivalents	6.17	14,472	
<u>196,843</u>	Current Assets			<u>159,883</u>
(11,811)	Short Term Borrowing	6.18	(11,156)	
(106,118)	Short Term Creditors	6.19	(107,166)	
(834)	Provisions	6.20	(1,058)	
(64)	Donated Inventories Account	6.15	0	
<u>(118,827)</u>	Current Liabilities			<u>(119,380)</u>
(529)	Provisions	6.20	(357)	
(400,944)	Long Term Borrowing	6.21	(407,239)	
0	Long Term Lease Liabilities	6.39	(5,296)	
(34,153)	Other Long Term Liabilities *	6.42	(34,457)	
<u>(435,626)</u>	Long Term Liabilities			<u>(447,349)</u>
<u>1,465,946</u>	Net Assets			<u>1,552,174</u>
14,001	Council Fund		17,252	
11,996	Housing Revenue Account	7.2	10,939	
130,306	Earmarked Council Fund Reserves	6.22	128,123	
5,175	Council Fund Reserves Held by Schools under LMS	6.22	(1,838)	
15,655	Capital Receipts Reserve	6.23	12,233	
15,015	Capital Grants Unapplied	6.24	23,423	
<u>192,148</u>	Usable Reserves			<u>190,132</u>
563,887	Revaluation Reserve	6.25	613,936	
751,255	Capital Adjustment Account	6.26	789,886	
(497)	Financial Instruments Adjustment Account		(496)	
332	Deferred Capital Receipts Reserve		332	
(34,153)	Pensions Reserve *	6.27	(34,457)	
(7,026)	Accumulated Absences Account	6.28	(7,159)	
<u>1,273,798</u>	Unusable Reserves			<u>1,362,042</u>
<u>1,465,946</u>	Total Reserves			<u>1,552,174</u>

* Restated due to the effect of the asset ceiling on the pensions reserve. (See note 6.46 for further details).

5.5 CASH FLOW STATEMENT

2023-24 £'000	Reconciliation of Comprehensive Income and Expenditure Statement to Net Revenue Cash Flow	Note	2024-25 £'000
19,485	Net (Surplus)/Deficit on the provision of services	5.2	(14,128)
	Adjustments to net surplus or deficit on the provision of services for non-cash movements		
(54,208)	Depreciation		(60,083)
(49,624)	Impairment & downward valuations		(35,677)
(3,753)	Movement in market value of investment properties		(1,050)
2,342	Pension fund adjustments		(1,271)
1,288	Movement in provisions		(52)
(7,100)	Carrying amount of non-current assets sold		(923)
(7,267)	Movements in revenue debtors, creditors, inventories and other non cash movement		16,035
	Adjustment for items included in the net surplus or deficit on the provision of services that are investing and financing activities		
4,229	Proceeds from sale of property, plant and equipment, investment property and intangible assets		1,239
61,957	Capital Grants		85,509
(32,651)	Net cash flow from operating activities		(10,401)
	INVESTING ACTIVITIES		
110,429	Purchase of property, plant & equipment, investment property & intangible assets		126,995
858,500	Purchase of short term & long term investments		833,000
9,973	Other payments for investing activities		15,098
(4,233)	Proceeds from the sale of property, plant & equipment, investment property & intangible assets		(1,257)
(890,361)	Proceeds from short term & long term investments		(855,077)
(55,918)	Capital grants received		(68,426)
28,390	Net cash flow from investing activities		50,333
	FINANCING ACTIVITIES		
(10,000)	Cash receipts of short-term & long-term borrowing		(15,000)
10,480	Repayments of short-term & long-term borrowing		9,360
0	Cash payments for the reduction of the liabilities relating to finance leases		4,456
480	Net cash flow from financing activities		(1,184)
(3,781)	NET (INCREASE)/DECREASE IN CASH & CASH EQUIVALENTS		38,748
49,439	Cash & cash equivalents at the beginning of reporting period	6.17	53,220
53,220	Cash & cash equivalents at the end of reporting period	6.17	14,472
3,781	INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		(38,748)

The cash flows for operating activities include the following items:

2023-24 £'000		2024-25 £'000
16,520	Interest Paid	16,733
(6,387)	Interest Received	(6,076)

6 NOTES TO THE ACCOUNTS

6.1 Statement of Accounting Policies

General

The Statement of Accounts summarises the transactions of Carmarthenshire County Council for the 2024/25 financial year and its position at the year ended 31st March 2025.

The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and the Service Reporting Code of Practice 2024/25, supported by International Financial Reporting Standards (IFRS).

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

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

6.1.1 Accruals of Income and Expenditure

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

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

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

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

6.1.2 **Property, Plant & Equipment**

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

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

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

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

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

Revaluations

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

The programmed valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant, furniture and equipment are based on a depreciated historic cost basis.

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

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

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

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

Impairment

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

Where impairment losses are identified, they are accounted for:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.
- where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Disposals and Assets Held for Sale

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

Depreciation is not charged on Assets Held for Sale.

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

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale. When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive

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

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

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

Depreciation

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

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

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

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

Component Accounting

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

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

6.1.3 **Investment Property**

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

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

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

Fair Value Measurement

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

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

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

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

6.1.4 **Heritage Assets**

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

• Former Community Assets

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

• Infrastructure Artwork

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

• Museum Exhibits/Archive Records

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

6.1.5 Intangible Assets

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

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

6.1.6 Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:

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

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

6.1.7 Revenue Expenditure Funded from Capital under Statute (REFFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement account in the year. Where the Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the Council Fund Balance to the Capital Adjustment Account then reverses out the amounts charged in the Statement of Movement on the Council Fund Balance so there is no impact on the level of Council Tax.

6.1.8 Cash and Cash Equivalents

Cash Equivalents are investments that are readily convertible to known amounts of cash with no change in value. Cash is withdrawn and deposited depending on a deficit or

surplus of cash on the day. All call accounts are classified for this purpose. Cash Equivalents also includes fixed term investments that mature within three months or less from the date of acquisition.

6.1.9 **Government Grants and Contributions**

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

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

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

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

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

6.1.10 **Leasing**

The Authority as Lessee

Under IFRS16 which has been adopted from 1st April 2024, 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 (below £10,000 when new) 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

The Authority 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.

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.

6.1.11 Financial Liabilities

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

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

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

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

Council Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

6.1.12 **Financial Assets**

Loans and Receivables

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

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

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

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

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

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

6.1.13 **Inventories and Long Term Contracts**

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

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

6.1.14 **Cost of Support Services**

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

6.1.15 **Provisions**

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

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

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

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

6.1.16 **Reserves**

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

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

6.1.17 **Employee Benefits**

Benefits Payable During Employment

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

Termination Benefits

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

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

Post-Employment Benefits

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

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

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

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

The Dyfed Pension Fund

The Fund is accounted for as a defined benefit scheme.

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

Liabilities are discounted to their value at current prices.

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

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

The net pensions balance is analysed into the following components:

Service cost comprising:

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

Remeasurements comprising:

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

- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- asset ceiling adjustment – reduction to the calculated asset ceiling if this is lower than the asset position
- contributions paid to the Fund – cash paid as employer's contributions to the fund in settlement of liabilities; not accounted for as an expense

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

Discretionary Benefits

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Fund.

6.1.18 Interests in Companies and other Entities

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

CWM Environmental Ltd

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

Llesiant Delta Wellbeing Ltd

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

Egni Sir Gar Cyfyngedig

Carmarthenshire County Council is the registered Custodian Trustee of Egni Sir Gar Cyfyngedig and the Cabinet Member for Climate Change, Decarbonisation and

Sustainability is a board member. Further information is provided at note 6.12 (Long Term Investments).

Cartrefi Croeso Cyfyngedig

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

West Wales Crematorium

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

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

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

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

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

Partneriaeth (previously ERW)

Wales Pension Partnership

Swansea Bay City Region

South West Wales Corporate Joint Committee

West Wales Crematorium

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

6.1.20 Contingent Liabilities

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

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

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

6.1.21 **VAT**

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

6.2 **Critical Judgements in Applying Accounting Policies**

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

- Continued uncertainty about future funding of local authorities.

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

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

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

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

The only items in the Authority's Balance Sheet for which there is a significant risk material adjustment in the forthcoming financial year are as follows:

- the Pensions Deficit - 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 is engaged to provide the Authority with expert advice about the assumptions to be applied.
- Property, Plant and Equipment Valuations – Balance sheet valuations are based on a combination of factors which include market indices as well as judgements about future asset lives and assumptions about the level of repairs and maintenance that will be carried out, which impacts asset lives. Valuations are carried out by professionally qualified surveyors employed by the Authority

6.4 Adjustments between Accounting Basis and Funding Basis under Regulations

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

	Usable Reserves				Movement in Unusable Reserves
	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	
2024-25	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account:					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:					
Charges for depreciation and impairment of non-current assets	(44,731)	(15,352)	0	0	60,083
Revaluation gains/(losses) on Property Plant and Equipment	(24,845)	(10,832)	0	0	35,677
Movements in the market value of Investment Properties	(1,050)	0	0	0	1,050
Capital grants and contributions applied	51,155	16,621	0	0	(67,776)
Revenue expenditure funded from capital under statute	(4,080)	0	0	0	4,080
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	(923)	0	0	0	923
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:					
Statutory provision for the financing of capital investment	14,518	4,877	0	0	(19,395)
Capital expenditure charged against the Council Fund and HRA balances	13,408	4,795	0	0	(18,203)

	Usable Reserves				
	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
2024-25	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Grants Unapplied Account:					
Capital grants and contributions unapplied credited to the Comprehensive Income and	17,733	0	0	(17,733)	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0	9,325	(9,325)
Adjustments primarily involving the Capital Receipts Reserve:					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	1,136	85	(1,181)	0	(40)
Statutory Capital Receipts	18	0	(311)	0	293
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	4,914	0	(4,914)
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposals	0	0	0	0	0
Capital Receipts Set Aside	0	0	0	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	0	0	0

	Usable Reserves				
	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
2024-25	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Financial Instruments Adjustment Account:					
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	1	0	0	0	(1)
Adjustments primarily involving the Pensions Reserve:					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 6.42)	(32,811)	(1,615)	0	0	34,426
Employer's pensions contributions and direct payments to pensioners payable in the year	31,749	1,406	0	0	(33,155)
Adjustment primarily involving the Accumulated Absences Account:					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(220)	87	0	0	133
Total Adjustments	21,058	72	3,422	(8,408)	(16,144)

	Usable Reserves				
	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
2023-24	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account:					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:					
Charges for depreciation and impairment of non-current assets	(38,305)	(15,903)	0	0	54,208
Revaluation gains/(losses) on Property Plant and Equipment	(22,780)	(26,844)	0	0	49,624
Movements in the market value of Investment Properties	(3,753)	0	0	0	3,753
Capital grants and contributions applied	42,628	13,306	0	0	(55,934)
Revenue expenditure funded from capital under statute	(856)	0	0	0	856
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(7,061)	(39)	0	0	7,100
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:					
Statutory provision for the financing of capital investment	10,470	4,618	0	0	(15,088)
Capital expenditure charged against the Council Fund and HRA balances	27,426	8,910	0	0	(36,336)

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

	Usable Reserves				
	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
2023-24	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Financial Instruments Adjustment Account:					
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	1	0	0	0	(1)
Adjustments primarily involving the Pensions Reserve:					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 6.42)	(27,124)	(1,316)	0	0	28,440
Employer's pensions contributions and direct payments to pensioners payable in the year	29,479	1,303	0	0	(30,782)
Adjustment primarily involving the Accumulated Absences Account:					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	506	(135)	0	0	(371)
Total Adjustments	20,432	(15,649)	(4,150)	2,486	(3,119)

6.5 Note to the Expenditure and Funding Analysis**2024-25****Adjustments between Funding and Accounting Basis**

Department	Adjustments for Capital Purposes £'000	Net Changes for Pensions Adjustments £'000	Other Differences £'000	Total Adjustments £'000
Chief Executive	791	230	(148)	873
Education, Children & Family Services	34,495	(958)	1,310	34,847
Corporate Services	(16)	(1,531)	(94)	(1,640)
Communities	8,917	988	(552)	9,352
Place, Infrastructure & Economic Development	22,319	658	(250)	22,727
Housing Revenue Account	21,389	135	(88)	21,436
Insurance & Corporate	(11,765)	0	0	(11,765)
Net Cost of Services	76,130	(478)	178	75,830
Other Income & Expenditure	(98,662)	1,749	(47)	(96,960)
Difference between CF & HRA (Surplus)/Deficit and CIES (Surplus)/Deficit on Provision of Services	(22,532)	1,271	131	(21,130)

2023-24

Department				
Chief Executive	20,523	402	220	21,145
Education, Children & Family Services	18,983	(451)	(1,820)	16,712
Corporate Services	(269)	(1,232)	101	(1,400)
Communities	10,752	1,193	717	12,662
Place, Infrastructure & Economic Development	6,178	553	270	7,001
Housing Revenue Account	33,837	156	135	34,128
Insurance & Corporate	(23,926)	0	0	(23,926)
Net Cost of Services	66,078	621	(377)	66,322
Other Income & Expenditure	(68,147)	(2,963)	5	(71,105)
Difference between CF & HRA (Surplus)/Deficit and CIES (Surplus)/Deficit on Provision of Services	(2,069)	(2,342)	(372)	(4,783)

Narrative Explanation**Adjustments for Capital Purposes**

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

Other Income and Expenditure includes the following:

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

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

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

Net Change for Pensions Adjustments

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

Other Income and Expenditure includes the following:

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

Other Differences

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

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

6.6 Trading Operations

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

6.7 Council Tax

Council tax income is derived from charges raised according to the value of residential properties, which have been classified into nine valuation bands estimating 1 April 2003 values for this specific purpose. Charges are calculated by dividing the amount of income required for Carmarthenshire County Council and the Dyfed-Powys Police & Crime Commissioner and Town & Community Councils by the Council Tax base. The Council Tax base is the total number of properties in each band adjusted by a proportion to convert the number to a band D equivalent and adjusted for discounts. The Council Tax Base for 2024/25 was 76,460.40 (75,071.95 for 2023/24). The tax base for 2024/25 includes 50% premiums for both long term empty properties and second homes.

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

Band	A-	A	B	C	D	E	F	G	H	I
Multiplier	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	21/9
Band D Dwellings	17	5,189	16,600	14,993	13,433	15,112	8,947	3,472	544	114

Analysis of the net proceeds from Council Tax:

	2023-24 £'000	2024-25 £'000
Council Tax Collectable	145,279	158,837
Movement in Impairment Allowance	(1,742)	(2,180)
Net Proceeds from Council Tax (including Precepts)	143,537	156,657

6.8 National Non Domestic Rates (NNDR)

NNDR is organised on a national basis. The Council is responsible for collecting rates due from ratepayers in its area but pays the proceeds into the NNDR pool administered by the Welsh Government who redistribute the sums payable back to local authorities on the basis of a fixed amount per head of population. Local businesses pay rates calculated by multiplying their rateable value by a rate specified by the Welsh Government (56.2p for 2024/25, 53.5p for 2023/24).

The total non-domestic rateable value at 31st March 2025 was £118,161,145 (£118,933,718 at 31st March 2024).

6.9 Property, Plant & Equipment

Movements in 2024-25	Council Dwellings	Other Land & Buildings	Vehicles Plant & Equipment	Community Assets	Surplus Assets	Assets Under Construction	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross Book Value 01/04/24	479,460	930,249	29,320	8,656	13,916	100,714	1,562,315
Additions	30,753	20,559	3,420	267	1	76,249	131,249
Revaluation Increases Recognised in the Revaluation Reserve	27,339	91,058	20	0	182	0	118,599
Revaluation Losses Recognised in the Revaluation Reserve	(3,597)	(42,090)	0	0	(437)	0	(46,124)
Revaluation Increases Recognised in the Provision of Services	10,989	7,130	0	0	421	0	18,540
Revaluation Losses Recognised in the Provision of Services	(15,281)	(31,395)	(58)	0	(31)	0	(46,765)
Derecognition of Disposals	0	0	(362)	0	(142)	0	(504)
Reclassifications: to & from Assets Held for Sale	0	(725)	0	0	(14)	0	(739)
Reclassifications: to & from Investment Properties	0	(1,429)	0	0	0	0	(1,429)
Reclassifications: from Assets Under Construction	6,150	14,978	0	21	0	(23,955)	(2,806)
Reclassifications: PPE	0	(868)	0	0	80	768	(20)
Write back of Dep'n to the Gross Carrying Amount on Revaluation	(20,017)	(5,948)	(443)	0	0	0	(26,408)
Gross Book Value 31/03/25	515,796	981,519	31,897	8,944	13,976	153,776	1,705,908
Accumulated Depreciation and Impairment at 01/04/24	(18,244)	(5,162)	(12,006)	(597)	3	0	(36,006)
Depreciation Charge	(15,196)	(28,785)	(3,056)	(60)	0	0	(47,097)
Depreciation Written Out to Revaluation Reserve	20,017	5,948	443	0	0	0	26,408
Derecognition of Disposals	0	0	343	0	0	0	343
Other Movements in Depreciation and Impairments	(8,671)	(1,517)	0	0	0	0	(10,188)
Cumulative Depreciation to 31/03/25	(22,094)	(29,516)	(14,276)	(657)	3	0	(66,540)
Net Book Value at 31/03/25	493,702	952,003	17,621	8,287	13,979	153,776	1,639,368

Movements in 2023-24	Council Dwellings	Other Land & Buildings	Vehicles Plant & Equipment	Community Assets	Surplus Assets	Assets Under Construction	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross Book Value 01/04/23	493,344	894,864	30,804	8,576	18,520	69,117	1,515,225
Additions	28,694	24,168	3,472	80	2	50,991	107,407
Revaluation Increases Recognised in the Revaluation Reserve	1,595	61,024	0	0	180	0	62,799
Revaluation Losses Recognised in the Revaluation Reserve	(9,386)	(16,399)	0	0	(1,822)	0	(27,607)
Revaluation Increases Recognised in the Provision of Services	2	6,407	0	0	86	0	6,495
Revaluation Losses Recognised in the Provision of Services	(17,410)	(26,750)	(858)	0	(898)	0	(45,916)
Derecognition of Disposals	(48)	(787)	(2,576)	0	(2,000)	0	(5,411)
Reclassifications: to & from Assets Held for Sale	0	(948)	0	0	(152)	0	(1,100)
Reclassifications: to & from Investment Properties	0	54	0	0	0	(350)	(296)
Reclassifications: from Assets Under Construction	14	16,765	0	0	0	(19,044)	(2,265)
Reclassifications: PPE	0	0	0	0	0	0	0
Write back of Dep'n to the Gross Carrying Amount on Revaluation	(17,345)	(28,149)	(1,522)	0	0	0	(47,016)
Gross Book Value 31/03/24	479,460	930,249	29,320	8,656	13,916	100,714	1,562,315
Accumulated Depreciation and Impairment at 01/04/23	(8,980)	(5,700)	(12,816)	(537)	3	0	(28,030)
Depreciation Charge	(15,888)	(26,846)	(3,206)	(60)	0	0	(46,000)
Depreciation Written Out to Revaluation Reserve	17,345	28,149	1,522	0	0	0	47,016
Derecognition of Disposals	0	9	2,494	0	0	0	2,503
Other Movements in Depreciation and Impairments	(10,721)	(774)	0	0	0	0	(11,495)
Cumulative Depreciation to 31/03/24	(18,244)	(5,162)	(12,006)	(597)	3	0	(36,006)
Net Book Value at 31/03/24	461,216	925,087	17,314	8,059	13,919	100,714	1,526,309

All assets reclassified as Held for Sale were sold during the year. There were no assets classified as Held for Sale as at 31st March 2025.

Statement of Non-Current Assets Carried at Current Value 2024/25

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

	Council Dwellings £'000	Other Land & Buildings £'000	Vehicles Plant & Equipment £'000	Surplus Assets £'000	TOTAL £'000
Movement in fair value as at:					
Previous Years	384,528	726,353	27,189	19,606	1,157,676
31 March 2021	(9,902)	12,901	1,233	3,951	8,183
31 March 2022	93,924	78,237	(2,695)	(2,344)	167,122
31 March 2023	24,794	77,373	5,077	(2,693)	104,551
31 March 2024	(13,884)	35,385	(1,484)	(4,604)	15,413
31 March 2025	36,336	51,270	2,577	60	90,243
Gross Book Value at 31/03/25	515,796	981,519	31,897	13,976	1,543,188

Infrastructure Assets

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

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

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

	2023-24 £'000	2024-25 £'000
Net Book Value at 1st April	255,373	264,486
Net additions	15,055	12,806
Reclassifications	2,265	
Net depreciation charge	(8,207)	(8,298)
Total Net Movements	9,113	4,508
Net Book Value at 31st March	264,486	268,994

Reinforced Autoclaved Aerated Concrete (RAAC)

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

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

Capital Commitments

As at 31st March 2025 the Council was contractually committed to outstanding capital works which amounted to approximately £53 million (£59 million as at 31st March 2024).

	£'000
Council Dwellings	3,791
The main contracts include:	
<i>Maesgriffiths, Llansteffan</i>	1,719
Education and Children	11,815
The main contracts include:	
<i>Bryngwyn School</i>	10,738
Culture, Sport and Tourism	900
Regeneration / Economic Development	22,113
The main contracts include:	
<i>Canolfan at Pentre Awel</i>	15,916
<i>Carmarthen HWB</i>	6,197
Corporate	1,580
Environmental Infrastructure & Flood	12,813
The main contracts include:	
<i>Fleet Replacement</i>	2,020
<i>Towy Valley Path</i>	10,759
Total	<u>53,012</u>

6.10 Heritage Assets

Heritage Assets with a net carrying amount of £2,607k were held as at 31st March 2025 (£2,414k as at 31st March 2024). Further details of the Council's Heritage Assets, classed as Museum Exhibits, can be obtained from the County Museum's Curator at Carmarthenshire County Council.

6.11 Investment Properties

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

	2023-24	2024-25
	£'000	£'000
Rental income from Investment Properties	(889)	(995)
Direct operating expenses arising from Investment Property	761	474
Net (gain)/loss	(128)	(521)
Indirect Expenditure	249	475
Net (Gains)/Losses from Fair Value adjustments	3,753	1,050
Income and Expenditure in relation to Investment Properties and changes in their Fair Value	3,874	1,004

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

	2023-24	2024-25
	£'000	£'000
Balance at start of year	26,213	21,157
Additions	1,382	417
Disposals	(2,981)	(24)
Net Gains/(Losses) from fair value adjustments	(3,753)	(1,050)
Revaluation Losses Recognised in the Revaluation Reserve	0	16
(To)/From Property, Plant and Equipment	296	3,942
(To)/From Infrastructure	0	0
	21,157	24,458

Fair Value Measurement of Investment Properties

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

	31st March 2024		31st March 2025	
	Significant unobservable inputs (level 3)	Fair Value	Significant unobservable inputs (level 3)	Fair Value
Recurring Fair Value measurements				
Commercial Properties	8,217	8,217	10,015	10,015
Garages	39	39	61	61
Land Assets	12,854	12,854	14,335	14,335
Residential Properties	47	47	47	47
Total	21,157	21,157	24,458	24,458

6.12 Long Term Investments

	31 March 2024 £'000	31 March 2025 £'000
Cwm Environmental Ltd.	329	329
Egni Sir Gar Cyfyngedig	680	680
Banks and 100% Wholly Owned Subsidiaries	0	0
	1,009	1,009

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

CWM Environmental Ltd

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

The company was vested with the Welsh Office on 10 March 1997 and the following represents the Authority's Interest at 31st March 2025:

	£'000
Share Capital	329

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

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

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

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

The Company has produced draft accounts for the year. Detailed below is a summary of the draft unaudited accounts for the year and net assets as at 31st March 2025:

	Year ended 31 March 2025
	£'000
Turnover	16,968
Less: Cost of Sales	(14,264)
Gross Profit	2,704
Overheads	(2,609)
Net Profit/(Loss) before taxation	95
Taxation on loss / profit	0
Retained Profit/(Loss)	95
Net Assets as at 31 March 2025	4,876

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

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

Llesiant Delta Wellbeing Ltd

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

The company is required to produce audited accounts for the year ended 31st March 2025 which are submitted to Companies House. Detailed below is a summary of the draft accounts for the year and net assets as at 31st March 2025.

	Year ended 31 March 2025
	£'000
Turnover	8,446
Less: Cost of Sales	(6,764)
Gross Profit	1,682
Overheads	(1,674)
Net Profit/(Loss) before taxation	8
Taxation on loss / profit	(1)
Changes in defined pension liabilities	(1,365)
Retained Profit/(Loss)	(1,358)
Net Assets/(Liabilities) as at 31 March 2025	554

Cartrefi Croeso

Cartrefi Croeso is a wholly owned subsidiary of the Authority. The total value of the share capital is £100. The investment is included in Long Term Investments within the Balance Sheet and the Authority has given no commitment to this company to meet any accumulated deficits or losses. During 2023/24, the company was put into dormancy.

The company is required to produce audited accounts for the year ended 31st March 2025 which are submitted to Companies House. There was no business activity during the year. Detailed below is a summary of the draft trading results for the year and net assets as at 31st March 2025.

	Year ended 31 March 2025
	£'000
Turnover	0
Less: Cost of Sales	0
Gross Profit	0
Overheads	0
Net Profit/(Loss) before taxation	0
Taxation on loss / profit	0
Retained Profit/(Loss)	0
Net Assets/(Liabilities) as at 31 March 2025	(607)

Egni Sir Gar

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

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

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

No capital repayment was made during the year.

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

Each share has a nominal value of £1.00 each.

6.13 Long Term Debtors

	31 March 2024 £'000	31 March 2025 £'000
Home Improvement Loans Longer than One Year	612	501
Charges against estates of persons in residential homes (Carmarthenshire County Council)	846	760
Charges against estates of persons in residential homes (External Providers)	1,824	1,783
Capital Contribution to the loans of 1st time homebuyers	817	795
Car Loans	23	13
Loan Towy Community Church	106	0
Loan for Town Centres	718	1,102
Loan Cartrefi Croeso	2	2
Loan Town and Community Councils	298	236
Loan Cwm Environmental	243	4,449
Loan Scarlets	2,616	2,616
Other	76	74
	8,181	12,331

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

A 15 year annuity loan of £270k at a variable interest rate of 2.5% above base rate was entered into with the Towy Community Church in December 2012 to assist in the implementation of the Xcel project. This loan was repaid in full in December 2024.

A 10 year loan of £321k at a fixed interest rate of 3.38% was entered into with CWM Environmental Limited in February 2020 for the purpose of acquiring land adjoining the Nantycaws Site. An additional 5 year loan of £201k at a fixed interest rate of 3.12% was entered into with CWM Environmental Limited in April 2020 for the purpose of constructing a new office building at the Nantycaws site. A 5 year loan of £278k at a fixed interest rate of 6.10% per annum was entered into with CWM Environmental Limited in February 2025 for the purpose of lease settlement and legal costs upon relocation.

A £10m loan facility was agreed by County Council with CWM Environmental Limited in December 2023 to enable the company to rebuild and equip a Resources Recovery Facility following the fire at the site in April 2021. Of the £10m facility a loan of £2m at a fixed interest rate of 6.18% per annum was entered into in January 2025 and a further loan of £2m at a fixed interest rate of 6.24% per annum was entered into in March 2025, both over a period of 10 years.

The County Council, as part of the Development Agreement entered into with Llanelli Rugby Football Club Limited (the club), advanced a sum of £2.4m for a term of 15 years to the club. In October 2010, the County Council agreed to a variation in the terms of the loan whereby interest payments of £216,000 were deferred to the end of the loan period in 2023. Following the end of this agreement, a further extension to the loan has been agreed for a period of 15 years from April 2023. A variation in terms has been agreed, repayment of loan principal will commence in April 2026 on an equal instalment basis of £218,000 per annum. Interest continues to be chargeable on the loan and is charged at a rate of 2.2% above the Bank Base Rate (4.5% as at 31st March 2025).

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

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

6.14 **Short Term Investments**

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

	31 March 2024 £'000	31 March 2025 £'000
Banks and Debt Management Account Deposit Facility	20,970	867
Local Authorities	10,104	8,130
	31,074	8,997

6.15 Inventories

	2023-24	2024-25
	£'000	£'000
Balance at start of year	2,063	1,980
Purchases	7,767	7,760
Recognised as an expense in the year	(7,847)	(8,279)
Written off balances	(4)	(6)
Other net movements in year	1	0
Balance at year end	1,980	1,455

Donated Inventories Account

The Authority no longer receives any Personal Protective Equipment from Welsh Government for use within both in-house as well as commissioned social care services. The stock held at the beginning of the year was fully utilised during the year.

2023-24		2024-25
£'000		£'000
(114)	Balance as at 1 April	(64)
(240)	Received	0
290	Utilised	64
(64)	Balance as at 31 March	0

The Authority did not distribute Personal Protective Equipment and lateral flow tests in its capacity as agent to external organisations during the year.

6.16 Short Term Debtors

	31 March 2024	31 March 2025
	£'000	£'000
HM Revenue & Customs	7,669	7,226
Central Government	43,895	56,128
Police, Fire, National Park and Local Authorities	7,607	19,682
NHS Bodies	15,879	12,049
Council Tax Payers	5,278	6,424
Housing Tenants	1,996	2,559
Other	28,245	30,891
	110,569	134,959

6.17 Cash and Cash Equivalents

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

2023-24		2024-25
£'000		£'000
75	Cash held by the Authority	78
(4,642)	Bank current accounts	(3,505)
	Short-term deposits with banks, money market funds and debt management account deposit facility	
47,756		12,894
10,031	Short-term deposits with Local Authorities	5,005
53,220	Total Cash and Cash Equivalents	14,472

6.18 Short Term Borrowing

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

	31 March 2024 £'000	31 March 2025 £'000
Public Works Loan Board	11,459	10,804
Market Loan	64	64
Salix & Invest 2 Save	288	288
	11,811	11,156

6.19 Short Term Creditors

	31 March 2024 £'000	31 March 2025 £'000
HM Revenue & Customs	(6,229)	(6,610)
Central Government	(5,913)	(5,393)
Police, Fire, National Park and Local Authorities	(10,157)	(2,185)
NHS Bodies	(3,651)	(1,359)
Housing Tenants	(673)	(955)
Council Tax Payers	(3,628)	(4,288)
Employee Related	(8,374)	(8,810)
Dyfed Pension Fund	(7,576)	(11,629)
Trust Funds	(6,527)	(6,796)
Finance Lease Liabilities	0	(3,145)
Other	(53,390)	(55,996)
	(106,118)	(107,166)

* This represents funds held on client's behalf.

6.20 Provisions

The summary below shows the movement in the level of provisions during 2024/25:

	1 April 2024 £'000	Reversal £'000	Addition £'000	Utilisation £'000	31 March 2025 £'000
Corporate Services Department	76	(35)	109	0	150
Place, Infrastructure & Economic Development Department	22	0	0	0	22
Communities Department	244	0	0	(206)	38
Municipal Mutual Insurance (MMI)	126	0	0	(1)	125
Landfill Site - Aftercare Provision	229	0	0	(81)	148
Insurance	666	0	266	0	932
	1,363	(35)	375	(288)	1,415

Balances as at 31 March 2025	Current Liabilities (< 1 year) £'000	Long Term Liabilities (> 1 year) £'000	Total £'000
Corporate Services Department	40	110	150
Place, Infrastructure & Economic Development Department	8	14	22
Communities Department	0	38	38
Municipal Mutual Insurance (MMI)	2	123	125
Landfill Site - Aftercare Provision	76	72	148
Insurance	932	0	932
	1,058	357	1,415

Purpose of Main Provisions**Corporate Services Department**

Provision for money due to HMRC relating to a prior year payroll adjustment £110k. There is also a provision for overtime relating to the closure of the accounts.

Place, Infrastructure & Economic Development Department

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

Communities Department

Provision of £206k to meet the requirements of UK digital switchover has been fully utilised in 2024/25. Provision of £38k for legal/barristers costs for prosecutions relating to trading standards & animal health.

Municipal Mutual Insurance (MMI)

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

Landfill Site - Aftercare

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

Insurance Provision

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

6.21 Long Term Borrowing

Total Outstanding as at	31st March 2024 £'000	31st March 2025 £'000	Maturity Dates
Sources of Borrowing			
Public Works Loan Board	388,448	395,033	2025-2073
Market Loans (Note i)	3,112	3,110	2025-2055
Interest Free Loans (Note ii)	9,384	9,096	2025-2037
	400,944	407,239	

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

(ii)

Interest Free Loans

Total Outstanding as at	31st March 2024 £'000	31st March 2025 £'000
SALIX	2,029	1,741
Home Improvement Loans Scheme	1,292	1,292
Town Centre Loans	6,063	6,063
	9,384	9,096

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

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

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

6.22 Earmarked Council Fund Reserves

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

	1 April 2023 £'000	Transfers In £'000	Transfers Out £'000	31 March 2024 £'000	Transfers In £'000	Transfers Out £'000	31 March 2025 £'000
Earmarked Reserves							
Insurance	13,655	1,077	(881)	13,851	1,278	(1,040)	14,089
Major Development Fund	38,662	4,672	(19,459)	23,875	5,081	(9,310)	19,646
MEP Capital Funding	12,879	2,573	(163)	15,289	3,251	(1,261)	17,279
Development Fund	750	4	(1)	753	200	(149)	804
Schools Development Fund	314	14	0	328	6	0	334
City Deal/Pentre Awel	10,969	1,857	(3,736)	9,090	2,347	(3,789)	7,648
Public Lighting Invest 2 Save	1,301	0	(496)	805	0	0	805
Salix Fund	215	456	(488)	183	203	(288)	98
Corporate Retirement Fund	6,241	108	0	6,349	66	0	6,415
Redundancy	935	207	(42)	1,100	102	(71)	1,131
IT Infrastructure	333	0	0	333	0	0	333
Financial Management System	317	0	0	317	0	0	317
Parc Dewi Sant/St David's Park	1,203	0	(1,203)	0	0	0	0
Joint Ventures	1,613	228	(58)	1,783	338	(131)	1,990
Externally Funded Schemes	2,019	1,483	(1,290)	2,212	1,711	(1,241)	2,682
Llanelly House	142	0	0	142	0	0	142
Community Asset Transfer Fund	37	0	0	37	0	0	37
Fleet Management	1,299	1,022	0	2,321	1,422	0	3,743
Highways Capital Funding	1,297	39	0	1,336	0	(16)	1,320
Council Tax/Housing Benefit	880	0	0	880	0	0	880
Housing Services Schemes	4,913	811	(214)	5,510	105	(585)	5,030
Work Ready Programme	235	0	(50)	185	0	(53)	132
Brexit	200	0	0	200	0	(200)	0
Departmental Reserves	21,827	8,155	(7,339)	22,643	9,697	(7,488)	24,852
Resetting Services (Post COVID19)	1,400	0	0	1,400	0	0	1,400
COVID19 Hardship	4,391	0	0	4,391	0	0	4,391
Economic Recovery	450	0	0	450	0	0	450
County Council Election costs	173	106	0	279	108	0	387
Nantycaws Recycling Centre	1,700	0	0	1,700	0	0	1,700
Schools HWB Sustainability Scheme	790	920	(73)	1,637	802	(53)	2,386
Urdd National Eisteddfod	89	0	(66)	23	0	(23)	0
Carmarthen Hwb	100	0	(100)	0	0	0	0
Waste Strategy	252	0	0	252	0	0	252
Decarbonisation	500	0	0	500	0	0	500
Levelling up bid match funding	3,500	0	0	3,500	0	0	3,500
Inflationary Risks	1,537	0	0	1,537	0	0	1,537
Revenue Support Grant (RSG)	3,075	0	0	3,075	0	(3,075)	0
Cost of Living Discretionary Scheme	766	0	(271)	495	0	(53)	442
Targeted Regeneration Investment	84	37	0	121	3	0	124
Residential Home Room Refurbishment	498	0	(42)	456	0	(361)	95

Continued overleaf

	1 April 2023 £'000	Transfers In £'000	Transfers Out £'000	31 March 2024 £'000	Transfers In £'000	Transfers Out £'000	31 March 2025 £'000
Deprivation of Liberty Safeguards (DoLS)	123	0	(123)	0	0	0	0
Kidwelly Town Hall	1,000	0	(228)	772	228	0	1,000
Other	204	25	(33)	196	56	0	252
	142,868			130,306			128,123
Held by Schools under LMS	11,124	806	(6,755)	5,175	1,022	(8,035)	(1,838)
	11,124			5,175			(1,838)

Insurance

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

Major Development Fund

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

MEP Capital Funding

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

Development Fund

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

City Deal/Pentre Awel

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

Public Lighting Invest 2 Save

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

Salix Fund

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

Corporate Retirement Fund

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

Redundancy

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

IT Infrastructure

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

Financial Management System

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

Joint Ventures

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

Externally Funded Schemes

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

Llanelly House

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

Community Assets Transfer Fund

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

Fleet Management

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

Highways Capital Funding (Local Government Borrowing Initiative LGBI)

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

Council Tax/Housing Benefits

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

Housing Services Schemes

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

Work Ready Programme

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

Brexit

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

Departmental Reserves

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

Resetting Services (Post COVID19)

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

COVID19 Hardship

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

Economic Recovery

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

County Council Election Costs

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

Nantycaws Recycling Centre

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

Schools HWB Sustainability Scheme

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

Revenue Support Grant

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

Urdd National Eisteddfod

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

Levelling Up Match Funding

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

Inflationary Risks

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

Cost of Living Discretionary Scheme

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

Targeted Regeneration Investment

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

Decarbonisation

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

Waste Strategy

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

Residential Home Room Refurbishment

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

Kidwelly Town Hall

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

Held by Schools under LMS

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

6.23 Capital Receipts Reserve

	2023-24	2024-25
	£'000	£'000
Opening Balance	11,505	15,655
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	4,225	1,181
Statutory Capital Receipts	406	383
	<u>16,136</u>	<u>17,219</u>
Use of the Capital Receipts Reserve to finance new capital expenditure	(409)	(4,914)
Repayment of Long Term Loan	(72)	(72)
Closing Balance	<u>15,655</u>	<u>12,233</u>

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

6.24 Capital Grants Unapplied

	2023-24	2024-25
	£'000	£'000
Opening Balance	17,501	15,015
Additions	6,023	17,733
	<u>23,524</u>	<u>32,748</u>
Grants and Contributions applied	(8,509)	(9,325)
Closing Balance	<u>15,015</u>	<u>23,423</u>

6.25 Revaluation Reserve

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

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

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

2023-24 £'000		2024-25 £'000
548,398	Balance at 1 April	563,887
62,800	Upward revaluation of assets	118,615
	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	
(28,900)		(48,964)
	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	69,651
33,900	Difference between fair value depreciation and historical cost depreciation	(18,345)
(16,893)		
(1,518)	Accumulated gains on assets sold or scrapped	(1,257)
(18,411)	Amount written off to the Capital Adjustment Account	(19,602)
563,887	Balance at 31 March	613,936

6.26 Capital Adjustment Account

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

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

2023-24 £'000		2024-25 £'000
732,439	Balance at 1 April	751,255
	Adjustment to Balance B/fwd re IFRS16	1,482
	Adjusted Balance at 1 April	752,737
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(37,315)	Charges for depreciation and impairment of non-current assets	(36,960)
0	Charges for depreciation and impairment of IFRS16 assets	(4,779)
(49,624)	Revaluation gains/(losses) on Property, Plant and Equipment	(35,677)
(856)	Revenue expenditure funded from capital under statute	(4,079)
	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	(923)
<u>(7,100)</u>		<u>(923)</u>
637,544		670,319
<u>1,518</u>	Adjusting amounts written out of the Revaluation Reserve	<u>1,257</u>
	Net written out amount of the cost of non-current assets consumed in the year	671,576
639,062	Capital Receipts Set Aside	0
0	Additional in Year Movements	(253)
(330)	Use of the Capital Receipts Reserve to finance new capital expenditure	4,914
409	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	67,776
55,934	Application of grants to capital financing from the Capital Grants Unapplied Account	9,325
8,509	Statutory provision for the financing of capital investment charged against the Council Fund and HRA balances	19,394
15,088	Capital expenditure charged against the General Fund and HRA balances	18,204
<u>36,336</u>		<u>18,204</u>
755,008		790,936
	Movements in the market value of Investment Properties (debited) or credited to the Comprehensive Income and Expenditure Statement	(1,050)
<u><u>751,255</u></u>	Balance at 31 March	<u><u>789,886</u></u>

6.27 Pensions Reserve

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

2023-24		2024-25
£'000		£'000
(Restated)		
60,707	Balance at 1 April	(34,153)
113,401	Remeasurements of the net defined benefit liability/(asset)	157,706
(210,603)	Effect of the Asset Ceiling*	(156,739)
	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services	
(28,440)	in the Comprehensive Income and Expenditure Statement	(34,426)
30,782	Employer's pensions contributions and direct payments to pensioners payable in the year	33,155
(34,153)	Balance at 31 March	(34,457)

*The effect of the asset ceiling for 2023/24 has been restated to -£210,603 from -£176,450. This is a technical accounting adjustment which requires the asset ceiling calculation to be applied to the Local Government Pension Scheme separately to any unfunded pension obligations outside of the Local Government Pension Scheme.

6.28 Accumulated Absences Account

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

	2023-24	2024-25
	£'000	£'000
Balance 1st April	(7,397)	(7,026)
Settlement or cancellation of preceding year's accrual	7,397	7,026
Accrual for current year	(7,026)	(7,159)
Balance 31st March	(7,026)	(7,159)

6.29 Expenditure and Income Analysed by Nature

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

2023-24		2024-25
£'000		£'000
	Expenditure	
347,186	Employee Expenses	370,188
342,814	Other Service Expenses	381,364
31,648	Support Service Recharges	35,286
103,832	Depreciation & Similar Charges	95,760
77,333	Interest Payable & Similar Charges	90,095
44,691	Precepts & Levies	48,713
2,875	Gains/Losses on Disposal of Non Current Assets	(298)
950,379	Total Expenditure	1,021,108
	Income	
(185,439)	Fees, Charges & Other Service Income	(195,285)
(67,309)	Interest and Investment Income	(76,666)
(205,518)	Income from Council Tax & Net Proceeds from Non Domestic Rates	(225,707)
(472,628)	Grants and Contributions	(537,578)
(930,894)	Total Income	(1,035,236)
19,485	(Surplus)/deficit on the provision of services	(14,128)

6.30 Pooled Budgets

The Authority has entered into a pooled budget arrangement with Hywel Dda University Health Board for the provision of an integrated community equipment store. The Authority and the Board have an agreement in place with the partners contributing funds to the agreed budget of £175,748 and £408,940 respectively.

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

6.31 Members Allowances

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

	2023-24	2024-25
	£	£
Allowances	1,608,717	1,708,537
Expenses	33,525	31,361
Total	1,642,242	1,739,898

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

6.32 Employee Emoluments

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

Remuneration Band	No. of Employees 2023-24	No. of Employees 2024-25	Left During 2024-25
£60,000 to £64,999	77	96	0
£65,000 to £69,999	86	80	0
£70,000 to £74,999	35	51	0
£75,000 to £79,999	19	26	0
£80,000 to £84,999	19	28	1
£85,000 to £89,999	6	6	0
£90,000 to £94,999	2	5	0
£95,000 to £99,999	4	4	1
£100,000 to £104,999	15	6	0
£105,000 to £109,999	2	11	0
£110,000 to £114,999	3	3	0
£115,000 to £119,999	2	1	0
£120,000 to £124,999	1	2	0
£125,000 to £129,999	0	1	0
Total No. of Employees	271	320	2

Remuneration value includes redundancy/termination payments.

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

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

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

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

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

Post		Salary (including fees & allowances) £	Pension contributions £	Expense Allowances £
Mrs S W Walters - Chief Executive & Returning Officer	23/24	161,638	32,812	0
	24/25	176,899	33,633	0
Mr J Morgan - Director of Communities and Deputy Chief Executive	23/24	154,406	31,344	0
	24/25	158,266	32,128	0

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

Post		Salary (including fees & allowances) £	Pension contributions £
Director of Place, Infrastructure & Economic Development	23/24	135,045	27,406
	24/25	141,376	28,699
Director of Corporate Services	23/24	140,369	28,495
	24/25	143,878	29,207
Director of Education, Children & Family Services (i)	23/24	140,369	28,495
	24/25	83,929	17,038
	24/25	62,256	12,638

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

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

For the purpose of putting a value on the pension contributions relating to senior officers, the Common Contribution Rate of 20.3% for 2024/25 (20.3% for 2023/24) of pensionable pay has been used.

(i) The Director of Education, Children & Family Services retired on 31/10/2024. The new postholder commenced employment on 14/10/2024.

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

	2023-24	2024-25
Chief Executive's remuneration	£161,638	165,679
Median remuneration of all employees	£28,915	£30,257
Ratio of the remuneration of the Chief Executive to the median remuneration of all employees	5.59 : 1	5.48 : 1

6.33 Exit Packages

During 2024/25 the Authority incurred expenditure in terms of redundancy costs paid to leavers together with costs incurred in compensation payments to the Local Government Pension Fund in respect of early access pension costs.

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

The above costs are detailed in the table below.

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24 £	2024-25 £
£0 - £20,000	3	5	6	3	9	8	75,259	43,625
£20,001 - £40,000	1	1	0	0	1	1	21,825	29,297
£40,001 - £60,000	1	0	0	1	1	1	48,022	54,403
£60,001 - £80,000	0	1	1	0	1	1	65,735	67,278
£80,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	0	0	0	0	0
Total	5	7	7	4	12	11	210,841	194,603

6.34 Audit Costs

In 2024/25 Carmarthenshire County Council incurred the following fees relating to financial audit and inspection, payable to the Wales Audit Office:

	2023-24 £'000 (Restated)	2024-25 £'000
Financial Audit Services	220	224
Performance Audit Services	99	119
Certification of Grant Claims & Returns	42	42
Burry Port Harbour Inspection	1	1
Total	362	386

The fee for 2023/24 Financial Audit Services has been restated as it was estimated to be £231k in the audit plan, however a refund of £11k was given as a result of a new efficient approach from Audit Wales reducing costs. The fee for 2023/24 Local Government Performance Audit was also restated as it was estimated to be £117k in the audit plan, but a refund of £18k was given for work that has now been deferred until 2025/26.

6.35 Grant Income

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

	2023-24 £'000	2024-25 £'000
Credited to Services		
Education, Children & Family Services:		
DCELLS Post 16 & ACL Funding	7,777	8,163
Children and Communities Grant	7,825	8,529
Regional Consortia School Improvement Grant (RCSIG)	6,873	0
Pupil Development Grant (PDG)	202	0
All Wales Play Opportunity Grant	633	664
Regional Integration Fund	28	53
LA Education Grant	15,585	32,069
Youth Support Grant	610	610
Shared Prosperity Fund (SPF)	0	1,793
Eliminating Profit from Care	743	311
Unaccompanied Asylum Seeker Children	1,253	2,000
Adult Social Services & Housing:		
Supporting People	8,831	9,621
Social Care Workforce Development Programme Grant	470	474
Continuing Health Care Grant	812	812
Wanless Grant	480	767
Violence Against Women, Domestic Abuse & Sexual Violence	808	960
Regional Partnership Fund (RPF)	608	652
Regional Integration Fund	5,592	4,998
General Capital Grant	803	0
Homeslessness-No One Left Out	1,651	1,123
Workforce and Sustainability Grant	2,727	2,731
Highways & Transport Services:		
Concessionary Fares Subsidy	1,496	1,695
Local Transport Services Grant	1,856	3,240
Cultural, Environmental, Regulatory & Planning Services:		
Sustainable Waste Management Grant	636	671
European Regional Development Fund (ERDF)	553	0
European Social Fund	612	0
Shared Prosperity Fund (SPF)	6,583	22,718
Swansea Bay City Region	0	1,846
Children and Communities Grant	839	711
Sports Council for Wales	383	510
Central Services to the Public:		
Housing Benefit	35,276	35,192

Continued overleaf

	2023-24 £'000	2024-25 £'000
Other Grants:		
Post COVID Recovery WG Education & Children's Services Grants	3,370	0
Ukrainian Re-settlement Scheme	1,325	569
Other Grants - WG funded*	5,687	4,400
Other Grants	11,314	13,412
Total	134,241	161,294

* Comparative figure for 2023/24 for the Rural Development Plan (£442K) has been reclassified as Other Grants - WG funded.

	2023-24 £'000	2024-25 £'000
Revenue Support Grant	276,430	281,597
General Government Grants	0	9,178
Capital Grants and Contributions		
21st Century Schools Grant/School Building Improvement Grant	1,953	8,185
Major Repairs Allowance	12,302	13,384
Transport Grants	6,873	7,504
General Capital Grant	5,273	4,517
Intermediate Care Fund	1,303	4,704
European Regional Development Fund (ERDF)	2,117	0
Schools Maintenance Capital Grant	504	2,475
Energy Service Grant	4,304	316
Tourism Grant	631	2,945
Coastal Defence Grant	306	0
Strategic Waste Management Grant (SWM)	60	182
Levelling Up Fund	1,509	22,593
Shared Prosperity Fund (SPF)	2,989	2,671
Swansea Bay City Region	19,768	9,245
Other Grants & Contributions	2,065	6,788
Total	61,957	85,509

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

	31 March 2024 £'000	31 March 2025 £'000
Revenue Grants Receipts in Advance		
Communities various	231	217
Place and Infrastructure Various	263	281
Chief Executive various	375	309
Chief Exec - Shared Prosperity Fund	6,134	0
Education various	138	20
	7,141	827

Principal vs Agency Grants

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

Principal in Nature

2024/25	Expenditure	Welsh Government Income	Other Public Bodies Income
	£'000	£'000	£'000
Ukrainian Re-settlement Scheme	324	(278)	(290)
Cost of Living Discretionary Grant	53	0	0
TOTAL	377	(278)	(290)

Agency in Nature

2024/25	Expenditure	Welsh Government Income	Other Public Bodies Income
	£'000	£'000	£'000
Ukrainian Re-settlement Scheme	248	(27)	(221)
TOTAL	248	(27)	(221)

6.36 Related Party Transactions

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

Central Government

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

Dyfed Pension Fund

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

Transactions between the two bodies are detailed in Note 6.42. The Council charged the Pension Fund an amount of £1.3m (£1.5m in 2023/24) in respect of administration and support during 2024/25. Short Term Creditors (Note 6.19) includes an amount of £11.6m owed to the Dyfed Pension Fund at 31st March 2025 (£7.6m at 31st March 2024).

CWM Environmental Limited

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

CWM Environmental charged the Council an amount of £13.09m (£11.73m in 2023/24) in respect of waste services 2024/25. Short Term Creditors (Note 6.19) includes an amount of £1.26m owed to CWM Environmental at 31st March 2025 (£1.89m at 31st March 2024).

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

Egni Sir Gar Cyfyngedig

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

Burry Port Marina Ltd (in administration)

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

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

	2024-25
	£'000
Expenditure	180
Income	30
	2025
Balances outstanding at 31 March:	£'000
Debtor	209
Creditor	88

During April 2025 the administrators surrendered the Harbour lease to Carmarthenshire County Council with all staff transferring. The Harbour remains operational.

Cartrefi Croeso Cyfyngedig

Cartrefi Croeso Cyfyngedig is a housing company wholly owned by Carmarthenshire County Council. In previous years, the company had three directors, appointed by the Chief Executive in consultation with the Leader of the Council. In September 2021, Cabinet agreed to bring in-house all projects under development by the company and implement the legal process for the company to cease trading but be retained as a "dormant" company. This process has now been effected, all directors have now resigned and been replaced by the Council's Head of Housing for administrative purposes only. During the year Cartrefi Croeso did not decrease the balance of expenditure funded by the council. The balance outstanding to the Council at 31st March remains at £607k.

Llesiant Delta Wellbeing

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

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

	2023-24	2024-25
	£'000	£'000
Expenditure	7,253	5,625
Income	1,094	321
	2024	2025
Balances outstanding at 31 March:	£'000	£'000
Creditor	675	421
Debtor	71	30

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

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

During the year, there have been changes to the operational and funding mechanism for regional funding which is administered via the West Wales Care Partnership hosted by the council.

Members' Interests

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

Members of the Council have direct control over the Council's financial and operating policies. The total of Members' allowances paid in 2024/25 is shown in Note 6.31.

The Authority paid grants totalling £126k to organisations in which nineteen members had an interest. The grants were made with proper consideration of declarations of interest. The relevant members did not take part in any discussion or decision relating to the grants.

Officers' Interests

Chief Executive

A close family member of the Chief Executive is working with W B Griffiths & Sons. During 2024/25, the Authority spent a total of £2,092k with the contractor (£359k in 2023/24). As at 31st March 2025 the outstanding creditor balance was £153k (£87k as at 31st March 2024).

Monitoring Officer

The Monitoring Officer jointly owns a rental property where the tenant is in receipt of housing benefit, which is administered by Carmarthenshire County Council. During 2024/25, the value of housing benefit was £3,883 (2023/24 £5,978).

6.37 Jointly Controlled Operations & Other Similar Arrangements**Wales Pension Partnership (WPP)**

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

The Council charged the Wales Pension Partnership an amount of £165k (£157k in 2023/24) in respect of administration and support during 2024/25.

	WPP
	2024-25
	Total
	£'000
Expenditure	1,926 *
Income	(1,926)
(Surplus)/Deficit for the year	<u>0</u>
Current Assets	942
Current Liabilities	(942)
Total assets less liabilities	<u><u>0</u></u>

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

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

Partneriaeth (formerly ERW)

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

Detailed below is a summary of the draft Income and Expenditure Account and Balance Sheet for the year ended 31st March 2025.

	Partneriaeth	
	2024-25	
	Total	CCC Share
	£'000	£'000
Expenditure	3,360	1,176
Income	(2,321)	(812)
(Surplus)/Deficit for the year	<u>1,039</u>	<u>364</u>
Current Assets	828	290
Current Liabilities	(288)	(101)
Total assets less liabilities	<u>540</u>	<u>189</u>
Reserves	(540)	(189)
Total Financing	<u>(540)</u>	<u>(189)</u>

Swansea Bay City Region (SBCR)

The Swansea Bay City Deal is a £1.374bn investment in 9 major projects across the Swansea Bay City Region – which is made up of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea.

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

Detailed below is a summary of the Income and Expenditure Account and Balance Sheet for the year ended 31st March 2025:

	SBCR
	2024-25
	Total
	£'000
Expenditure	3,267
Income	(2,828)
(Surplus)/Deficit for the year	<u>439</u>
Current Assets	69,589
Current Liabilities	(3,933)
Total assets less liabilities	<u>65,656</u>
Reserves	65,656
Total Financing	<u>65,656</u>

West Wales Crematorium (Parc Gwyn, Narberth)

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

South West Wales Corporate Joint Committee

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

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

On 23rd January 2024 the SWWCJC approved the 2024/25 budget which was set at £615,049 with a levy from each of the constituent authorities: Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea. In respect of some functions, both Pembrokeshire National Park and Brecon Beacons National Park are also members.

Detailed below is a summary of the Income and Expenditure Account and Balance Sheet for the year ended 31st March 2025:

	SWWCJC
	2024-25
	Total
	£'000
Expenditure	379
Income	(711)
(Surplus)/Deficit for the year	<u>(332)</u>
Current Assets	1,293
Current Liabilities	<u>(117)</u>
Total assets less liabilities	<u>1,176</u>
Reserves	1,176
Total Financing	<u>1,176</u>

6.38 Capital Expenditure and Capital Financing

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

	2023-24	2024-25
	£'000	£'000
Capital Investment		
Property, Plant and Equipment	107,407	131,248
Infrastructure	15,055	12,683
Investment Properties	1,382	417
Heritage Assets	0	16
Long Term Loans	331	4,831
Revenue Expenditure Funded from Capital under Statute	7,621	16,467
	<u>131,796</u>	<u>165,662</u>
Sources of Finance		
Capital Receipts	409	4,914
Government grants and other contributions	62,699	80,163
Grants unapplied reserve	8,509	9,325
Sums set aside from revenue	21,565	9,705
Direct revenue contributions	14,771	8,498
Borrowing	23,843	53,057
	<u>131,796</u>	<u>165,662</u>
Opening Capital Financing Requirement	495,646	504,328
Explanation of Movements in Year		
Adjustment to opening balance re IFRS 16	<u>0</u>	<u>11,533</u>
Adjusted Opening Capital Financing Requirement	495,646	515,861
Increase in underlying need to borrow (supported by government financial assistance)	2,758	2,611
Increase in underlying need to borrow (unsupported by government financial assistance)	<u>5,924</u>	<u>32,174</u>
Increase/(decrease) in Capital Financing Requirement	<u>8,682</u>	<u>34,785</u>
Closing Capital Financing Requirement	<u>504,328</u>	<u>550,646</u>

6.39 Leases

In 2024/25, the Authority 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 Authority determined at contract inception whether an arrangement is or contains a lease under IFRIC 4 and IAS 17. Under IFRS 16, the Authority assesses 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 Authority 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 Authority 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 Authority has the right to direct the use of the asset throughout the period of use. The Authority 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 Authority has the right to direct the use of the asset if either:
 - The Authority has the right to operate the asset; or
 - The Authority designed the asset in a way that predetermines how and for what purpose it will be used

On transition to IFRS 16, the Authority 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. The Authority as a lessee

As a lessee, the Authority 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 Authority. Under IFRS 16, the Authority recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

The Authority 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 Authority 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 Authority'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 Authority'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 Authority 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 Authority's incremental borrowing rate at that date
- A single discount has been applied to portfolios of leases with reasonably similar characteristics
- The weighted average of the incremental borrowing rates used to discount liabilities was 3.57%
- 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:

- £13.646m Property, plant and equipment – land and buildings (right-of-use assets)
- £5.296m Non-current creditors (lease liabilities)
- £3.145m Current creditors (lease liabilities)

The newly recognised leases liabilities of £11.533m compare with the operating lease commitments of £14.389m at 31 March 2024 disclosed in the notes to the 31 March 2024 financial statements. When these are discounted to their present value of £14.389m (using the incremental borrowing rate at 1 April 2024), there is a difference of £2.855m 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

The Authority has no leases classified as finance leases.

Right of Use Assets

The table below shows the change in the value of right-of-use assets held under leases by the authority:

	Land and buildings £'000	Vehicles, plant and equipment £'000	TOTAL £'000
Balance at 1 April 2024	7,251	6,395	13,646
Additions	0	1,385	1,385
Revaluations	0	0	0
Depreciation and Amortisation	(723)	(4,056)	(4,779)
Disposals	0	0	0
Balance at 31 March 2025	6,528	3,724	10,252

Maturity analysis of lease liabilities

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

	31 March 2024 £'000	31 March 2025 £'000
Less than one year	0	3,456
One to five years	0	2,992
More than five years	0	4,744
Total undiscounted liabilities	0	11,192

Transactions under Leases:

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

	2023-24 £'000	2024-25 £'000
Comprehensive income and expenditure statement		
Interest expense on lease liabilities	0	432
Expense relating to short-term leases	0	135
Expense relating to exempt leases of low-value items	0	1,310
Multiple exempt lease commitments excluded from lease liabilities	0	347
Cash flow statement		
Total cashflow for leases	0	6,778

C. Authority as a lessor

The Authority 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 Authority is party to a lease for nil consideration. Otherwise, the Authority 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 an authority 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.

On transition, the Authority reassessed any sub-lease contracts previously classified as an operating lease under IAS 17. The Authority concludes that any sub-lease is not a finance lease under IFRS 16.

Operating Leases

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

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

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

	2023-24 £'000	2024-25 £'000
Not later than one year	1,302	1,242
Later than one year and not later than five years	2,767	3,037
Later than five years	24,458	22,277
	28,527	26,556

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into.

In 2024/25 £4,807 contingent rents were receivable by the Authority (£4,807 in 2023/24).

D. Sale-and-leaseback

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

6.40 Impairment Losses

An assessment has been made at the year-end which indicates that there are no instances of impairment to the Authority's assets.

6.41 Pensions Schemes Accounted for as Defined Contribution Schemes

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

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

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

In 2024/25, £22.4m was payable by Carmarthenshire County Council to the Department for Education in respect of teachers' pension costs, which represents 28.68% of teachers and lecturers pensionable pay. The figures for 2023/24 were £17.8m and 23.68%. There was £1.9m remaining payable at year-end. The contributions due to be paid in the next financial year are estimated to be £23m.

In addition, the County Council is responsible for all pension payments relating to added years it has awarded together with the related increases. In 2024/25 these amounted to £0.28m.

The Authority is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the Teachers' scheme. These benefits are fully accrued in the pensions liability described above.

6.42 Defined Benefit Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the Authority makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments. Liabilities for these payments need to be disclosed at the time employees earn their future entitlement.

The Dyfed Pension Fund (the Fund) is a member of the Local Government Pension Scheme (LGPS). It is administered by Carmarthenshire County Council and is a funded defined benefit scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The Dyfed Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Dyfed Pension Fund Panel. Policy is determined in accordance with the Pensions Fund Regulations. The investment managers of the fund are appointed by the Committee and are advised by an Independent Investment Adviser and officers of Carmarthenshire County Council.

The principal risks to the Authority of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and Housing Revenue Account the amounts required by statute as described in the accounting policies note.

Discretionary Post-retirement Benefits

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

Transactions relating to Post-employment Benefits

The cost of retirement benefits is recognised in the Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is required to be made against council tax is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the Comprehensive Income and Expenditure Statement via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and Movement in Reserves Statement during the year:

	2023-24 £'000 (Restated)	2024-25 £'000
Comprehensive Income and Expenditure Statement		
Cost of Services:		
Current Service Cost	31,484	32,800
Past Service Costs	0	0
Settlements and Curtailments	110	27
Financing and Investment Income and Expenditure		
Net Interest Expense	(3,154)	(8,721)
Interest on Asset Ceiling	0	10,320
Total Post Employment Benefit charged to the Surplus or Deficit on the Provision of Services	28,440	34,426
Other Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement		
Remeasurement of the net defined benefit liability comprising:		
Return on plan assets	(81,907)	37,216
Effect of the Asset Ceiling	210,603	156,739
Experience gain on liabilities	6,435	99
Actuarial gains and losses arising on changes in demographic assumptions	(17,100)	(3,210)
Actuarial gains and losses arising on changes in financial assumptions	(20,829)	(191,811)
Total Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement	125,642	33,459
Movement in Reserves Statement		
Reversal of net charges made to the Surplus or Deficit for Provision of Services for Post Employment Benefits in the accordance with the code	(28,440)	(34,426)
Actual amount charged against the Council Fund Balance for pensions in the year:		
Employers' Contributions payable to Scheme	30,782	33,155

Changes in asset ceiling to 31 March 2025

	£'000
Asset ceiling impact at beginning of period	210,603
Interest on surplus above asset ceiling	10,320
Change in asset ceiling (net of interest)	156,739
Asset ceiling impact at end of period	377,662

Assets and Liabilities in Relation to Post-employment Benefits**Carmarthenshire County Council****Change in plan assets:**

	2023-24	2024-25
	£'000	£'000
	(Restated)	
Balance as at 1 April	1,346,392	1,485,502
Interest on plan assets	64,680	72,571
Experience gain on assets	81,907	(37,216)
Administration expenses	(680)	(738)
Settlements	0	0
Employer contributions	30,782	33,155
Contributions by scheme participants	10,764	11,555
Benefits paid	(48,343)	(53,640)
Balance as at 31 March	<u>1,485,502</u>	<u>1,511,189</u>
Effect of the Asset Ceiling	(210,603)	(377,662)

Change in benefit obligation:

	2023-24	2024-25
	£'000	£'000
	(Restated)	
Balance as at 1 April	(1,285,685)	(1,309,052)
Current Service Cost	(31,484)	(32,800)
Interest cost	(60,846)	(63,112)
Contributions by scheme participants	(10,764)	(11,555)
Experience gain on liabilities	(6,435)	(99)
Actuarial gains and losses arising on changes in demographic assumptions	17,100	3,210
Actuarial gains and losses arising on changes in financial assumptions	20,829	191,811
Curtailments	(110)	(27)
Settlements	0	0
Benefits paid	48,343	53,640
Past service costs	0	0
Balance as at 31 March	<u>(1,309,052)</u>	<u>(1,167,984)</u>

Net Scheme (Liabilities)/Assets

(34,153)	(34,457)
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The actuarial valuation of the Council's pension scheme liabilities and pension reserve shown on the Balance Sheet reports a net asset or liability of zero. The Council's Actuary, Mercer Ltd, determined that the fair value of the council's pension plan assets outweighed the present value of the plan obligations at 31 March 2025 resulting in a pension plan asset. IFRIC 14 and IAS 19 Employee Benefits require that, where a pension plan asset exists, it is measured at the lower of:

- The surplus in the defined benefit plan; and
- The asset ceiling, which is capped at £0

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The Council's actuary calculated the asset ceiling as the net present value of future service costs less net present value of future contributions. The calculated asset ceiling for 2024/25 results in greater future service contributions than future service costs so the economic benefit is limited to zero. The Council relies and places assurance on the professional judgement of the Actuary and the assumptions used to calculate this actuarial valuation.

The Dyfed Pension Fund assets comprised:

		Quoted	31 March 2024 £'000	31 March 2025 £'000
Equities	UK	Yes	182,068	170,311
	Global	Yes	721,496	757,258
	Japan	Yes	59,574	58,936
	Emerging Markets	No	84,812	88,253
	European ex UK	Yes	32,779	20,250
Bonds	Global Credit	Yes	139,779	138,727
Property	Property Funds	No	182,977	157,768
Alternatives	SAIF	No	56,764	55,763
	Infrastructure	No	10,321	20,854
	infrastructure	No	1,171	1,511
	Private Credit	No	6,326	27,957
Cash	Cash accounts	Yes	7,435	13,601
Total			1,485,502	1,511,189

Scheme History

	2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000 (Restated)	2024-25 £'000
Present value of liabilities in the Local Government Pension Scheme	(1,865,382)	(1,894,891)	(1,285,685)	(1,309,052)	(1,167,984)
Fair value of assets in the Local Government Pension Scheme	1,304,924	1,392,785	1,346,392	1,485,502	1,511,189
Effect of the Asset Ceiling*	0	0	0	(210,603)	(377,662)
Surplus/(deficit) in the scheme	(560,458)	(502,106)	60,707	(34,153)	(34,457)

*The effect of the asset ceiling for 2023-24 has been restated to (£210,603k) from (£176,450k). This is a technical accounting adjustment which requires the asset ceiling calculation to be applied to the Local Government Pension Scheme separately to any unfunded pension obligations outside of the Local Government Pension Scheme.

The table shows the underlying commitments that the Authority has in the long-run to pay post-employment benefits. The deficit of £34.5m relates to unfunded pension obligations which are excluded from the asset ceiling calculation.

The total contributions expected to be made to the Local Government Pension Scheme by the Authority in the year to 31st March 2026 is £34.2m.

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, returns on investments, future inflation etc. The Fund's assets and liabilities within the Balance Sheet and the current and past service costs included within the Comprehensive Income and Expenditure Statement have been assessed by Mercer Ltd, an independent firm of actuaries, estimates for the Fund being based on the latest full valuation of the scheme as at 31st March 2022.

The main assumptions used in its calculations are shown below:

	2023-24 %	2024-25 %
Financial Assumptions:		
Rate of CPI inflation	2.7	2.6
Rate of increase in salaries	4.2	4.1
Rate of increase in pensions	2.8	2.7
Rate for discounting Fund liabilities	4.9	5.8

	2023-24 %	2024-25 %
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	21.5	21.5
Women	23.8	23.9
Longevity at 65 for future pensioners:		
Men	22.9	22.9
Women	25.6	25.7

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

	Impact on the Defined Benefit Obligation of the Scheme	
	Increase in assumption £'000	Decrease in assumption £'000
Longevity (increase or decrease of 1 year)	23,724	(23,724)
Rate of inflation (increase or decrease by 0.25% p.a.)	42,420	(42,420)
Rate of increase in salaries (increase or decrease by 0.25% p.a.)	9,767	(9,767)
Rate of increase in pensions (increase or decrease by 0.25% p.a.)	42,420	(42,420)
Rate for discounting scheme liabilities (increase or decrease by 0.5% p.a.)	(80,385)	80,385
Change in 2024/25 investment returns (increase or decrease by 1%)	0	0

6.43 **Contingent Liabilities**

Until March 2023, the Authority acted as a collection agent on behalf of Dwr Cymru in respect of Housing Revenue Account (HRA) Tenants water and sewerage charges. In return for this service the Authority received a commission which has been treated as an income stream to the HRA. The treatment of this arrangement has been called in to question due to a Court ruling during 2015/16 (Kim Jones versus London Borough of Southwark) which ruled that Local Authorities collecting water rates via the HRA were doing so as a water supplier and not as an agent of the water supplier. Traditionally this has been viewed as an agency arrangement, but the Court ruling concludes that the Authority concerned was acting as a water supplier, which has significant financial implications for those affected, both in terms of the agency fee and where action has been taken against rent arrears that could be deemed to include water rates. As at 31st March 2025 we have not received any correspondence relating to potential claims.

Whilst the Authority purchases a range of insurance cover, part of the risk remains with the Authority through the acceptance of “Policy Excesses” and the setting of “Indemnity Limits”. On Liability and Property Policies there is a “Stop Loss” which is the aggregate maximum exposure that the Authority could face provided the Indemnity Limit is not breached. The Indemnity Limit is set by the Insurer and is the maximum exposure that they are contracted to cover.

A number of insurance claims have been registered but not yet finalised. Where it is probable that costs will fall on the authority, expenditure has been recognised in the Comprehensive Income and Expenditure Statement and as a movement in the Insurance Provision (see note 6.20). It is possible that the Authority may incur costs relating to other registered claims or to claims that have yet to be submitted. Funds have been set aside in an Insurance Reserve (see note 6.22) for this purpose.

At the year-end there were a small number of employment claims against the authority that were unresolved. It is not possible to reliably estimate either the likelihood or value to the authority. No provision has therefore been made in these financial statements.

In November 2020, there was a court ruling regarding Guaranteed Minimum Pension (GMP) Equalisation. The court ruled that scheme trustees are required to revisit past Cash Equivalent Transfer Values (CETV's) to ensure GMP equalisation. This may result in additional top-ups where GMP equalisation means that members did not receive their full entitlement. For public service pension schemes, Government Actuary's Department expect that this ruling will be taken forward on a cross scheme basis and will need legal input. This may require revisiting past CETV cases for members with State Pension age after 5 April 2016 and who took a CETV from the scheme before CETV was equalised. Whilst it is expected to represent a relatively small uplift for a relatively small subset of members, it is not possible to reliably estimate the likely costs. As such, no liability has been recognised in these financial statements.

From December 2023, the Renting Homes (Wales) Act 2016 brought into effect a change in rights for tenants and increased safety responsibilities for landlords. This could have potential financial implications for the Housing Revenue Account, however this cannot be reliably estimated at this stage.

6.44 Financial Instruments**Disclosure Notes for Financial Liabilities, Financial Assets and Risk****Financial Instruments Balances**

The borrowings and investments disclosed in the Balance Sheet include the following categories of financial instruments:

	Long Term		Current	
	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000
Financial liabilities (principal amount)	400,833	407,129	9,290	8,704
Accrued Interest	0	0	2,522	2,452
Other accounting adjustments	112	110		
Financial liabilities at amortised cost				
Total borrowings	400,945	407,239	11,812	11,156
Loans and receivables (principal amount)	0	0	30,500	8,172
Accrued Interest	0	0	574	825
Investments at amortised cost	0	0	31,074	8,997
Equity at Fair Value through other comprehensive income				
Unquoted equity investment at cost	1,009	1,009	0	0
Total investments	1,009	1,009	31,074	8,997

Financial Instruments Gains/Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

	Financial Liabilities		Financial Assets		Totals	
	Liabilities measured at amortised cost		Loans and Receivables at amortised cost			
	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25
	£'000	£'000	£'000	£'000	£'000	£'000
Interest expense	(16,488)	(16,663)	0	0	(16,488)	(16,663)
Impairment losses	0	0	0	0	0	0
Interest payable and similar charges	(16,488)	(16,663)	0	0	(16,488)	(16,663)
Interest Income	0	0	6,839	5,837	6,839	5,837
Interest and investment income	0	0	6,839	5,837	6,839	5,837
Net gain/(loss) for the year	(16,488)	(16,663)	6,839	5,837	(9,649)	(10,826)

Employee Car Loans

The authority makes loans for car purchase to employees in the authority who are in posts that require them to drive regularly on the authority's business. Interest is charged at 1% above base rate on the loans.

Employee Car Loans	31 March	31 March
	2024	2025
	£'000	£'000
Opening Balance	17	23
New Loans	17	0
Loans repaid	(11)	(10)
Closing Balance	23	13

Fair value of Assets and Liabilities carried at Amortised Cost

Financial liabilities and financial assets represented by loans and receivables are carried on the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- For loans from the Public Works Loans Board (PWLB) and other loans payable, premature repayment rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures;
- For loans receivable prevailing benchmark market rates have been used to provide the fair value;

- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the principal outstanding or the billed amount;
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

	31 March 2024		31 March 2025	
	Carrying amount £'000	Fair Value £'000	Carrying amount £'000	Fair Value £'000
PWLB Debt	399,907	390,634	405,836	362,528
Non - PWLB debt	12,849	10,296	12,559	10,020
Total Financial Liabilities	412,756	400,930	418,395	372,548

The fair value is greater than the carrying amount because the Authority's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans in the market at the balance sheet date.

	31 March 2024		31 March 2025	
	Carrying amount £'000	Fair Value £'000	Carrying amount £'000	Fair Value £'000
Money market loans < 1year	31,074	31,074	8,997	8,997
Money market loans > 1year	0	0	0	0
Total investments	31,074	31,074	8,997	8,997
Trade Debtors	36,012	36,012	35,457	35,457
Total Loans and Receivables	67,086	67,086	44,454	44,454

The fair values for financial liabilities have been determined by reference to the Public Works Loans Board (PWLB) redemption rules and prevailing PWLB redemption rates as at each balance sheet date, and include accrued interest. The fair values for non-PWLB debt have also been calculated using the same procedures and interest rates and this provides a sound approximation for fair value for these instruments.

The fair values for loans and receivables have been determined by reference to similar practices, as above, which provide a reasonable approximation for the fair value of a financial instrument, and include accrued interest. The comparator market rates prevailing have been taken from indicative investment rates at each balance sheet date. In practice rates will be determined by the size of the transaction and the counterparty, but it is impractical to use these figures, and the difference is likely to be immaterial.

The fair value of Public Works Loan Board (PWLB) loans of £362.528m measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date. The difference between the carrying amount and the fair value measures the additional interest that the Authority will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing market rates, the PWLB redemption interest rates.

However, the Authority has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets. A supplementary measure of the additional interest that the Authority will pay as a result of its PWLB commitments for fixed rate loans is to compare the terms of these loans with the new borrowing rates available from the PWLB, the PWLB Certainty rates. If a value is calculated on this basis, the carrying amount of £405.836m would be valued at £325.385m.

The valuation of financial instruments has been classified into three levels according to the quality and reliability of information used to determine fair values.

- Level 1 Inputs – are unadjusted quoted prices in active markets for identical assets or liabilities that the authority can access at the measurement date
- Level 2 Inputs – are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 Inputs – are unobservable inputs for the asset or liability

Fair Value of Financial Assets

Some of the Authority's financial assets are measured at fair value on a recurring basis and are described in the following table, including the valuation techniques used to measure them.

Financial assets measured at fair value

Recurring fair value measurements	Input level in fair value hierarchy	Valuation technique used to measure fair value	31 March 2024 £'000	31 March 2025 £'000
Fair Value through Other Comprehensive Income				
Equity shareholding in CWM Environmental Ltd	Level 3	At cost	329	329
Equity shareholding in Egni Sir Gar Cyfyngedig	Level 3	At cost	680	680
Total			1,009	1,009

Fair value hierarchy for financial assets and financial liabilities that are not measured at fair value.

	31 March 2024		31 March 2025	
	Other significant observable inputs (Level 2) £'000	Total £'000	Other significant observable inputs (Level 2) £'000	Total £'000
Recurring fair value measurements using:				
Financial Liabilities				
Financial liabilities held at amortised cost:				
PWLB	390,634	390,634	362,528	362,528
NON PWLB	10,296	10,296	10,020	10,020
Total	400,930	400,930	372,548	372,548
Financial assets				
Loans and Receivables	31,074	31,074	8,997	8,997
Total	31,074	31,074	8,997	8,997

Disclosure of Nature and Extent of Risk Arising from Financial Instruments

Key Risks

The Authority's activities expose it to a variety of financial risks, the key risks are:

- Credit risk – the possibility that other parties might fail to pay amounts due to the Authority;
- Liquidity risk – the possibility that the Authority might not have funds available to meet its commitments to make payments;
- Re-financing risk – the possibility that the Authority might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms.
- Market risk - the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates movements.

Overall Procedures for Managing Risk

The Authority's overall risk management procedures focus on the unpredictability of financial markets, and implementing restrictions to minimise these risks. The procedures for risk management are set out through a legal framework set out in the *Local Government Act 2003* and the associated regulations. These require the Authority to comply with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services Code of Practice and Investment Guidance issued through the Act. Overall these procedures require the Authority to manage risk in the following ways:

- by formally adopting the requirements of the Revised editions of the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice.
- by the adoption of a Treasury Policy Statement and treasury management clauses;

- by approving annually in advance prudential indicators for the following three years limiting:
 - The Authority's overall borrowing;
 - Its maximum and minimum exposures to fixed and variable rates;
 - Its maximum and minimum exposures of the maturity structure of its debt;
 - Its maximum annual exposures to investments maturing beyond a year.
- by approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with the Government Guidance;

These are required to be reported and approved at or before the Authority's annual Council Tax setting budget or before the start of the year to which they relate. These items are reported with the annual Treasury Management Policy and Strategy which outlines the detailed approach to managing risk in relation to the Authority's financial instrument exposure. Actual performance is also reported quarterly to Members. These policies are implemented by the Treasury and Pension Investments Section.

The annual Treasury Management Strategy which incorporates the prudential indicators was approved by Council on 28th February 2024 and is available on the Authority website. The Authority stayed within the Authorised Limit and Operational Boundary during the year.

The Authority maintains written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash through Treasury Management Practices (TMPs). These TMPs are a requirement of the Code of Practice and are reviewed regularly.

Credit Risk

Investments

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Authority's customers. This risk is minimised through the Annual Investment Strategy (which forms part of the Authority's Treasury Management Policy and Strategy Report), which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poors Ratings Services. The Treasury Management Policy and Strategy report also imposes a maximum amount and time to be invested with a financial institution located within each category. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above.

The annual Treasury Management Strategy sets out the Counterparty list and limits. Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in line with parameters set by the council.

The Authority's maximum exposure to credit risk in relation to its investments in banks and building societies of £36k cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments.

The following analysis summarises the Council's maximum exposure to credit risk on other financial assets, based on experience of default.

	Amount at 31 March 2025 £'000	Historical Experience of default %	Estimated maximum exposure to default £'000
<u>Deposits with banks and financial institutions</u>			
AAA rated counterparties	38,000	0.04	15.2
AA rated counterparties	29,000	0.02	5.8
A rated counterparties	29,500	0.05	14.8
Trade debtors	35,457	3.50	1,241.0
	131,957		1,276.8

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

Trade Debtors

The trade debtors figure of £35.457m shown above includes £25.291m which is past its due date for payment. The past due amount can be analysed by age as follows:

	31 March 2024 £'000	31 March 2025 £'000
Less than three months	8,796	5,200
Three to six months	1,376	1,934
Six months to one year	3,326	4,188
More than one year	12,092	13,969
	25,590	25,291

The Council initiates a legal charge on property where, for instance, clients require the assistance of social services but cannot afford to pay immediately. The total collateral as at 31st March 2025 was £1.996m.

Liquidity Risk

The Authority has ready access to borrowings from the Money Markets to cover any day to day cash flow need, and whilst the PWLB provides access to longer term funds, it also acts as a lender of last resort to councils (although it will not provide funding to a council whose actions are unlawful). The Authority is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The Authority manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury management policy and strategy), as well as through a comprehensive cash flow management system, as required by the Code of Practice. This seeks to ensure that cash is available when it is needed.

Refinancing and Maturity Risk

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

The approved prudential indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Authority approved Treasury Management Policy and Strategy addresses the main risks and the Treasury Management Team addresses the operational risks within the approved parameters. This includes:

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

The maturity analysis of financial liabilities is shown below together with the maximum and minimum exposures.

	2023-24		31 March 2024	2024-25		31 March 2025
	Approved Maximum Limit	Approved Minimum Limit		Approved Maximum Limit	Approved Minimum Limit	
	%	%	£'000	%	%	£'000
Less than one year	15	0	11,812	15	0	11,156
Between one and two years	15	0	8,704	15	0	12,690
Between two and five years	50	0	24,240	50	0	34,954
Between five and ten years	50	0	37,088	50	0	36,684
More than ten years	N/A	0	330,910	N/A	0	322,911
			412,754			418,395

The maturity analysis of financial assets is as follows:

	2023-24 £'000	2024-25 £'000
Less than one year	31,074	8,997
Greater than one year	0	0
	31,074	8,997

All trade and other payables are due to be paid in less than one year and trade debtors of £35.457m are not shown in the table above.

Market Risk

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

- borrowings at variable rates – the interest expense charged to the Income and Expenditure Account will rise;
- borrowings at fixed rates – the fair value of the borrowing liability will fall (no impact on revenue balances);
- investments at variable rates – the interest income credited to the Income and Expenditure Account will rise; and
- investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Income and Expenditure Account and effect the Council Fund Balance, subject to influences from Government grants. Movements in the fair value of fixed rate investments will be reflected in the Movements in Reserves Statement, unless the investments have been designated as Fair Value through the Income and Expenditure Account.

The Authority has a number of strategies for managing interest rate risk. The Annual Treasury Management Policy and Strategy Report and the 5 year Capital Programme Report draws together the Authority's prudential indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a prudential indicator is set which provides maximum and minimum limits for fixed and variable interest rate exposure.

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

	£'000
Increase in interest payable on variable rate borrowings	0
Increase in interest receivable on variable rate investments	(717)
Increase in Government grant receivable for financing costs	269
Impact on Surplus or Deficit on the Provision of Services	(448)
Share of overall impact debited to the HRA*	434
Decrease in fair value of fixed rate investment assets	0
Impact on Other Comprehensive Income and Expenditure	(14)
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	(40,615)

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed. These assumptions are based on the same methodology as used in the Note – Fair value of Assets and Liabilities carried at Amortised Cost

Price risk - The Authority, excluding the pension fund, does not invest in equity shares. It therefore has no exposure to loss arising from movements in price.

Foreign exchange risk - The Authority has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

6.45 Accounting Standards that have been issued but have not yet been adopted

The CIPFA Code of Practice on Local Authority Accounting requires the expected impact of any accounting standards that have been issued but not yet adopted to be disclosed. At the balance sheet date, there are no relevant standards or amendments to existing standards that have been published but not yet been adopted by the Code that will have any impact on the financial statements. The following details have been provided for information purposes.

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

- IFRS 7 Insurance Contracts: IFRS 17 replaces IFRS4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.
- 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.

As the Code requires implementation of these standards from 1st April 2025 there is no impact on the 2024/25 Statement of Accounts.

6.46 Prior Period Adjustment

The preceding period's balance sheet has been restated to reflect the effect of the asset ceiling on the pensions reserve. The impact of the asset ceiling has been restated to (£210,603k) from (£176,450k). These adjustments have been reflected in the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Pension Reserve (Note 6.27) and Defined Benefit Pension Schemes (Note 6.42).

6.47 Events after the Reporting Period

There are no events after the reporting period to report.

7 HOUSING REVENUE ACCOUNT (HRA)**7.1 HRA Income and Expenditure Statement**

2023-24 £'000		Note	2024-25 £'000
	Expenditure		
	Repairs and Maintenance		
6,832	- Responsive		14,141
6,828	- Planned/Cyclical		3,648
3,999	- Voids		2,543
14,162	Supervision and Management		14,774
1,560	Central Support Charges		1,663
1,242	Rents, Rates Taxes and other charges		1,549
260	Movement in the allowance for Bad Debts		318
42,747	Depreciation and Impairment of non current assets	8.6	26,184
	Revenue Expenditure funded from Capital under		
0	Statute		0
41	Debt Management Costs		43
<u>77,671</u>	Total Expenditure		<u>64,863</u>
	Income		
(47,274)	Dwelling rents	8.1	(51,859)
(140)	Non-Dwelling Rents		(145)
(36)	Leaseholders		(30)
(913)	Service Fees	8.2	(1,031)
(672)	Grants		(882)
(686)	Other Income		(963)
3	Commission - Water Rates		0
<u>(49,718)</u>	Total Income		<u>(54,910)</u>
27,953	Net cost of HRA Services as included in the Comprehensive Income & Expenditure Statement		9,953
331	HRA services' share of Corporate and Democratic Core		344
28,284	Net (Income)/cost for HRA Services		10,297
	HRA Share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement		
(3)	(Gain) or loss on the sale of HRA Non Current Assets		(84)
9,894	Interest Payable and similar charges		10,208
(674)	Interest and Investment Income		(552)
(144)	Net interest on the net defined benefit liability (asset)		75
<u>(13,714)</u>	Capital grants and contributions receivable		<u>(16,621)</u>
<u>23,643</u>	(Surplus) or Deficit for the year on HRA Services		<u>3,323</u>

7.2 Movement on the HRA Statement

The overall objectives for Movement on the HRA Statement and the general principles for its construction are the same as those generally for the Movement in Reserves Statement, into which it is consolidated. The statement takes the outturn on the HRA Income and Expenditure Statement and reconciles it to the surplus or deficit for the year on the HRA Balance, calculated in accordance with the requirements of the Local Government and Housing Act 1989.

2023-24 £'000	Note	2024-25 £'000	2024-25 £'000
(16,998)	Balance on the HRA at the end of the previous year		(11,996)
23,643	(Surplus) or deficit for the year on the HRA Income and Expenditure Account	3,323	
(15,649)	Adjustments between accounting basis and funding basis under statute	7.3	72
7,994	Net Increase or (decrease) before transfers to or from reserves	3,395	
(2,992)	Transfers (to) or from reserves	7.4	(2,338)
5,002	(Increase) or decrease in year on the HRA		1,057
(11,996)	Balance on the HRA at the end of the current year		(10,939)

7.3 Adjustments between accounting basis and funding basis under statute

2023-24		2024-25
£'000		£'000
0	Amortisation of Premiums and Discounts	0
(135)	Transfers to / (from) Accumulated Absences Account	87
4	Gain or loss on sale of HRA noncurrent assets	85
(13)	HRA share of contributions to or from the Pensions Reserve	(209)
8,910	Capital expenditure funded by the HRA	4,795
(24,415)	Transfer to / from the Capital Adjustment Account	(4,686)
(15,649)		72

7.4 Transfers to or (from) Earmarked Reserves

2023-24			2024-25		
£'000	£'000	£'000	£'000	£'000	£'000
Trfs from	Trfs to	Net	Trfs from	Trfs to	Net
(78)	196	118	(131)	212	81
(3,110)	0	(3,110)	(2,419)	0	(2,419)
(3,188)	196	(2,992)	(2,550)	212	(2,338)

8 NOTES TO THE HRA INCOME AND EXPENDITURE STATEMENT**Introduction**

The Housing Revenue Account (HRA) is a record of revenue expenditure and income relating to an authority's housing stock. Its primary purpose is to ensure that expenditure on managing tenancies and maintaining dwellings is balanced by rents charged to tenants. Consequently, the HRA is a statutory account, ringfenced from the rest of the Council Fund, so that rents cannot be subsidised from council tax (or vice versa).

8.1 Gross Rent Income

This is the total rent income due for the year after allowance is made for voids etc. For 2024/25 this totalled £51.9m (£47.3m for 2023/24). At the 31st March 2025 2.27% of lettable properties were vacant (1.9% at 31st March 2024). Average rents were £105.21 a week in 2024/25 (£98.58 in 2023/24).

8.2 Charges for Services & Facilities

This represents the income of the Authority from charges for services and facilities etc in connection with the provision of houses and other property within the account. This totalled £1.061m in 2024/25 (£950k in 2023/24).

8.3 Housing Stock

The Council was responsible for managing on average 9,390 dwellings during 2024/25 (9,335 in 2023/24). The stock at 31st March was as follows:

	2023-24	2024-25
Houses	5,162	5,176
Flats / Maisonettes / Bedsits	2,028	2,049
Bungalows	2,176	2,188
	9,366	9,413

The change in stock can be summarised as follows:

	2022-23	2024-25
Opening Stock as at 1 April	9,303	9,366
Sales	0	0
Demolitions/Deactivated	(13)	0
New Building/Acquisitions/Conversions	76	47
Closing Stock as at 31 March	9,366	9,413

8.4 Rent Arrears

	As at 31 March 2024 £'000	As at 31 March 2025 £'000
Arrears	3,082	3,062
Arrears as a percentage of Gross Rent Income	6.44%	5.85%

There is a 0.2% year on year decrease of current tenants rent arrears as a percentage of gross collectable rent debit. Performance is outside margins of what is considered good practice level (2%) at 3.6%. There is a 0.04% year on year decrease in former tenants rent arrears as a percentage of gross collectable rent debit. This is 0.2% decrease after allowing for the £275k write-offs in 2024/25 (£155k in 2023/24).

Provision for Bad Debts at 31st March 2025 was £1,382,074 for rent (£1,442,551 at 31st March 2024).

8.5 Capital Expenditure

Capital Expenditure in 2024/25 on HRA land and dwellings totalled £38.650m (£33.288m in 2023/24).

	2023-24	2024-25
	£'000	£'000
Funded by :		
Major Repairs Allowance	6,200	7,976
Borrowing	10,906	16,971
Capital Receipts - Sales of Dwellings/Land	166	85
External Funding	7,106	8,319
Section 106 Income	0	504
Direct Revenue Financing	8,910	4,795
	33,288	38,650
Spent on:		
Dwellings	32,763	38,125
Land	0	0
Other	525	525
	33,288	38,650

8.6 Depreciation

Depreciation and Impairment losses have been debited to the Income and Expenditure Statement in accordance with the general provisions of the Code and reversed out in the Movement on the HRA Balance. The depreciation charge has then been replaced with the HRA Minimum Revenue Provision via a credit from the Capital Adjustment Account to avoid having an effect on rent levels.

HRA dwellings are revalued on a 5 year cycle, which was last undertaken on the 1st April 2020. A desktop exercise was undertaken as at the 31st March 2025 to review whether the carrying amount was materially different from the current value at the year end. Adopting the Land Registry index which showed a increase of 5.7% for Carmarthenshire, resulted in a material change. This percentage has therefore been applied across all housing types.

Depreciation and Impairment Losses:

	2023-24	2024-25
	£'000	£'000
Depreciation	15,903	15,214
Revaluation losses & impairments	26,844	10,832
Depreciation ROU Assets	0	138
	<u>42,747</u>	<u>26,184</u>

Revaluation losses and impairments were incurred on:

	2023-24	2024-25
	£'000	£'000
Dwellings	20,987	6,555
Land	14	0
Other	5,843	4,277
	<u>26,844</u>	<u>10,832</u>

9 DYFED WELSH CHURCH FUND ACCOUNT

The Dyfed Welsh Church Fund is a scheme that mainly awards grants towards the costs of maintaining places of worship. However, registered charities which benefit residents may apply for help towards running costs, or the cost of a specific project or purchasing a piece of equipment. Besides nationally recognised charities, the Fund supports local charities responsible for providing recreational facilities or other services which are of benefit to the Community.

At Local Government Reorganisation 1996 the fund was split among the new Unitary Authorities with the amount available to each new authority being calculated on the following agreed percentages:

Carmarthenshire County Council	41%
Ceredigion County Council	25%
Pembrokeshire County Council	34%

It was agreed that Carmarthenshire County Council would take responsibility for administering the investment portfolio.

Carmarthenshire's balance of the fund as at 31st March 2025 was £1.851m (£1.868m as at 31st March 2024).

10 TRUST FUNDS 2024/25

The Authority operates trust funds for Education Services, Cultural Services and Social Services. These represent total net assets of £984k as at 31st March 2025 (£932k as at 31st March 2024).

11 SOCIAL CARE / CHILDREN'S SERVICES – SAFEKEEPING, SAFE CUSTODY, AMENITY FUNDS & STAFF BENEFIT ACCOUNTS

11.1 Residents Safekeeping

People in residential homes are allowed a personal allowance payable to them each week. If the resident does not wish to spend all of this allowance in any given week, the balance is paid into the Residents Safekeeping account. The balance as at 31st March 2025 was £687,252 (£682,325 as at 31st March 2024) and this reflects the amount of personal allowances held by the Authority on behalf of its residents.

11.2 Safe Custody Accounts

The Communities Department maintains individual Safe Custody accounts for service users living in the community who are unable to deal with their financial affairs due to their mental incapacity. The Director of Communities is appointee with The Department of Work and Pensions for each of these service users. The balance as at 31st March 2025 was £1,365,248 (£1,443,744 as at 31st March 2024) and this reflects the amount of money held by the Authority on behalf of its service users.

11.3 Amenity Funds & Staff Benefit Accounts

Amenity funds represent funds held on behalf of establishments such as day centres, residential homes and children's centres/playgroups. Payments are for items purchased for the benefit of residents and clients of these establishments and the income is generated from donations and gifts etc from families of clients and bequests from the estates of deceased clients.

Staff Benefit Accounts represent funds held on behalf of staff working within particular establishments. Income is derived from donations received from families of clients and bequests from the estate of deceased clients. Payments are for items that benefit all staff working in a particular establishment.

The balance on these accounts at 31st March 2025 was £151,676 (£137,535 at 31st March 2024).

11.4 Managed Accounts – Direct payments

Direct Payments allow service users to receive cash payments from the local authority instead of care services. This can allow the service user more flexibility and control of their support package. Accounts are managed by a team in the Communities Department providing support services and advice to recipients of direct payments including managed banking and payroll services for the Personal Assistants providing care.

The balance on 31st March 2025 was £3,354,634 on behalf of service users. The balance on 31st March 2024 was £3,084,526.

11.5 School Fund Accounts

Most schools hold accounts managed by school employees but not part of the school delegated budget and outside of the definition of public money.

The total balance held across the schools on 31st March 2025 was £3,425,232.

12 GLOSSARY OF TERMS

The following section attempts to explain the meaning of some of those technical terms that are used in the Statements. The section is split into General and those terms relating to the Pension Fund Accounts.

General

Accrual

An accrual is a sum shown in our accounts to cover income or expenditure for the accounting period that was not paid at the date of the balance sheet.

Assets Held for Sale

These are assets which are no longer being used to provide a service and are being actively marketed with the likelihood of sale being highly probable within 1 year.

Audit

An audit is an independent examination of our activities.

Audit Wales

An independent body led by the Auditor General for Wales who is responsible for the appointment of external auditors to local authorities.

Balance

The surplus or deficit on any account at any point in time.

Balance Sheet

This is a statement of our assets, liabilities and other balances at the end of the financial year.

Bid Price

The price that a third party would pay the scheme in an arm's length transaction for the investment.

Billing Authority

A local authority responsible for collecting the council tax and non-domestic rates.

Budget

A budget is a spending plan, usually for the following financial year.

Capital Expenditure

Capital expenditure is spending on non-current assets such as Property, Plant and Equipment, Investment Properties and Heritage Assets. This would include the purchase or construction of new assets, together with subsequent expenditure on major maintenance or development work.

Capital Receipt

These are the sales proceeds from the disposal of land and buildings which are restricted in their use by statute. They can only be used to fund new capital expenditure or set aside to finance historic capital expenditure.

Council Fund

The main revenue fund of the local authority. Day to day spending on services is met from this fund.

Council Tax

The main source of local taxation to local authorities. Council tax is levied on households within its area by the Billing Authority and the proceeds are used to meet the Billing Authority's council tax requirement and to pay the precepting authorities.

Creditor

A creditor is someone to whom money is owed at the end of the financial year for work done, goods received or services rendered.

Current Assets

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

Current Liabilities

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

Debtor

A debtor is someone who owes money to the Authority at the end of the financial year.

Depreciation

Depreciation is a method of allocating the cost of Property Plant and Equipment assets over their useful lives.

Direct Revenue Financing

Resources provided from an authority's revenue budget to finance the cost of capital projects.

Earmarked Reserves

These are reserves that have been set aside for a specific purpose.

Fees And Charges

Income raised by charging users of services for the facilities, e.g. charges for the use of leisure facilities, car parking, the collection of trade refuse etc.

Financial Year

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

Finance Leases

A means by which capital items are bought. (When the Authority uses finance leases it takes on most of the risks (and rewards) of owning the assets.)

Gross Expenditure

The total cost of providing the council's services before taking into account income, such as fees and charges for services etc.

Heritage Assets

Heritage Assets are defined as those that are held and maintained principally for their contribution to knowledge and culture.

Housing Benefit

An allowance to persons on low income (or none) to meet in whole or part their rent. Benefit is allowed or paid by local authorities but central government refunds part of the costs of the benefits and of the running costs of the service to local authorities. Benefit paid to the Authority's own tenants is known as 'rent rebate' and that paid to private sector tenants as 'rent allowance'.

Housing Revenue Account (HRA)

This account contains all our housing income and expenditure.

IFRS

International Financial Reporting Standard.

IFRIC

International Financial Reporting Interpretations Committee.

The above two are accounting standards which provide a guideline for financial accounting.

Investment Properties

These are properties that are being held solely to earn rentals or for capital appreciation or both, rather than for the provision of services

Liability

A liability is an amount due and payable at some time in the future.

Minimum Revenue Provision (MRP)

This is the amount the Authority has to set aside to repay loans.

National Non-Domestic Rates (NNDR)

The NNDR, or Business Rate, is the charge occupiers of business premises pay to finance part of local Authority spending. The NNDR is set by Government and is a percentage of the rateable values. The percentage is the same throughout Wales. The total collected is split among individual authorities in proportion to their adult populations.

Net Realisable Value

The selling price of the asset reduced by the relevant costs of selling it.

Operating Leases

A means by which capital items are bought.

These are leases where risks (and rewards) of ownership of the asset remain with the owner.

Pensions Assets/Liabilities (Notes to the Movement in Net Pension Liabilities)

The Current Service Costs - the value of the increase in liabilities for active members as a result of their service increasing by one year (i.e. from the start of the year to the end of the year), less any employee contributions.

Employer Contributions - The employer contributions are the amounts actually paid by the employer during the year. They include any amounts paid in respect of early retirement strains and any recharges in respect of compulsory added years benefits.

Past Service Costs - Past service costs arise when the employer makes a commitment to provide a higher level of benefit than previously promised, for example the creation of a pension benefit for a spouse where such a benefit did not previously exist or a grant of early retirement with added-on years of service.

Interest Costs - The interest cost is based on the discount rate and the present value of the scheme liabilities at the beginning of the period. Another way of viewing the "interest on liabilities" is the unwinding of 1 year's discounting in relation to the liabilities.

Interest on Pension Assets – This is the interest on assets held at the start of the period and cashflows occurring during the period, calculated using the discount rate at the start of the year.

Remeasurements (assets) – This is the return on plan assets net of administration expenses and interest income. It replaces actuarial gains and losses on assets. For the LGPS, any change as a result of reviewing an employer's allocation of assets as at an actuarial valuation will also be included within remeasurements.

Remeasurements (liabilities) – Remeasurements (liabilities) can be sub-divided into 'Changes in actuarial assumptions' and 'Experience (gains) losses on liabilities'. 'Changes in actuarial assumptions' is not shown as its own separate entry but instead the changes in demographic and financial assumptions are shown separately.

Gains or Losses on Settlements or Curtailment - Where under the scheme rules the employees have the option to retire early or transfer out of the scheme, the resulting settlements and curtailments are allowed for in the normal demographic assumptions made by the actuary and any gains and losses arising are actuarial gains and losses. Losses arising on a settlement or curtailment not allowed for in the actuarial assumptions are measured at the date on which the employer becomes demonstrably committed to the transaction and recognised in the profit and loss account covering that date. Gains arising on a settlement or curtailment not allowed for in the actuarial assumptions are measured at the date on which all parties whose consent is required are irrevocably committed to the transaction and recognised in the profit and loss account covering that date.

Pension Fund

The fund maintained to meet pension payments on the retirement of participants.

Precepting Authorities

Those authorities which are not billing authorities, i.e. do not collect the council tax and non-domestic rates. For Carmarthenshire County Council the precepting authorities are Dyfed Powys Police and the Town & Community Councils.

Precepts

This is the amount that the Authority levy/pay to a Non-Billing Authority (for example a Community Council) so that it can cover its expenses (after allowing for its income).

Property, Plant and Equipment

These are assets with a physical substance that are held for use in the production or supply of goods and services, for rental to others (as part of a service) or for administrative purposes. Any asset included in this category is expected to be used for more than one financial year.

Provision

Provisions are amounts set aside for liabilities or losses which are likely or certain to be incurred, but the amounts or the dates on which they will arise are uncertain.

Prudential Code

The Prudential Code is a professional code of practice to support local authorities in making capital investment decisions.

Public Works Loan Board (PWLb)

This is a Government agency that provides longer-term loans to local authorities. It charges interest rates only slightly higher than those at which the Government itself can borrow.

Reserve

Reserves are amounts set aside that do not fall within the definition of provisions and include general reserves (or 'balances') which every Authority must maintain as a matter of prudence.

Revenue Account

This is an account that records our day-to-day spending and income on items such as salaries and wages, running costs of services and the financing of capital expenditure.

Revenue Support Grant

The main grant paid by Welsh Government to support the local authority budget.

Securities

These are investments such as stocks, shares and bonds.

SeRCoP

Service Reporting Code of Practice - establishes proper practices with regard to consistent financial reporting for services – all local authorities in the United Kingdom are expected to adopt its mandatory requirements and detailed recommendations. It is also expected that CIPFA members will comply with all the discretionary requirements of SeRCoP as it defines best practice in terms of financial reporting.

Inventories

Inventories are raw materials purchased for day-to-day use. The value of those items not used at the end of the financial year is shown within current assets in the balance sheet.

Subjective Analysis

An analysis of income and expenditure according to type. Such expenditure headings include employee, premises and transport expenses. Income includes government grants and fees and charges.

Variance

The difference between actual expenditure and budget - expressed in cash or percentage terms.