

2012/2013

Statement of Accounts



Foreword
Rhagair

7KH DFWLRQ SODQ DJUHHG DV D UHVSQRVH WR WKH &RUSRUDWH \$VVHVVPHQW XQGHUWLNHQ E\ WKH :DOHV \$XGLW 2IÀFH FRQ
SURJUHVV DJDLQVW WKH ÀYH NH\ WKHPHV IRU LPSURYHPPHQW QDPHO\

- ‡ &RXQFLOORU RIÀFHU FXOWXUH
- ‡ \$IRFXVVHG GHOLYHU\ RI SULRULWLHV
- ‡ \$OLJQPHQW RI UHVRXUFHV WR SULRULWL
- ‡ &RQVLVWHQF\ LQ DUSURJUHVVGHFWLRQV DNLQJ
- ‡ %HWWHU DQDO\VLV IRU SHULRG DQDFHLSURYH RXWFRPHV IRU FLWL]HQV

6LJQLÀFDQW SURJUHVV KDV EHHQ PDGH LQ VRPH RI WKHVH WKHPDWLF DUHDV DOWKRXXJK VRPH ZLOO WDNH D ORQJHU SHULRG
it's Annual Improvement Report and Improvement Assessment Letters.

3.3 Silent Valley Waste Services Ltd.

Silent Valley Waste Services Ltd (SVWS) is a Local Authority Waste Disposal Company wholly owned by Blaenau Gwent County Borough Council.

6LQFH WKH HVWDEOLVKPHQW RI WKH &RPSDQ\ LQ WKHUH KDYH EHHQ FKDQJHV WR WKH ÀQDQFLDO UHJXODWLRQV DQG UHV
ZLWK WKH SK\VLFDQ FORVXUH RI WKH ODQGÀOO VLWH LQ \$XJXVW DQG WKH H[SLU\ RQ VW 0DUFK RI WKH FRQWUDFW
ERDUG VWUXFWXUH WR HQVXUH EHWWHU RXWFRPHV IRU WKH &RXQFLO ERWK RSHUDWLRQDOO\ DQG ÀQDQFLDOO\

In May 2012, the Company was restructured, reducing its board members from six to four (three of whom, D. Waggett, J. Parsons and D. McAuliffe, are employees of BGCBC).

Given this change to the board structure, it is now considered that the Council has increased control over the Company and therefore the preparation of Group Accounts is required -these can be found at

'XULQJ WKH \$XWKRULW\ IDFHG D QXPEHU RI IXQGLQJ SUHVXUHV ZKLFK SUHVHQWHG FKDOOHQJHV IRU VSHFLÀF VHUFLPHQWV managed with varying degrees of success through the use of Portfolio reserves, applications to the Budget Contingency Fund and Invest to Save Fund.

,Q VHWLQJ WKH EXGJHW WKH \$XWKRULW\ VHW D &RXQFLO 7D[LQFUHDVH RI ZKLFK ZDV ORZHU WKDQ WKH SUHVHUYH \$W WKH HQG RI WKH ÀQDQFLDO \HDU WKH PRYHPHQW RQ WKH &RXQFLO)XQG %DODQFH ZDV DQ RYHUDOO LQFUHDVH Revenue Account balances on formal closure of the fund on 31 March 2013. Overrun forma>41<02E6e50003>-80<0052st to Save Fund.

&RQVXPHU SULFH LQÁDWLRQ GXULQJ UDQJHG EHWZH &RQVXPHU Q3 ULFH DERXU WKH %DQWLRQ \$SULO 0DUFK
 RI (QJODQG·V WDUJHW RI ,Q 0D\ WKH %DQN RI (QJODQG·V QÁDWLRQ EHSRUW SURMHEWHU
 WKDW &3, LQÁDWLRQ ZRXOG UHPDLQ DERYH WKH WDUJHW
 PRQWKV 2YHU WKH QH[W WZR \HDUV LQÁDWLRQ LV IRUHFD
 of continued external price pressures and the depreciation in the value of sterling earlier
 in 2013.

7KH LPSDFW RI LQÁDWLRQDU\ SUHVXUHV RQ WKH \$XWKRUL
 spend. Much of the Authority's expenditure relates to employee costs, which should see
 relatively minor increases due to continued wage restraint in the short-term, although this
 will be offset by increases in Employer Superannuation contributions resulting from the
 implementation of workplace pensions. In the longer term National Insurance contributions
 FRXOG LQFUHDVH VLJQLÁFDQWO\ DV D UHVXOW RI WKH SU
 and consequent abolition of the contracted-out rebate. A 1% increase in employee costs
 equates to £1.08m.

2WKHU VLJQLÁFDQW DUHDV RI VSHQG DUH

‡ *DV LQÁDWLRQ

‡ (OHFWULFLW\ LQÁDWLRQ

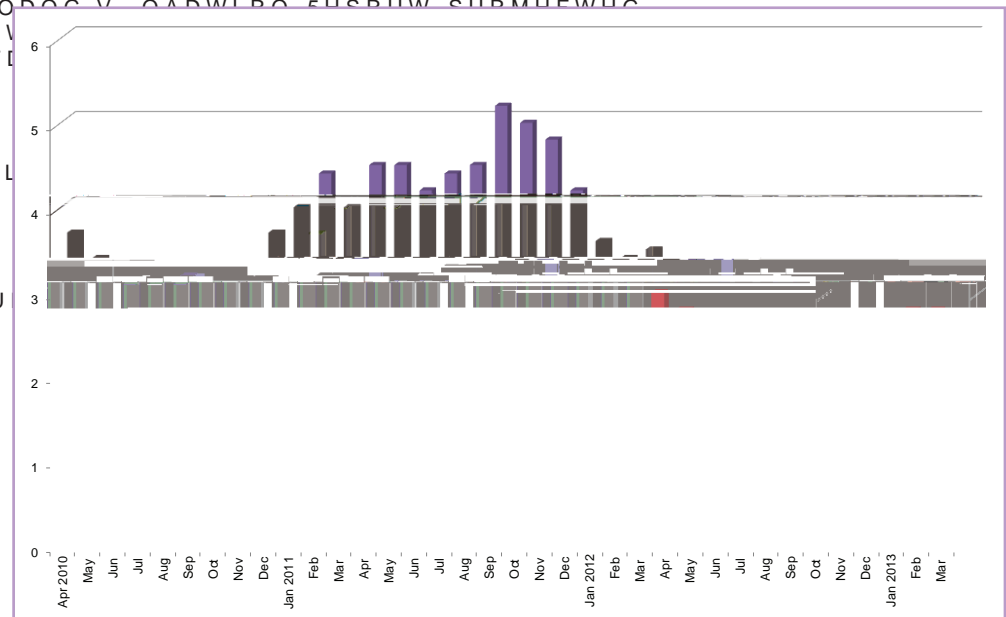
‡)XHOV DQG OXEULFDQW

Ju ‡ 3RVWDO 6HUFLFHV LQÁDWLRQ DQG

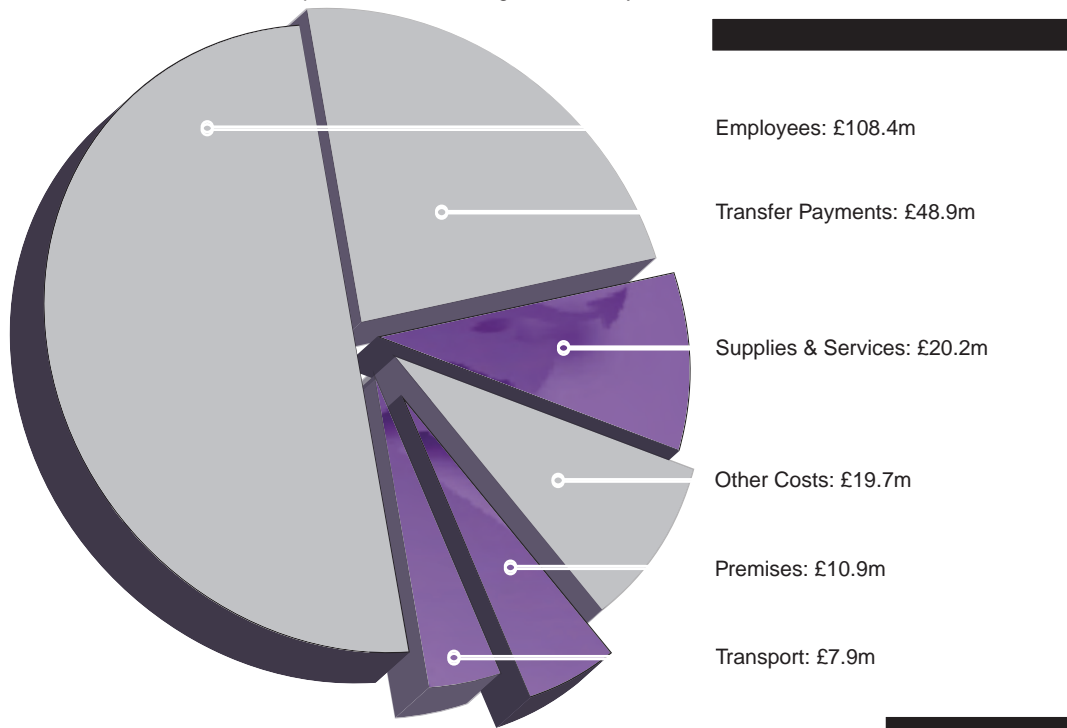
‡)RRG DQG EHYHUDJH

, QÁDWLRQDU\ LQFUHDVHV LQ WKHVH LWHPV DIIHFWV D ZLGH UDQJH RI VHUFLFHV LQFOXGLQJ VFKRROV VL@& ?·Ê`°pÀ - 0U3ð•UY

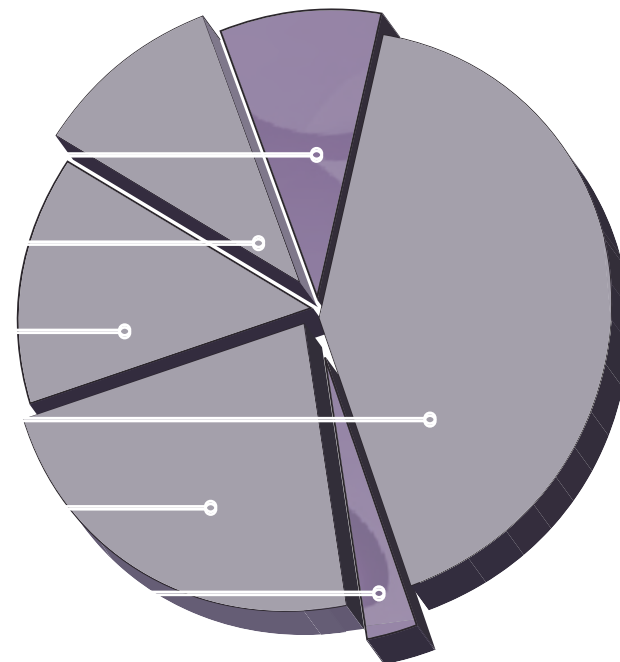
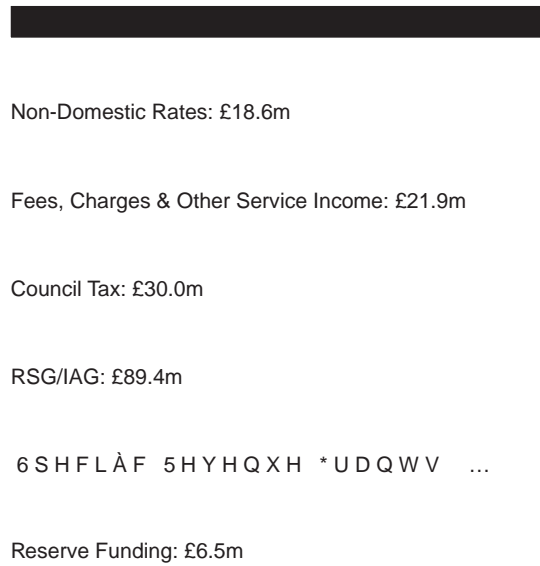
A3>-1<004400498(r)JTJ.0.013 Tc -0.013B4<0044004900490d,7c56000F00r -1.45.9861se6 Td [(A)-23(pr)JTJ -(A)--1.r(Tr)JTJ OgsC4223 24 [(Ju)-24ii9]TJ -n3F0.Ju within a range of 1% to 2% above target, it recognises that



For 2012/2013, revenue expenditure and funding can be analysed as follows:



Transfer Payments are amounts paid for which no goods or services are received (LQ UHWXUQ E\ WKH \$XWKRULW\ LQFOXGLQJ +RXXVLQJ Rebates), Direct payments to Social Services clients, Mandatory and Discretionary Awards to schoolchildren and students and voluntary sector grants.



7RWDO FDSLWDO H[SHQGLWXUH DPRXQWHG WR ...
the Core Statements.

P WKH PDMRU LWHPV ZLWKLQ WKLV ÅJXUH DUH LGHQWLÀHG EHORZ)XUW

Capital Expenditure	2012/2013	2011/2012
	£000	£000
Council Fund:		
Housing Grants	1,062	838
Housing Renewal Areas	488	349
Town Centre Regeneration	2,677	12,730
Road Network & Maintenance Schemes	6,788	1,661
The Works	59,456	45,025
Bedwellty House and Park	502	1,649
Heads of the Valley Schemes	663	1,099
Schools & Education Establishments	1,033	0
Capitalisation Direction	1,519	0

& DSLWDO H[SHQGLWXUH WRWDOOLQJ ...
below.

P ZDV ÀQDQFHG E\ ORFDO DXWKRULW\ ERUURZLQJ ...

P JUDQWV ...

P DQG



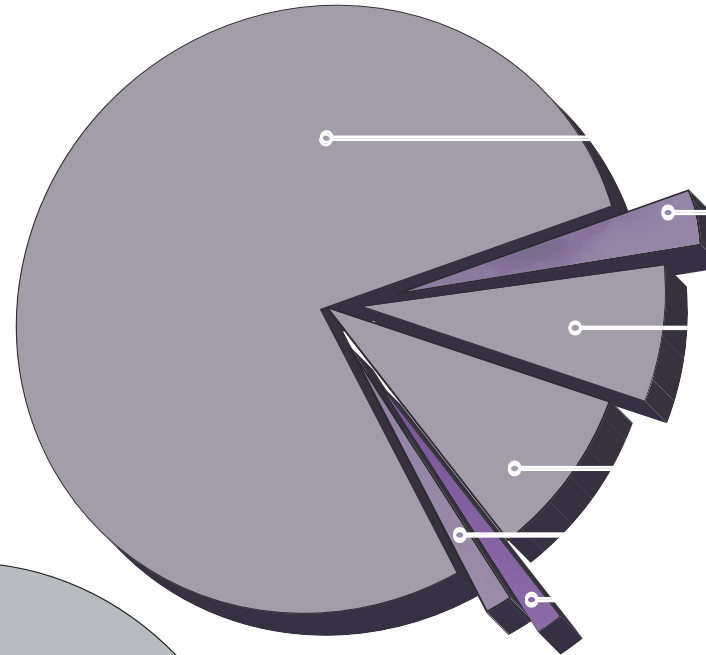
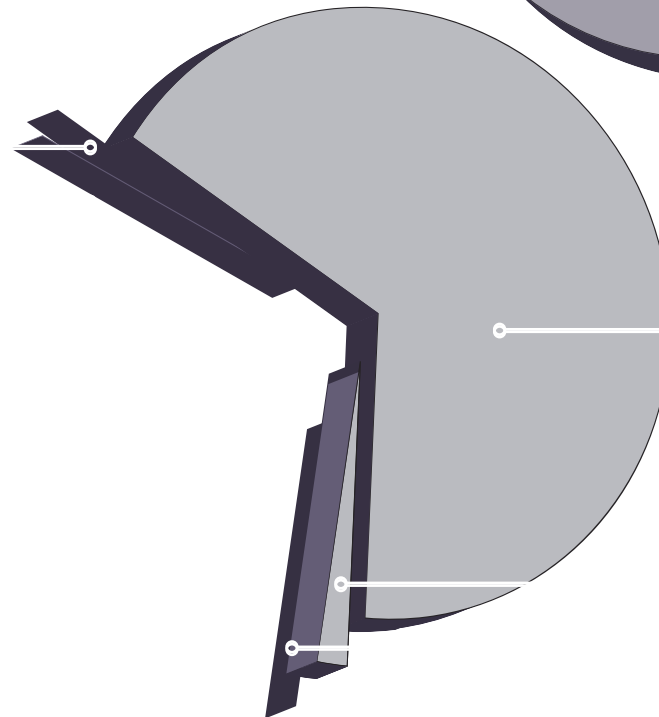
General Capital Grant: £1.309m

Regional Transport Plan Grant: £1.438m

Other Funding Sources: £5.477m

European Convergence Funding £2.296m

Local Authority Borrowing: £12.419m



The Works: £59.456m

Town Centre Regeneration: £2.677m

Other Capital Schemes: £5.333m

Road Network & Maintenance: £6.788m

Schools & Education Establishments: £1.033m

Housing Grants: £1.062m

Welsh Government: £50.945m

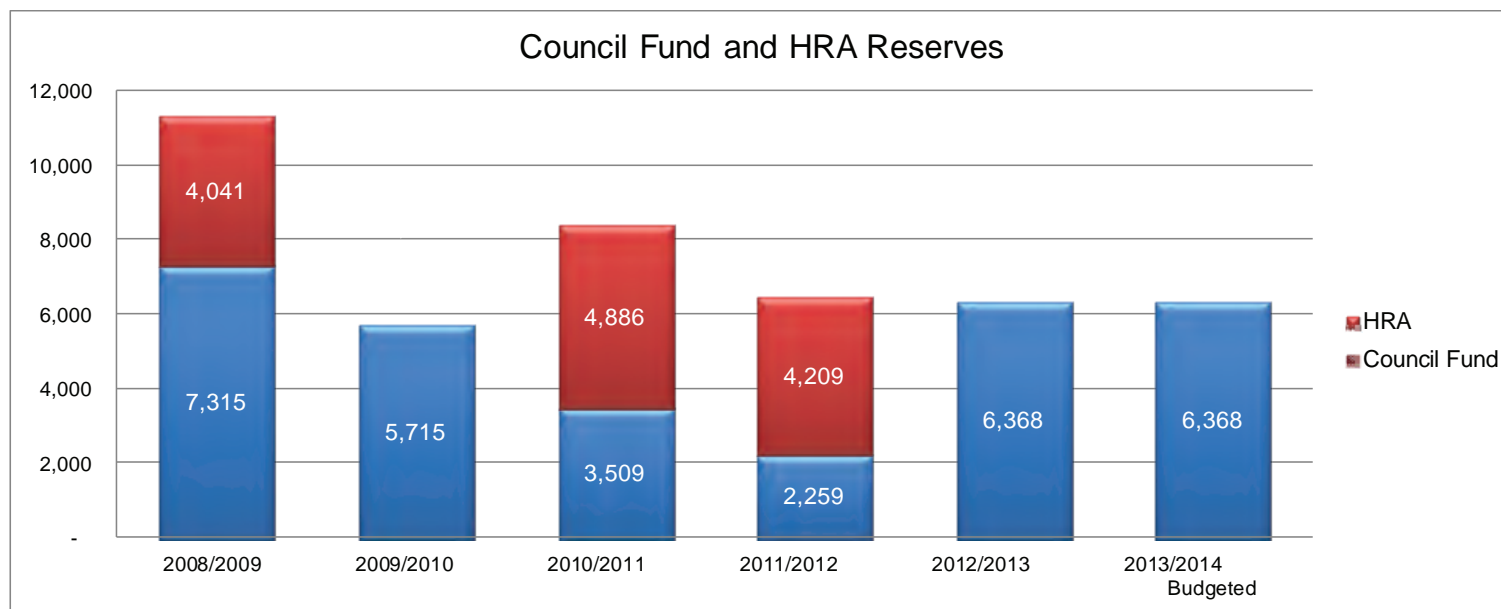
Match Funding: £1.246m

Heads of the Valley Scheme: £1.219m

Total provisions held by the Authority at the beginning of the year amounted to £11.109m. During 2012/2013, total provisions decreased by £5.339m to £5.770m, due largely to the release of the Silent 9DOOH\ & DSSLQJ 3URYLVLRQ WR FRPSOHWH WKH FDSSLQJ ZRUNV RI WKH ODQGĀOO VLWH WKH VHWWOHPHQW RI UHVLGXDO HT of individual provisions are shown in note 37.1 to the Core Statements (see page 109).

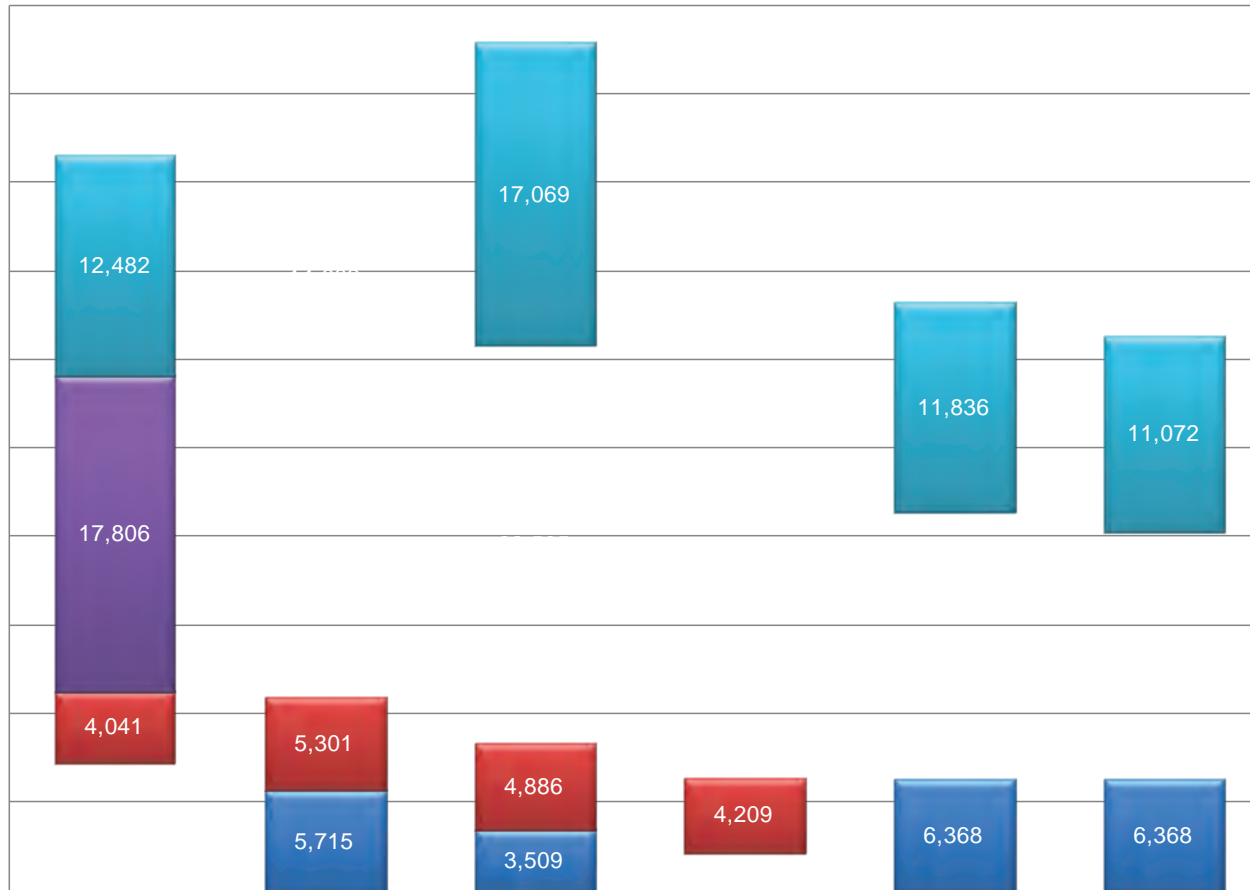
7.2 Reserves

Total Council Fund and Housing Revenue Account Reserves have reduced from £11.356m in 2008/2009 to £6.368m in 2012/2013. This represents 3.43% of draft Revenue Outturn Expenditure in 2012/2013. Given the estimated draw from reserves of £1.092m in 2013/2014, the projected Council Fund reserves at 31 March 2014 are an estimated £5.276m (2.8% of 2012/2013 draft Revenue Outturn Expenditure).



However, the level of general reserves needs to be viewed in the context of the Authority's total earmarked reserves.

Aggregate Usable Reserves have reduced from £41.644m in 2008/2009 to £33.284m in 2012/2013. This represents 17.9% of draft Revenue Outturn Expenditure for 2012/2013.



7KH ([HFXWLYH KDV VHW XS D 6XE *URXS WR LGHQWLI\ DQG DGGUHV VSHFLÀF RQJRLQJ FRVW SUHVXUHV ,Q DGGLWLRQ LW D the risk of any further draw from reserves.

Movements on reserves are detailed in note 43 to the Core Statements (pages 124-137). Total usable reserves at the commencement of the year amounted to £46.415m, decreasing by £13.131m to £33.284m

Summary Reserves Movements	2012/2013		2011/2012	
	£000	£000	£000	£000
Balance at 1 April		(46,415)		(47,969)
Insurance Liabilities	1,170		(405)	
Job Evaluation/Pay Remodelling	4,792		1,285	
Land & Property Charges	301		(422)	
LMS Balances	(280)		280	
		5,983		738
HRA	4,209		677	
Usable Capital Receipts	568		2,445	
Other net contributions (to)/from usable reserves	2,371		(2,306)	
		7,148		816
Balance at 31 March		(33,284)		(46,415)

1RWH 3ULRU \HDU ÀJXUHV KDYH EHHQ UHVWDWHG WR UHÁHFW VLJQLÀFDQW QHW FRQWULEXWLRQV GLVFORVHG LQ XQFKDQJHG

,PSDFW RI 3HQVLRQ 'HÁFLW RQ 5HVHUYHV

7KH \$XWKRULW\ KROGV WRWDO XVDEOH UHVHUYHV RI ... P DW 0DUFK ... P DW 0DUFK 7KH HIIHFWR RI DSSO UHVHUYHV ZRXOG EH D GHÁFLW RI ... P WKH VXSHUDQQXDWLRQ GHÁFLW RI ... P H[FHHGHG XVDEOH UHVHUYHV

+RZHYHU WKLW GHÁFLW LV GSHQGQHW RQ D QXPEHU RI IDFWRUV VXFK DV LQYHVWPHQW SHUIRUPDQFH DQG UHWLUHPHQW EHG DGGUHVHVG RYHU D QXPEHU RI \HUV E\ VWDJHG LQFUHDVHV WR HPSOR\HU FRQWULEXWLRQV & RQVHTXHQWO\ WKH OLDELOLW Fund is regularly reviewed by Actuaries on behalf of the administering Authority (Torfaen CBC).

Further details on Pension balances and transactions can be found in notes 41-42, pages 117-124.

The value of pension assets and liabilities disclosed in the accounting statements is:

10. 6 LJQLÀFDQW \$FFRXQWLQJ 3 ROLFLHV

10.1 CIPFA Code of Practice on Local Authority Accounting, 2012/2013

7 KH \$FFRXQWLQJ &RGH RI 3UDFWLFH KDV LQWURGXFHG QR VLJQLÀFDQW FKDQJHV LQ DFFRXQWLQJ SROLFLHV DQG GLVF

10.2 Group Accounts

In May 2012, the Authority amended the structure and membership of the Board of Directors of Silent Valley Waste Services Limited, a wholly-owned subsidiary, in order to control the activities of the company. As a result of a change in these governance arrangements, the Authority is now required to prepare Group Accounting Statements, consolidating the Accounts of the parent (Blaenau Gwent County Borough Council) and the subsidiary (Silent Valley Waste Services Ltd.). These Accounts have been prepared in compliance with the Accounting Policies set out on pages 44-58 and 161-163 and are included in the Statement of Accounts, on pages 154-179.

11. Main Financial Statements

The Code interprets the requirements of IAS 1 3 UHVHQWDWLRQ RI)LQDE@L@B@DSWPHQWV

The Income and Expenditure Account and Statement of Total Recognised Gains and Losses (STRGL) required by UK GAAP have been combined into one statement that records the full accounting cost of SURYLGLQJ VHUYLFHV GXULQJ WKH AQDQFLDO \HDU

11.3 The Balance Sheet 3DJHV

Derived from the IAS 1 requirement for a Statement of Financial Position, the Balance Sheet sets out the assets and liabilities of the Authority, and the usable and unusable reserves and balances that underlie those net assets. Much of the detail is presented within notes to the Balance Sheet, rather than in the Statement itself.

11.4 The Cash Flow Statement 3DJH

The Cash Flow Statement summarises the cash and cash equivalents arising from transactions with third parties for revenue and capital purposes during the reporting period. The statement shows how the \$XWKRULW\ JHQHUDWHV DQG XVHV FDK DQG FDK HTXLYDOHQWV E\ FODVVLI\LQJ FDK LQÁRZV DQG RXWÁRZV DV RSHUDWLQ

11.5 The Housing Revenue Account (HRA) Income & Expenditure Statement 3DJHV

The HRA I&E Statement (HRA-IES) is presented in a manner consistent with the Comprehensive Income and Expenditure Statement and records the full accounting cost of providing council housing.

11.6 The Movement on Housing Revenue Account Statement (MoHRAS) 3DJHV

3UHVHQWHG LQ D PDQQHU FRQVLVWHQW ZLWK WKH 0RYHPHQW LQ 5HVHUYHV 6WDWHPHQW WKH 0R+5\$6 UHFRUGV WKH PRYHPHQW
The MoHRAS also includes adjustments to remove accounting entries made in accordance with proper practice in the HRA-IES, in order that Rent Payers are charged only with amounts required by statute and regulations.

12. Future Developments

12.1 Budget-Setting Process

,Q SUHSDULQJ EDODQFHG EXGJHWV IRU AQDQFLDO \HDUV WR WKH \$XWKRULW\ XWLQVHG D VWUDWHJLF VWDII G
stop-gap model has been used to identify savings targets. In total, an unprecedented level of £4.2m of savings were agreed by the Authority. Priority has been given to schools and front-line Social Services budgets. In March 2013, the Authority agreed a revised Medium Term Financial Strategy (MTFS). This indicated that a further sum of £16.3m of savings would need to be found in the period 2014/15 to 7KH DFWLRQ SODQ LGHQWLÁHG WKUHH VWUDQGV WR GHDO ZLWK WKH IRUHFVW IXQGLQJ JDS

- ‡ \$OWHUQDWLYH VHUYLFH GHOLYHU\
- ‡ :RUNIRUFH FKDOOHQJH VWUDWHJ\ DQG
- ‡ Workplace transformation.

The Authority has already commenced its budget setting process for 2014/2015 to pursue savings options through the above three strands. Central government's comprehensive spending review in June 2013 has indicated that funding for Welsh Government will be substantially cut over the medium term. As Welsh Government has indicated that funding for local government is not its top priority, funding IRUHFVWV KDYH VXEVTXHQWO\ EHHQ UHGUDZQ 7KH 07)6 DJUHHG LQ 0DUFK LV WKUHIRUH DOUHDG\ RXW RI GDWH DQG year and beyond. Consequently, a review of reserves and balances will be required as part of an overall funding strategy.

7KHUH LV QR GRXEW WKDW WKLV ZLOO EH \$XWKRULW\ IRU HDWKDW IÁEIGFLDO FKLDOV HQFH SWKLRQ LQ

:HOVK *RYHUQPHQW VxFFHVVIXOO\ LQWURGXFHG D &RXQFLO 7D[5HGFWLRQ 6FKHPH IRU

PLWLJDWLQJ WKH LPSDFW RO

The production of the annual Statement of Accounts continues to provide a considerable challenge, post IFRS-implementation.

The fact that the Statement of Accounts continues to be produced by the 30 September statutory deadline is a considerable achievement. In presenting this Statement of Accounts I am grateful to the staff of the Resources Department for their planning, professionalism, and unstinting commitment in order to produce a high quality publication. The support and assistance from colleagues in other departments also requires recognition and thanks because collaboration across departments is now more essential than ever in the production of this document.

D. McAuliffe BSc, CPFA,

&KLHI)LQDQFH 2IÀFHU

Statement of Responsibilities
Datganiad O Gyfrifoldebau

Statement of Responsibilities

The Authority's Responsibilities

The Authority is required to:

‡ 0DNDHUUDQJHPHQWV IRU WKH SURSHU DGPLQLVWUDWLRQ RI LWV ÀQDQFLDO DIIDLUV DQG WR VHFXUH WKDW RQH RI LWV RIÀFHUV KD
)LQDQFH 2IÀFHU

‡ 0DQDJH LWV DIIDLUV WR VHFXUH HFRQRPLF HIÀFLHQW DQG HIIHFWLYH XVH RI UHVRXUFHV DQG VDIHJDUG LWV DVVHWV

‡ Approve the Statement of Accounts.

7KH 5HVSRQVLELWLHV RI WKH &KLHI)LQDQFH 2IÀFHU

Annual Governance Statement

'DWJDQLDG /O\ZRGUDHWKX %O\Q\GGRO

1.1 Blaenau Gwent County Borough Council ('the Authority') is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded
DQG SURSHUO\ DFFRXQWHG IRU DQG XVHG HFRQRPLFDOO\ HIAFLHQWO\ DQG HIIHFWLYHO\ 7KH \$XWKRULW\ DOVR KDV D JHQH
FRQWLQXR XV LPSURYHHPHQW LQ WKH ZD\ LQ ZKLFK LWV IXQFWLRQV DUH HIAFLHQWO\ DQG HIIHFWLYHO\ WWR D FRPELQDWLRQ RI HF

1.2 In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

1.3 The Authority has approved and adopted a code of governance, which is consistent with the principles of the CIPFA/SOLACE Framework "Delivering Good Governance in Local Government". A copy of the code is available from the Chief Executive's Department. This statement explains how the Authority has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit (Wales) Regulations 2005 in relation to the publication of a statement on internal control in the Statement of Accounts.

2. The Purpose of the Governance Framework

2.1 The governance framework comprises the systems and processes, and culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

2.2 7KH\ VWHP RI LQWHUQDO FRQWURO LV D VLJQLÀFDQW SDUW RI WKH IUDPHZRUN DQG LV GHVLJQHG WR PDQDJH ULVN DW D UHDVR
assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks of the Authority, to evaluate the likelihood of those risks being realised
DQG WKH LPSDFW VKRXOG WKH\ EH UHDOLVHG IHDWLWV WRO PDQDJH FRPLFIDOM QKGVH ZLOO LQFOXGH DFKLHYHHPHQW RU QRW RI

2.3 The governance framework has been in place at the Authority for the year ended 31 March 2013 and up to the date of approval of the annual Statement of Accounts.

2.4 : DOHV \$XGLW ZIÀFH KDYH SUHYLRXVO\ UHSRUWHG ZHDNQHVVHV LQ WKH &RXQFLO·V JRYHUQDQFH IUDPHZRUN SDUWLFXODUO\ H

3.4.5 In line with the requirements of the LGM, the Authority has formed a Democratic Services Committee. The Terms of Reference for the Committee were agreed by Council in June 2012.

3.4.6 In May 2011 Estyn inspected the Council's Education service for children and young people and judged both its performance and prospects for improvement as unsatisfactory. Welsh Government appointed (GXFDWLRQ & RPPLVLRQHUV LQ 6HSWHPEHU WR IXOAO WKH ([HFXWLYH IXQFWLRQ IRU (GXFDWLRQ (VW\Q UH LQVSHFWHG % O both in its overall judgement and in its capacity to improve. The Minister for Education has reappointed one of the Commissioners full-time to continue to have Executive responsibilities for Education in Blaenau Gwent. The Authority is to produce a Post Inspection Action Plan (PIAP) in response to the most recent Estyn report to show how it will address the seven key recommendations made.

3.5 'HYHORSLQJ & RPPXQLFDWLQJ DQG (PEHGGLQJ & RGHV RI & RQGXFW 'HÀQLQJ WKH 6WDQGDUGV RI %HKDYLRXU IRU 0HPEHUV DQG

3.5.1 7K\$XWKRULW\ KDV SURWRFRV IRU ERWK 0HPEHUV DQG 2IÀFHUV & RGHV RI & RQGXFW JRYHUQLQJ 0HPEHU 2IÀFHU 5HODWLRQV DQG DUH LQÁXHQFHG E\ EHVW SUDFWLFH DQG UHFRPPHQGDWLRQV IURP ERWK LQWHUQDO DQG H[WHUQDO UHJXODWRUV

3.5.2 7K\$ULQFLSOHV RI WKHVH FRGHV DUH HPEHGGLQJ WKURXJK WUDLQLQJ DQG FRQVXOWDWLRQ DQG DOO 0HPEHUV DQG 2IÀFHUV DUH Member development programme for 2013/2014. Compliance with the codes will be tested as part of the 2013/2014 Internal Audit Plan.

3.5.3 As part of the ongoing cultural change, the Council is to continue with the change management programme introduced.

3.5.4 7K\$WDQGDUGV & RPPLWWHH KDV FRQVLGHUHG YDULRXV DFWLRQV DQG HQGRUVHG SURWRFRV UHJDUGLQJ WKH & RGHV RI & RQ operated and will be monitored by the Standards Committee.

3.6 5HYLHZLQJ DQG 8SGDWLQJ 6WDQGLQJ 2UGHUV)LQDQLDO 5HJXODWLRQV D 6FKHPH RI 'HOHJDWLRQ DQG 6XSSRUWLQJ 3URFHGX Required to Manage Risks:

3.6.1 7K\$QLDQLDO PDQDJHPHQW RI WKH \$XWKRULW\ LV FRQGXFWHG LQ DFFRUGDQFH ZLWK WKH)LQDQLDO 5HJXODWLRQV VHW RXW support the aims of its strategic priorities.

3.6.2 7K\$XWKRULW\ V ÀQDQLDO PDQDJHPHQW DUUDQJHPHQWV FRQIRUP ZLWK WKH JRYHUQDQFH UHTXLUHPHQWV RI & ,3)\$ V '6DWHP

3.6.3 The Authority has a Constitutional Working Group whose remit includes the annual review and update of Financial Regulations and Standing Orders. The Constitution is reviewed at least annually, and an exercise is ongoing to incorporate provision for future partnership and collaborative arrangements. This will be aligned with the new WLG model constitution.

3.6.4 \$ 6FKHPH RI 'HOHJDWLRQ LV GHWDLOHG LQ WKH & RQVWLWXWLRQ DQG WKH 7RQMLDQG UHJXODWLRQV DQGLDOLW\ DWRWKHP\$HUV DQG 2IÀFHUV

3.6.5 7K\$XWKRULW\ KDV D 5LVN 0DQDJHPHQW 6WUDWHJ\ DQG D 5LVN 0DQDJHPHQW +DQGERRN LQ SODFH ZLWK KDYH EHQ UHYLHZHG These were adopted by the Executive in November 2012. The revised arrangements further clarify the roles and responsibilities for risk management and see the introduction of Directorate Risk Registers alongside Service, Corporate, Project and Partnership Risk Registers.

3.6.6 The revised framework now includes:

‡ & ODULÀFDWLRQV DQG 5HJXODWLRQV VSRQVLELOLWLHV RI 0HPEHUV DQG 2IÀFHUV

‡ *XGDQFH DQG H[DPSOH RI KRZ WR GHVFULEH ULVN

‡ *XGDQFH RQ WKH HYDOXDWLRQ DQG DVVHVVPHQW RI ULVN 2 DQG WKH & RXQFLO KDV QRZ GHYHORSHG DQ DVVHVVPHQW FULWHU

3.6.7 The framework also now incorporates a clear protocol for the escalation of risks through Services / Departments to the Corporate Risk Register with the Council setting its Risk appetite or tolerance level. Minimum reporting and review guidelines have also been introduced.

3.7 Undertaking the Core Functions of an Audit Committee:

3.7.1 The Authority has set up an Audit Committee, whose responsibilities in 2012/2013 included:

- ‡ To appoint the Chair of the Audit Committee.
- ‡ To receive and approve the Council's annual Statement of Accounts in accordance with the Accounts and Audit Regulations.
- ‡ To receive and approve the Annual Internal Audit Report from the Head of Internal Audit.
- ‡ To receive and approve the Annual Internal Audit Plan.
- ‡ To review and approve the annual programme for internal audits, the audit priorities and effectiveness of the programme in providing adequate assurance in respect of the Council's main business risks.
- ‡ To review and approve the arrangements for internal control, risk management, internal audit arrangements, the control environment and associated anti-fraud and anti-corruption arrangements.
- ‡ To engage with external auditors and inspection agencies and other relevant bodies to ensure that there are effective relationships between external and internal audit.

3.7.2 To ensure that the Council's internal control, risk management, internal audit arrangements, the control environment and associated anti-fraud and anti-corruption arrangements are effective and efficient, the Council has established an internal control, risk management, internal audit arrangements, the control environment and associated anti-fraud and anti-corruption arrangements committee. This committee is responsible for reviewing and approving the Council's internal control, risk management, internal audit arrangements, the control environment and associated anti-fraud and anti-corruption arrangements. The committee also has a role to play in the development and implementation of the Council's internal control, risk management, internal audit arrangements, the control environment and associated anti-fraud and anti-corruption arrangements. The committee is also responsible for ensuring that the Council's internal control, risk management, internal audit arrangements, the control environment and associated anti-fraud and anti-corruption arrangements are effective and efficient.

3.8 Ensuring Compliance with Relevant Laws and Regulations, Internal Policies and Procedures, and that Expenditure is Lawful:

3.8.1 To ensure that the Council's internal control, risk management, internal audit arrangements, the control environment and associated anti-fraud and anti-corruption arrangements are effective and efficient, the Council has established an internal control, risk management, internal audit arrangements, the control environment and associated anti-fraud and anti-corruption arrangements committee. This committee is responsible for reviewing and approving the Council's internal control, risk management, internal audit arrangements, the control environment and associated anti-fraud and anti-corruption arrangements. The committee also has a role to play in the development and implementation of the Council's internal control, risk management, internal audit arrangements, the control environment and associated anti-fraud and anti-corruption arrangements. The committee is also responsible for ensuring that the Council's internal control, risk management, internal audit arrangements, the control environment and associated anti-fraud and anti-corruption arrangements are effective and efficient.

3.9.1 The Authority has adopted policies in relation to whistle-blowing and complaints from members of the public.

3.9.2 7KH KLWVW OH EORZLQJ SURFHVV HQDEOHV HPSOR\HHV WR UDLVH VHULRXV FRQFHUQV ZLWKLQ WKH &RXQFLO WKDW IDOO RXWVLQ DVSHFW RI VHUYLFH SURYLVLHQ RU WKH FRQGXFWRU 2IÄFHUV RU 0HPEHUV RI WKH &RXQFLO RU RWKHUV DFWLQJ RQ EHKDOIHQ incidents reported to the Council.

3.9.3 7KH XWKRULW\ KDV D &RPSODLQWV 3ROLF\ WKDW ZDV UDWLÀHG E\ &RXQFLO LQ -XO\ 7KH SROLF\ RXWOLQH V D WKUHH VWDG dealt with within the Authority, with the third stage complaints being referred to the Public Ombudsman for Wales. Between April 2012 and March 2013 the Authority had eleven complaints that progressed WR WKH WKLUG VWDJH 2I WKHVH HOHYHQ QLQH ZHUH QRW LQYHVW\G. 11 0HPEHUV RI WKH &RXQFLO HQNDV\ 11 0HPEHUV RI WKH &RXQFLO R ZOH\ Dp'DGÀ €0 incidents reported to the Council.

3.11.1 \$ UDQJH RI FRQVXOWDWLRQ DQG HQJDJHPPHQW H[HUFLVHV ZHUH7XGCHULWDFXGHWGR LQIRUP WKH ÀQDO YHUVLRQ RI WKH 6,3

‡)DFH WR IDFH HQJDJHPPHQW VHVLRQV ZLWK WKH SXEOLF LQFOXGLQJ LQYLWDWLRQV WR FLWL]HQ SDQHO PHPEHUV

‡ Short and long versions of the web based survey produced along with guidance notes and an audio version of the presentation explaining the SIP .

‡ : RUNLQJ ZLWK WKH /6% RIÀFHU QHWZRUN SDUWQHUV WRRN WKH FRQVXOWDWLRQ RXW YLD WKHLU RZQ QHWZRUNV DQG RUJ

‡ Sessions with established forums, e.g. Youth Forum.

‡

4.2.6 The Authority is subject to external regulation by the WAO and other regulators who provide regular reports on its control environment. The most recent of these include the Full Corporate Assessment and its review (2011 and 2012)), the Estyn inspections (2011 and 2013) CSSIW Inspection (2012), Service Based Budget Review (2013) and the Annual Improvement Report (2013). Some of these reports highlighted VLJQLÀFDQW FRQFHUQV UHJDUGLQJ DVSHFWV RI WKH \$XWKRULW\·V JRYHUQQDQFH DUUDQJHPHQWV LQFOXGLQJ WKH FXOWXUH D Authority was active in seeking change whilst not being complacent and recognising areas that need further developments.

4.2.7 &RQFHUQV

5.7 7K⊕DWHVW YLHZ RI WKH :DOHV \$XGLW 2IÂFH ZDV SUHVHQWHG WR &RXQFLO LQ \$SULO LQ WKH \$QQXDO ,PSURYHPHQW 5HSRUZ
ZLOO EH LQFOXGHG LQ WKH &RUSRUDWH \$VVHVPHQW 'HOLYHU\ 3URJUDPPH WR HQVXUH WKH\ DUH SURJUHVVHG DQG PRQLWRU
assessment. The WAO proposals are detailed in Appendix 1.

5.8 The outcome of an Estyn Inspection in May 2011 into the quality of local authority education services, was that Estyn were critical both of the outcomes our children and young people achieve, the service
we provide and our capacity to improve and as such, the Authority has been placed into the category of requiring n Au furhe rorye styn Inspection in MJanuay o0113ifungd hat Eenoughprovgresswha inot een pmad-1(p



,CFRQFOXVLRQ ZH DFNQRZOHGJH WKDW ZKLOVW WKHUH KDV EHHQ VRPH SRVLWLYH PRYHPHQW IRU WKH \$XWKRULW\·V *RYHUQD
WKH FRPLQJ \H DU WR WDNH VWHSV WR DGGUHVV WKH DERYH PDWWHUV WR IXUWKHU HQKDQFH RXU JRYHUQDQFH DUUDQJHPHQW
in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Councillor Hedley McCarthy
Leader of the Council
September 2013

David McAuliffe
& KLHI)LQDQFH 2IÀFHU
September 2013

David Waggett
Chief Executive
September 2013

: DOHV \$XGLW 2IÀFH 3URSRVDOV IRU ,PSURYHPPHQW

Statutory Recommendation – Corporate Assessment

1. Develop and agree an action plan which addresses the issues raised in the Corporate Assessment Report, issued in November 2011, in consultation with key stakeholders including the Welsh Local Government Association (WLGA) and the Welsh Government.

3URSRVDOV IRU ,PSURYHPPHQW

\$SS10KH DSSURDFK WR VHWWLQJ ,PSURYHPPHQW 2EMHFWLYHV IRFXVHG RQ DFKLHYLQJ LPSURYHG RXWFRPHV IRU FLWL]HQV W

1. Address weaknesses in the range and coverage of project reports through the inclusion of:

‡ D F U R V V

'HYHORS DED,QLRQ 6WUDWHJ\ WR HQVXUH IXWXUH LQIRUPDWLRQ PDQDJHPHQW SODQV DFFXUDWHO\ UHÁHFW WKH QDWLRQDO

'HYHORS DWHSRUWLQJ SROLF\ DQG JXLGDQFH GRFXPHQWV WR HQVXUH JRYHUQDQFH DUUDQJHPHQWV VWDII VWUXFWXUHV

3. Develop and implement an Information Strategy delivery plan to drive information issues forward within the organisation
4. Ensure that the Senior Information Risk Owner (SIRO) is fully briefed on all aspects of information governance to provide corporate oversight of, and responsibility for information issues, in particular:
 - ‡ HVWLDKQJ VWDQGDUGV DQG SROLFLHV
 - ‡ PRQLQJ FRPSOLDQFH ZLWK VWDQGDUGV DQG SROLFLHV
 - ‡ LQIRUPLRQ PDQDJHPHQW WUDLQLQJ
 - ‡ OHDUQLRP DQG DGGUHVVLQJ LQIRUPDWLRQ LQFLGHQWV DQG LVVXHV DQG
 - ‡ PDQBPHQW RI LQIRUPDWLRQ ULVN
5. Establish a central register of all Information Sharing Protocols (ISPs), and develop a plan to migrate all existing sharing protocols to the Wales Accord for the Sharing of Personal Information (WASPI)

5.

Auditor's Report

Adroddiad Y'r Archwilwyr

Auditor's Report

I have audited the accounting statements and related notes of Blaenau Gwent County Borough Council and Blaenau Gwent County Borough Council Group for the year ended 31 March 2013 under the Public Audit (Wales) Act 2004.

Blaenau Gwent County Borough Council's accounting statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Movement on the Housing Revenue Account Statement and the Housing Revenue Account Income and Expenditure Statement.

Blaenau Gwent County Borough Council's Group accounting statements comprise the Group Movement in Reserves Statement, the Group Comprehensive Income and Expenditure Statement, the Group Balance Sheet and the Group Cash Flow Statement.

7KH ÀQDQFLDO UHSRUWLQJ IUDPHZRUN WKDW KDV EHHQ DSSOLHG LQ WKHLU SUHSDUDWLRQ LV DSSOLFDEOH ODZ DQG WKH &RGH RI 3U Reporting Standards (IFRSs).

5HVSHFWLYH 5HVSQRVLELOLWLHV RI WKH 5HVSQRVLEOH ÀQDQFLDO 2IÀFHU DQG WKH ,QGHSHQGHW

\$V H[SODLQHG PRUH IXOO\ LQ WKH 6WDWHPHQW RI 5HVSQRVLELOLWLHV IRU WKH 6WDWHPHQW RI \$FFRXQWV VHW RXW RQ SDJH WKH Blaenau Gwent County Borough Council's Group accounting statements, which gives a true and fair view.

My responsibility is to audit the accounting statements and related notes in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Accounting Statements

\$Q DXGLW LQYROYHV REWDLQLQJ HYLGHQFH DERXW WKH DPRXQWV DQG GLVFORVXUHV LQ WKH DFFRXQWLQJ VWDWHPHQWV DQG UHOHFW free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- ‡ whether the accounting policies are appropriate to Blaenau Gwent County Borough Council's and Blaenau Gwent County Borough Council Group's circumstances and have been consistently applied and adequately GLVFORVHG
- ‡ WKH UHDVRQDEOHQHVV RI VLJQLÀFDQW DFFRXQWLQJ HWLPDWHV PDGH E\ WKH UHVSQRVLEOH ÀQDQFLDO RIÀFHU DQG
- ‡ the overall presentation of the accounting statements and related notes.

,QGGWLWRQ , UH DG DOO WKH ÀQDQFLDO DQG QRQ ÀQDQFLDO LQIRUPDWLRQ LQ WKH ([SODQDWRU\)RUHZRUG DQG WKH \$QQXDO *RYH related notes. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the Accounting Statements of Blaenau Gwent County Borough Council

In my opinion the accounting statements and related notes:

- ‡ *LYH D WUXH DQG IDLU YLHZ RI WKH ÀQDQFLDO SRVLWLRQ RI %ODHQDX *ZHQW &RXQW\ %RURXJK &RXQFLO DV DW 0DUFK DQG
- ‡ Have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2012/2013.

In my opinion the accounting statements and related notes:

‡ * L YDW U X QIG LYLL HFZIW KAHQ D Q SIRDV Q W E%ROD H*Z D X&R X QWRU R&R K Q*FULRODSD W O D U F K D Q B IL W Q F R P QIG [S H Q G L R U X U H

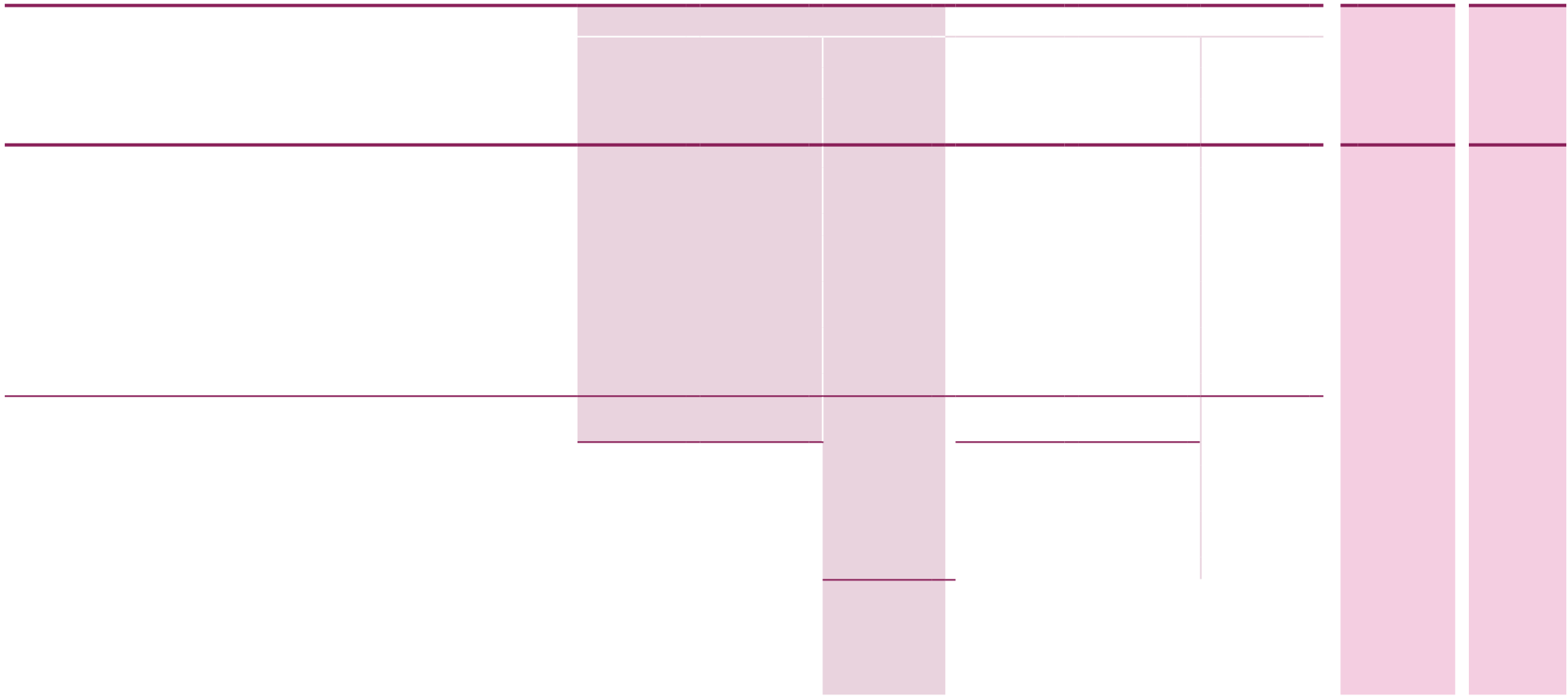


The Core Financial Statements
Y Datganiadau Ariannol Craidd

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 unusable reserves. The 6XUSOXV RU 'HÅFLW RQ WKH 3URYLVLRQ RI 6HUYLEFHV line shows the true economic cost of providing the Authority's services, more details of which are shown in the Expenditure Statement. This cost is different from the statutory amount required to be charged to the Council Fund and the Housing Revenue Account for Council Tax and dwellings rent setting purposes respectively. The 1HW ,QFUHDVH 'HFUHDVH EHIRUH 7UDQVSRUWHV line shows the Statutory Council Fund and Housing Revenue Account Balances before any discretionary transfers to or from earmarked reserves undertaken by the Authority.





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 reserves held, reported in two categories:

- ‡ Usable reserves are those reserves that the Authority may use to provide services, subject to any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt) and the need to maintain a prudent level of reserves.
- ‡ Unusable reserves are those that the Authority is not able to use to provide services. This category includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts ZRXOG RQO\ EHFRPH DYDLODEOH WR SURYLGH VHUYLFHV LI WKH DVVHWV DUH VROG DQG UHVVHUYHV WKDW KROG WLPLQJ GLIIHUS funding basis under regulations' (e.g. the Capital Adjustment Account, Pensions Reserve and Accumulated Absences Account).

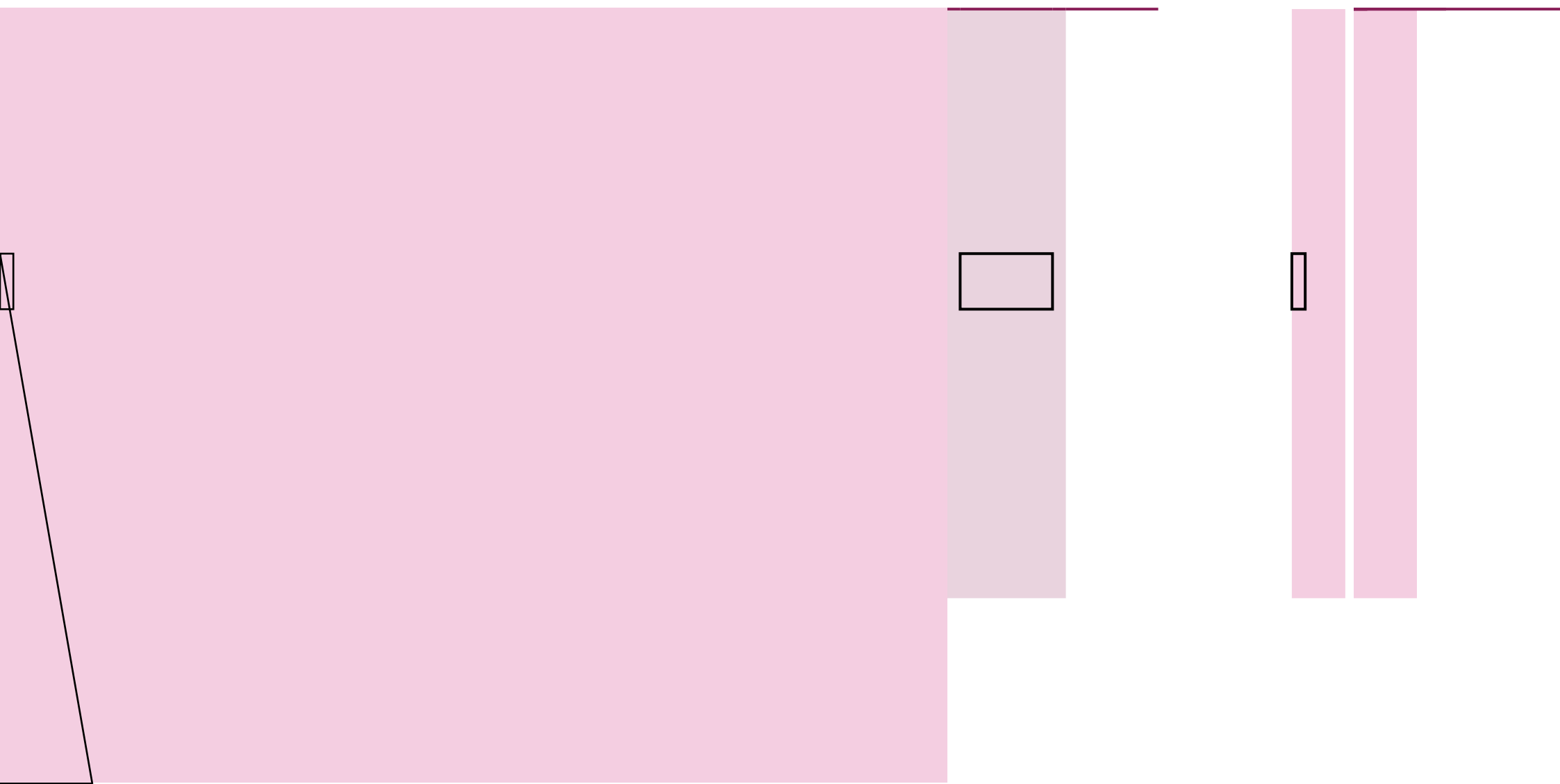
Balance Sheet	31 March 2013		31 March 2012		Note:	Page:
	£000	£000	£000	£000		
Property, Plant & Equipment	296,739		261,725		28	89-95
Heritage Assets	413		413		29	96-97
Intangible Assets	27		47			
Assets Held for Sale	195		330		33	103
Non-Current Investments	252,816		217,494		31	100
Non-Current Debtors	4,576		3,975		32	102
Sub Total: Non-Current Assets		554,766		483,984		
Current Investments	4		4		39	111
Inventories	2,026		1,680		34	104
Current Debtors	35,929		49,960		35	105-106
Cash and Cash Equivalents	1,808		6,348		46	141
Sub Total: Current Assets		39,767		57,992		

Balance Sheet (Continued)	31 March 2013		31 March 2012		Note:	Page:
	£000	£000	£000	£000		
Current Borrowing	(33,272)		(45,197)		39	111-116
Current Creditors	(17,683)		(18,875)		36	107
Current Provisions	(4,764)		(10,275)		37	108-110
Sub Total: Current Liabilities		(55,719)		(74,347)		
Non-Current Borrowing	(92,360)		(73,371)		39	111-116
Non-Current Provisions	(1,006)		(834)		37	108-110
Other Non-Current Liabilities	(450,476)		(386,012)		38	110
Sub Total: Non-Current Liabilities		(543,842)		(460,217)		
Total Net Assets		(5,028)		7,412		
Usable Reserves	(33,284)		(46,415)		43	124-131
Unusable Reserves	38,312		39,003		43	132-137
Total Reserves		5,028		(7,412)		

Cash Flow Statement

The Cash Flow Statement summarises the cash and cash equivalent transactions of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by

- ‡ 7KH PRXQW RI QHW FDKÁRZV DULVLQJ IURP RSHUDWLQJ DFWLYLWLHV LV D NH\ LQGLFDWRU RI WKH H[WHQW WR ZKLFK WKH RSHU services provided.
- ‡ ,QYHVDLWLWLHV UHSUHVHQW FDKÁRZV UHODWLQJ WR WKH DFTXLVLWLRQ GLVSRVDO DQG IXQGLQJ YLD FDSLWDO JUDQW RI UH assets.
- ‡ &DVKÁRZV IURP ÀQDQFLQJ DFWLYLWLHV UHSUHVHQW WKH H[WHQW WR ZKLFK ERUURZLQJ DQG VLPLODU FKDUJHV KDYH LQFU providers of capital to the Authority.



The Notes to the Core Financial Statements
Nodiadau I'r Datganiadau Ariannol Craidd

Notes to the Accounts

1. Accounting Policies

1.1 General Principles

The Authority has made a provision for the costs of settling claims for back pay arising from discriminatory payments incurred prior to the implementation of the Authority's equal pay strategy.

Provisions made in the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 (as amended in 2007 and 2010) give discretion to local authorities not to charge to revenue a provision for back pay arising from unequal pay claims until cash settlement takes place. The regulations currently apply to liabilities recognised before 1 April 2013. The Authority has exercised its discretion in not charging equal pay claims to revenue accounts until the settlement has occurred. The provision for back pay is therefore balanced by an Equal Pay Back Pay Account created from amounts credited to the

7HUPLQDWLRQ EHQHÅWV DUH DPRXQWV SD\DEOH DV D UHVXOW RI D GHFLVLRQ E\ WKH \$XWKRULW\ WR WHUPLQDWH DQ RIÅFHU
redundancy and are charged on an accruals basis to the relevant service line in the Comprehensive Income and Expenditure Statement when the Authority is demonstrably committed to the termination of
WKH HPSOR\PHQW RI DQ RIÅFHU RU JURXS RI RIÅFHUV RU PDNLQJ DQ RIIHU WR HQFRXUDJH YROXQWDU\ UHGXQGDQF\ \$ SURYLV
WKH HQG RI WKH ÅDQFLDO \HDU EXW QRW SDLG XQWLO WKH IROORZLQJ \HDU

:KHUH WHUPLQDWLRQ EHQHÅWV LQYROYH WKH HQKDQFHPHQW RI SHQVLRQV VWDWXWRU\ SURYLVLRQV UHTXLUH WKH &RXQFLO
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
UHPRYH WKH QRWLRQDO GHELWV DQG FUHGLWV IRU SHQVLRQ HQKDQFHPHQW WHUPLQDWLRQ EHQHÅWV DQG UHSODFH WKHP ZL
unpaid at the year-end.

1.8.3 3RVW (PSOR\PHQW %HQHÅWV

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

‡HU B—à‡

- ; 3DVW VHUYLFH FRVW ² WKH LQFUHDVH LQ OLDELWLWLHV DULVLQJ IURP FXUUHQW \HDU GHFLVLRQV ZKR VH HIIHFW UHODWHV Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs. Due to their material nature, the gains arising from the change in calculating pension scheme liabilities using CPI instead of RPI have been separately disclosed on the face of the Comprehensive Income and Expenditure Statement as Past Service Gains.
- ; ,QWHURHW ² WKH H[SHFWHG LQFUHDVH LQ WKH SUHVHQW YDOXH RI OLDELWLWLHV GXULQJ WKH \HDU DV WKH \ PRYH RQH \H line in the Comprehensive Income and Expenditure Statement.
- ; ([SHFWHG XUQ RQ DVVHWV ² WKH DQQXDO LQYHVWPHQW UHWXUQ RQ WKH IXQG DVVHWV DWWULEXWDEOH WR WKH \$XWKRU Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- ; *DLQV ORVVHV RQ VHWWOHPHQWV DQG FXUWDLOPHQWV ² WKH UHVXOW RI DFWLRQV WR UHOLHYH WKH \$XWKRULW\ RI OLD GHELWHG RU FUHGLWHG WR WKH 6XUSOXV RU 'HÀFLW RQ WKH 3URYLVLRQ RI 6HUFLHV LQ WKH &RPSUHKKHVLYH ,QFRPH D
- ; \$FWXDOLDO DQG ORVVHV ² FKDQJHV LQ WKH QHW SHQVLRQV OLDELWLW\ WKDW DULVH EHFDXVH HYHQWV KDYH QRW FRLQF XSGDWHG WKHLU DVVXPSWLRQV ² GHELWHG RU FUHGLWHG WR WKH 3HQVLRQV 5HVHUYH
- ; &RQWULEXWLRQV SDLG WR UHODWHV ² 7FDVK SDLG DV HPSOR\HU V FRQWULEXWLRQV WR WKH SHQVLRQ IXQG LQ ,Q UHODWLRQ WR UHWLUHPPHQW EHQHÀWV VWDWXWRU\ SURYLVLVRQV UHTXLUH WKH &RXQFLO)XQG EDODQFH WR EH FKDUJHG Z

The interest expense & income disclosed in the Comprehensive Income & Expenditure Statement is calculated as follows:

±

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Authority's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

: KHUH H[SHQGLWXUH RQ LQWDQJLEOH DVVHV TXDOLÀHV DV FDSLWDO H[SHQGLWXUH IRU VWDWXWRU\ SXUSRHHV DPRUWLVDW 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.

1.15 Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value.

Where the Authority is lessor, the asset is not on the Authority's Balance Sheet, as substantially all the risks & rewards of ownership have been transferred to the third party. The accounting process is as follows:

‡ A long term lease debtor is set up for the principal amount outstanding (the net investment in the lease)

‡ :KHUH WKH DPRXQW GXH LQ

7KH IROORZLQJ FULWHULD KDYH WR EH VDWLVÂHG LQ RUGHU WR FODVVLI\ DQ DVVHW DV KHOG IRU VDOH
‡

Assets are initially measured at cost, comprising:

‡ 7KH SXUFKDVH SULFH

‡ \$Q\ FRVWV DWWULEXWDEOH WR EULQJLQJ WKH DVVHW WR WKH ORFDWLRQ DQG FRQGLWLRQ QHFHVVDU\ IRU LW WR EH FDS

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

The Authority does not capitalise borrowing costs incurred whilst assets are under construction.

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.

:KHUH LPSDLUPHQW ORVVHV DUH LGHQWLÀHG WKH\ DUH DFFRXQWHG IRU E\

‡ :

The following policy has been adopted for the componentisation of assets and applied to assets as acquired, enhanced and revalued:

‡ \$ PDWHULDO FRPSRQH QW LV GHÀQHG DV RQH WKDW KDV D JURVV UHSODFHPHQW FRVW LQ H[FHVV RI RU WKH WRWDO JURV
‡ :KHUH PDWHULDO FRPSRQH QWV KDYH EHHQ LGHQWLÀHG WKH FXUUHQW FDUU\LQJ DPRXQW RI WKDW FRPSRQH QW LV UHÁHFV
\$ODV VHWV LQFXUULQJ VLJQLÁFDQW H[SHQGLWXUH LQ KDYH EHHQ FRQVLGHUHG IRU FRPSRQH QWLV DWLRQ 7KLV KDV UHV
Services Portfolio being revalued and assessed for material components. Assets componentised in previous years continue to be componentised.

Future componentisation will be carried out in 2015/2016, or sooner if assets are acquired or enhanced.

1.21 Heritage Assets

7DQJLEOH KHULWDJH DVVHWV DUH GHÀQHG DV KDYLQJ KLVWRULFDO DUWLVLWLF VFLHQWLÁF WHFKQRORJLFDO JHRSK\VLFDQ R
DQG FXOWXUH ,QWDQJLEOH KHULWDJH DVVHWV DUH GHÀQHG DV KDYLQJ FXOWXUDO HQYLURQPHQWDO RU KLVWRULFDO VLJQ

7KH \$XWKRULW\ KDV LGHQWLÀHG WZR PRQXPHQWV PHHWLQJ WKH GHÀQLWLRQ RI KHULWDJH DVVHWV DQG KDV UHFODVVLÀHG WK
WKHVH YDOXDWRQV ZLOO EH XSGDWHG DQQXDO\ :KHUH VLJQLÁFDQW SK\VLFDQ GHWHULRUDWRQ RU GDPDJH KDV RFFXUUH
KDYH EHHQ DVVHVHG DV ¶LQGHÀQLWH DQG WKUHIRUH QR GHSUHFLDWLRQ LV FKDUJHG

7KH DFTXLVLWLRQ RI KHULWDJH DVVHWV LV D UDUH RFFXUUHQFH LQ WKH HYHQW D QHZ DVVHW LV DFTXLUHG RU LGHQWLÀHG L
*LYHQ WKH QDWXUH RI KHULWDJH DVVHWV LGHQWLÀHG IRU LQFOXVLRQ LQ WKH DFFRXQWV GLVSRVDO LV DOVR D UDUH RFF
requirements relating to capital expenditure and capital receipts as outlined in section 1.20.

The MRP for 2012/2013 has been calculated in accordance with the Authority's 2012/2013 MRP statement which was approved by full Council in March 2012, utilising the following options:

‡

2SWLRQ HJXODWRU\ 0HWKRG LV XVHG LQ UHODWLRQ WR VXSSRUWHG ERUURZLQJ 2SWLRQ VWDWHV WKDW IRU FDSLWDO H the old regulations i.e. writing off debt over 25 years). This is consistent with the methodology adopted for Housing Revenue Account debt and ensures that the Authority will not be left in a future position where it is making debt repayments that are receiving no revenue support from central government.

‡

2SWLRQ VVHW /LIH 0HWKRG LV XVHG LQ UHODWLRQ WR XQVXSSRUWHG ERUURZLQJ 2SWLRQ VWDWHV WKDW IRU FDSLWDO

, QD GGLWLRQ WR WKH SUHSDUDWLRQ RI VLQJOH HQWLW\ ÁDQFLDO VWDWHPHQWV WKH \$XWKRULW\ LV UHTXLHG WR SUHSDU controlled entities), unless those interests are considered not material.

The group boundary has been determined as including the Authority and Silent Valley Waste Services Ltd., a wholly owned subsidiary over which it has control through the appointment of the majority of the company's board of directors.

2. Accounting Standards Issued but not yet Adopted

With effect from 1 April 2013, the Code of Practice adopts the following changes in previously issued accounting standards:

- ‡ IAS 13 UHVHQWDWLRQ RI)LQDQFLDO 6WDWHPHQWV
- ‡ IFRS 7 Financial Instruments: Disclosures
- ‡ IAS 19 (P S O R \ H H % H Q H À W V

3. Critical Judgements in Applying Accounting Policies

vi. 7K\$XWKRULW\ KDV FODVVLÅHG LWV OHDVHV DV ÀQDQFH RU RSHUDWLQJ LQ DFFRUGDQFH ZLWK ,)56 7KH GHÀQLWLRQ RI ÀQDQFH
HDFK OHDVH DUUDQJHPHQW 7KH LPSDFW RI WKLV DVVHVPHQW SURFHVV KDV EHHQ WKDW VRPH OHDVHV SUHYLRXVO\ WUHDWH
DV ÀQDQFH OHDVHV KDYH EHHQ UHFODVVLÅHG DV RSHUDWLQJ OHDVHV

vii. Capital

The following unrealised gains or losses and actuarial gains or losses arose during the year:

7. 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

W K D W D U H V S H F L A H G E \ V W D W X W R U \ S U R Y L Q A V W A 8 U D \ D € \ I - i O E p L N - O A a O u , Y L P 0 p € , Y € \$ A 0 D S U x P • d A S W X E \ ... H pa09C0003>55<00860053004800460
3 ! G • P L e † S H o † W 0 @ e A ` 0 € A P O A U A à R P @ e A D œ : W A ê Ô ü N J O A œ S U A P O A ¥ V N O A F ... • 00

Adjustments between Accounting Basis and Funding Basis under Regulations 2012/2013	Council Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Transactions involving Unusable Reserves:					
Adjustments to/from Capital Adjustment Account:					
Reversal of items debited or credited to the Comprehensive Income & Expenditure Statement:					
Charges for depreciation & impairment of non-current assets	(9,662)	0	0	0	9,662
Revaluation losses on Property, Plant & Equipment	(28,509)	0	0	0	28,509
Amortisation of intangible assets	(20)	0	0	0	20
Capital grants & contributions applied	57,901	0	0	0	(57,901)
Revenue expenditure funded from capital under statute	(5,230)	0	0	0	5,230
Amounts of non-current assets written off on disposal or sale as part of the loss on disposal to the Comprehensive Income & Expenditure Statement	(473)	0	0	0	473
Items not debited or credited to the Comprehensive Income & Expenditure Statement:					
6WDWXWRU\ SURYLVLQR IRU WKH ÀQDQFLQJ RI FDSLWDO LQYHVWPHQW	4,589	0	0	0	(4,589)
Capital expenditure charged against the Council Fund & HRA balances	621	0	0	0	(621)
Items involving Usable Capital Reserves:					
\$SSOLFDWLRQ RI JUDQVV WR FDSLWDO \$GMOFLWPHQWDSFIRXQW WR WKH & D\$ FDSLWDO		0	0	4,417	(4,417)

Note: Additional transactions occur between the Capital Adjustment Account and the Revaluation Reserve. These are detailed in note 43.2.2 on pages 133-134.

The following transactions adjusting between accounting basis and funding basis were made in 2011/2012:

Adjustments between Accounting Basis and Funding Basis under Regulations 2011/2012	Council Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Transactions between Funds & Usable Reserves:					
Capital grants & contributions unapplied credited to the Comprehensive Income & Expenditure Statement	7,665	0	0	(7,665)	0
Transfer of cash sale proceeds credited as part of the loss on disposal to the Comprehensive Income & Expenditure Statement	126	23	(149)	0	0
Contribution from the Capital Receipts Reserve towards funding of prudential borrowing schemes	(79)	0	79	0	0

The income and expenditure of the Authority's principal Portfolios recorded in the budget reports for the year is as follows:

Principal Portfolio Income & Expenditure 2012/2013	Education £000	Social Services £000	Environmental Services £000	Regeneration £000	Total £000
Fees, Charges & Other Service Income	(51,731)	(11,584)	(40,392)	(4,041)	(107,748)
Interest & Investment Income	0	0	0	0	0
Government Grants	(9,591)	(3,371)	(1,538)	(1,883)	(16,383)
Total Income	(61,322)	(14,955)	(41,930)	(5,924)	(124,131)
Employee Expenses	50,316	17,476			

Environment

7 KLV UHFRQFLOLDWLRQ VKRZV KRZ WKH ÅJXUHV LQ WKH DQDO\VLV RI 3RUWIROLR LQFRPH DQG H[SHQGLWXUH UHODWH WR WKH

Reconciliation of Portfolio Income & Expenditure to Cost of Services in the CIES	2012/2013	2011/2012
	£000	£000
Net Expenditure in the Principal Portfolio Analysis	108,743	102,449
Net Expenditure of Portfolios not Included in the Principal Analysis	24,128	25,730
Amounts Included in Portfolio Outturn Statements but not included in Net Cost of Services	(11,257)	(10,086)
Amounts not included in Portfolio Outturn Statements but included in Net Cost of Services	41,055	38,084
Allocation of Support Service Recharges	0	0
	£000,055	

10. Other Operating Income and Expenditure

Other operating income and expenditure in the Comprehensive Income and Expenditure Statement consists of the following:

Financing and investment income and expenditure in the Comprehensive Income and Expenditure Statement consists of the following:

12. 7

The following items of material income or expense have been recorded in the Accounting Statements.

Material Items of Income or Expense in 2012/2013:

Formal closure of the Housing Revenue Account

Dividends are recognised when the Authority's right to receive payment is established and sums recorded therefore represent the amounts paid to the Authority for the year in which the approval of the dividend was made.

Dividends	2012/2013		2011/2012	
	£000		£000	

7KH *ZHQW)UDLOW\ 3URJUDPPH LV D 6HFWRQ 3DUWQHUVKLS \$JUHHPHQW EHWZH HQ WKH ÀY
 Authorities in the Gwent area and the Aneurin Bevan Local Health Board for the delivery of a
 range of services to avoid hospital admissions, facilitate early discharge and help individuals
 remain "happily independent". The Community Resource Teams (CRTs) provide integrated Urgent
 Response, Reablement and Falls services within each Locality in line with agreed Locality Annual
 Commissioning Plans (LCPs). This agreement came into effect on 4 April 2011. The Authority's
 transactions are included in the Adult Social Care line of the CIES. Income and expenditure for the
 SRROHG EXGJHW DUUDQJHPHQWV IRU WKH ÀQDQFLDO \HDU H

Partnership Schemes Gwent Frailty	2012/2013	2011/2012
	£000	£000
Expenditure		
Base Declarations	9,928	8,204
Invest to Save	2,100	1,648
Central Costs	376	671
Total Expenditure	12,404	10,523
Funding		
Blaenau Gwent County Borough Council	(442)	(427)
Caerphilly County Borough Council	(1,743)	(2,121)
Monmouthshire County Borough Council	(1,081)	(920)
Newport City Council	(1,298)	(1,000)
Torfaen County Borough Council	(501)	(383)
Aneurin Bevan Health Board	(5,475)	(3,353)
Welsh Government Invest to Save	(1,289)	(2,250)
Total Funding	(11,829)	(10,454)
Net In-Year (Under) / Overspend	575	69

17. Members' Allowances

The total amount of allowances and expenses paid to Members during the year was £751,413 (2011/2012: £782,687), analysed as follows:

Members' Allowances	2012/2013	2011/2012
	£000	£000
Allowances	747	779
Expenses	4	4
Total:	751	783

7KH IROORZLQJ WDEOH VHWV RXW WKH UHPXQHJUDWLRQ LQ
salary exceeded £150,000.

IRU VHQLRU RIÄFHUV DV GHÄQHG E\ VWDWXWH ZKRVH VDC

7KH IROORZLQJ WDEOH VHWV RXW WKH UHPXQHWDLRQ LQ
salary exceeded £150,000.

IRU VHQLRU RIÄFHUV DV GHÄQH G E\ VWDWXWH ZKRVH VDO

19. %HQHÄWV WDEOH 'XULQJ (PSOR\PHQW

6KRUW WHUP DFFXPXODWLQJ FRPSHQVDWHG DEVHQFHV UHIHUV WR EHQHÄWV WKDW HPSOR\HHV UHFHLYH DV SDUW RI WKHLU FR
7KH PRVW VLJQLÄFDQW EHQHÄW FRYHUHG EXW WÖVR KRYEUV JHLQWKROLPHQW WR WLPH LQ OLHX DQG DFFUXHG ÄH[LWLPH EDODQ

(PSOR\HHV EXLOG XS DQ HQWLWOHPHQW WR SDLG KROLGD\V DV WKH\ ZRUN \$V D UHVXOW WKH \$XWKRULW\ LV UHTXLUHG WR D

7KH JRYHUQPHQW KDV LVVXHG PLWLJQR`0WKHLU FRQWUDFW RI p0"•P@G\ SD\ EXW DOV• EXW DOV• EXW DOV• EXW DDOV• EXW DDOV

reasons, such as ill-health) can be analysed as follows:

	2012/2013	2011/2012
	£000	£000
7HUP LQDWLRQ %HQHÀWV 7RWDO	2,556	2,500
Long Service Award	3	3
Pay in Lieu of Notice	37	47
Other Payments	35	141
Exit Packages Total	2,631	2,691

Included in the Authority's Early Terminations Provision are sums totalling £0.796m payable to 26 staff that have not been included in the exit packages disclosure, but for which the Authority has a legal or constructive obligation at the balance sheet date. (2011/2012: Early Terminations provision included £0.669m payable to 14 staff). Details of the Early Terminations Provision can be found in note 37.1, pages 108-109.

22. External Audit Fees

relation to external audit and inspection:

	2012/2013	2011/2012
	£000	£000
External Audit Fees		
Fees payable in respect of:		
External audit services	315	312
& HUWLÀFDWLRQ RI JUDQW FODLPV DQG UHDDU XUQV	150	155
Other services	0	0
Total Audit Fees	465	467

23. National Non-Domestic Rates

Non-Domestic Rates are collected by the Authority based on local rateable values multiplied by a uniform rate. The total amount collected, less certain reliefs and deductions, is paid to a central pool (the NNDR pool) managed by the Welsh Government, which in turn pays back to authorities their share of the pool based on a statutory formula.

NNDR has been accounted for on an agency basis, i.e. Blaenau Gwent as a billing Authority acts as an agent of the Welsh Government in collecting non-domestic rates. Transactions with non-domestic ratepayers are typically not revenue activities of the agent and have therefore been excluded from the accounting statements.

Summary transactions in the Non-Domestic Ratepayers Accounts for the year were as follows:

‡ The total non-domestic rateable value at 31 March 2013 was £33,502,690 (31 March 2012: £33,608,209).

‡ The national non-domestic rate multiplier for the year 2012/2013 was 0.452 (2011/2012: 0.428).

24. Council Tax

The Council Tax is a local tax based upon 'banded' property values. The Council Tax requirement for the Authority is calculated by taking the budget requirement and dividing by the tax base expressed as a number of equivalent Band D properties. To this amount is added the elements precepted by Gwent Constabulary and Community Councils.

24.1 7KH IROORZLQJ WUDQVDFWLRQV RFFXUUHG GXUDQJ WKH ÀQDQFLDO \HDU UHODWHG WR &RXQFLO

A number of services are operated by joint committees or organisations that operate across the boundaries of individual councils, to which this Authority makes a contribution. The following levies and demands have been made of the Authority:

Levies & Demands	2012/2013 £000	2011/2012 £000
Brecon Beacons National Park Authority	35	33
South Wales Fire Authority	3,323	3,379
Magistrates & Coroners Courts	77	61
Total:	3,435	3,473

26. Grants and Contributions

Capital grants and contributions from the following awarding bodies were credited by the Authority to the Comprehensive Income and Expenditure Statement:

Capital Grants Credited to Services	2012/2013 £000	2011/2012 £000
:HOVK (XURSHDQ)XQGLQJ 2IÀFH	(337)	(434)
Welsh Government	(1,641)	(4,591)
Other Grants & Contributions	(763)	(381)
Total:	(2,741)	(5,406)

&DSLWDO *UDQWV &UHGLWHG WR WD[DWLRO2012/2013 Q2012/2013 RQ2012/2013 MS2012/2013 ÀF JUDQW LQFRPH	£000	£000
Caerphilly County Borough Council	0	(51)
Torfaen County Borough Council	(84)	(313)
:HOVK (XURSHDQ)XQGLQJ 2IÀFH	(1,958)	(9,308)
Welsh Government	(51,638)	(38,302)
Other Grants & Contributions	(229)	(353)
Total:	(53,909)	(48,327)

Revenue grants and contributions from the following awarding bodies were credited by the Authority to the Comprehensive Income and Expenditure Statement:

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

Capital Receipts in Advance	2012/2013 £000	2011/2012 £000
:HOVK (XURSHDQ)XQGLQJ 2IÀFH	(2,246)	(111)
Welsh Government	(4,438)	(4,948)
Other Grants & Contributions	(26)	(33)
Total:	(6,710)	(5,092)

Central Government has effective control over the general operations of the Authority and provides the statutory framework within which the Authority operates, the majority of its funding in the form of JUDQWV DQG SUHV FULEHV WKH WHUPV RI PDQ\ RI WKH WUDQVDFWLRQV WKDW WKH \$XWKRULW\ KDV ZLWK RWKHU SDUWLHV 'HW details of the amounts owed to or from central government are included in notes 36 (page 107) and 35 (pages 105-106) respectively .

27.2 Silent Valley Waste Services Limited

7KH \$XWKRULW\ LV WKH VROH VKDUHKROGHU RI WKH ZDVWH GLVSRVDO FRPSDQ\ 6LOHQW 9DOOH\ :DVWH 6HUFLFHV /LPLWHG 69 GLUHFWRU RI WKH FRPSDQ\ DQG IURP WK 0D\ WKH \$XWKRULW\ -V &KLHI)LQDQFH 2IÄFHU DQG 'LUHFWRU RI (QYLURQPHQV membership for 2012/2013. The following related party transactions took place with SVWS Ltd. during the year:

The Authority made payments to SVWS Ltd totalling £3,833,015 in 2012/2013 (2011/2012: £2,989,581), comprising the following:

- ‡ Payments totalling £2,419,570 in relation to the collection of waste, management of the Authority's civic amenity sites and haulage charges (2011/2012: £2,070,545). At 31 March 2013, the Authority owed £48,509 in relation to these services (31 March 2012: £176,055 was owed).
- ‡ ... ZDV SDLG WRZDUGV WKH FDSSLQJ DQG UHVWRUDWLRQ RI WKH 6LOHQW 9DOOH\ VLWH 7KHVH FRVWV ZHUH FKDUJHG WR £799,036).
- ‡ £433,692 was paid in relation to leachate costs (2011/2012: £0).
- ‡ An NNDR refund of £71,703 was also paid (2011/2012: £0).

The Authority received income from SVWS Ltd. totalling £30,538 in 2012/2013 (2011/2012: £8,330), including the following:

- ‡ £11,569 was received in relation to services provided by the Authority's Chief Executive in his role as a director of SVWS Ltd. (2011/2012: £8,130). At 31 March 2013 the Authority was owed £1,157 in UHODWLRQ WR WKLV LQFRPH ...
- ‡ 7KH &KLHI)LQDQFH 2IÄFHU FRPPHQFHG KLV UROH DV D GLUHFWRU RI WKH FRPSDQ\ RQ WK 0D\ 'XULQJ ... ZDV WKH \$XWKRULW\ ZDV RZHG ...
- ‡ The Director of Environment also became a director of the company on 15th May 2012. During 2012/2013 £9,205 was received in relation to these services (2011/2012: £0) and at 31 March 2013 the \$XWKRULW\ ZDV RZHG ...
- ‡ £2,820 was due to the Authority as at 31 March 2013 with regards to Pest Control services (2011/2012: £0).
- ‡ No income was received in relation to royalties or dividends in 2012/2013 (2011/2012: £0)
- ‡ £559 of 'Other Income' was received in relation to the provision of a manual handling training course and the supply of signs.

7K\$XWKRULW\ KDV D PLQRULW\ LQWHUHVW LQ &DSLWD *ZHQW &RQVXOWDQF\ /LPLWHG WKH PDMRU VKDUHKROGHU EHLQJ & D non-executive director. During 2012/2013, payments of £441,199 were made to Capita Gwent Consultancy Ltd. for design, supervision and consultancy work on a range of schemes including the regeneration RI \$EHUWLOOHU\ WRZQ FHQWUH UHFRQÀJXUDWLRQ RI /LEDQXV 5RDG (EEZ 9DOH DQG ERURXJK ZLGH LPSURYHPPHQWV XQGHU V £3,254 in relation to these schemes (31 March 2012: £0).

27.4 The Education Achievement Service (EAS) for South East Wales

Since September 2013 the Authority has received services from the newly established Education Achievement Service (EAS) for South East Wales which is a company limited by guarantee, established to raise education standards across the region. In 2012/2013 the Authority provided the EAS with 12.7% of its total funding and paid the company £126,314 in relation to education management. At 31 March 2013 £45,197 was owed to the EAS in relation to these services.

27.5 Members

The Authority made payments of £27,043 to Glenn Willis Plumbing Ltd. during 2012/2013 (£6,599 in 2011/2012). The Director of the company is the son of a Council Member.

The Authority made payments of £628,154 to Jim Davies Civil Engineering Limited during 2012/2013 in relation to the completion of Streetscape schemes within Ebbw Vale and Authority wide capital

Movements in 2012/2013: Net Book Value as at 30,672,739

Movements in 2011/2012:

7KH PDMRULW\ RI FDSLWDO H[SHQGLWXUH LQFXUUHG GXULQJ ZDV DOVR RQ DVVHWV RQ WKH :RUNV 6LWH VXFK DV WKH /HD
WKH 6SRUWV &HQWUH WKH 5HJDLQ EXLOGQLQJ DQG DVVRFLDWHG LQIUDVWUXFWXUH 2WKHU VLJQLÀFDQW VSHQG LQ WKH \HDU ZDV
House restoration.

28.2 Depreciation Methods and Useful Lives

Depreciation

The Authority has adopted a rolling programme of revaluations to ensure that all assets are revalued at intervals of not more than 5 years.

, Q

D QXPEHU RI FRPPLVLRQHG DVVHWV RQ 7KH :RUNV VLWH LQ (EEZ 9DOH DQG DOO VXUSOXV DVVHWV ZHUH UHYDOXH external valuers, Savills (RICS registered valuers) continued with their commission to provide valuation information for The Works site.

Valuations were carried out using the bases outlined in the Accounting Policies (page 53), in accordance with the Statements of Asset Valuation Practice and Guidance Notes of the Royal Institute of Chartered Surveyors and resulted in a net decrease in value to the Authority's assets of £26.31 million.

\$VVHWV RWKHU WKDQ LQIUDVWUXFWXUH DQG 93(KDYH EHHQ YDOXHG DW IDLU YDOXH)DLU YDOXH LV GHÀQHG DV WKH DPRXQ valuations on the basis of existing use value (EUV) in accordance with UKPS 1.3 of the RICS Valuation Standards.

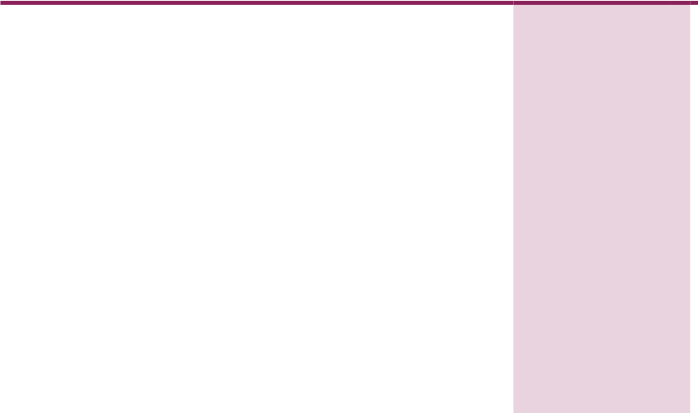
All assets subject to revaluation during 2012/2013, along with an asset from each different class of asset, have been assessed for material components. The revaluations of those components, where FRQVLGHUHG WR EH PDWHULDO DUH LQFOXGHG LQ WKH ÀJXUHV EHORZ

€ 6.4 £ E HORZ

2IWKH ... P FDSLWDO LQYHVWPHQW PDGH LQ ... P ZDV ÀQDQFHG LQ \HDU WKURXJK WKH DSSOLFDFWLRQ RI FDSL
 ... P FDSLWDO ÀQDQFLQJ UHTXLUHPHQW KDV EHHQ IXQG HG WKURXJK ERUURZLQJ DV LQGLFDWHG EHORZ

Capital Expenditure & Financing	2012/2013		2011/2012	
	£000	£000	£000	£000
Capital Investment: Property, Plant & Equipment	71,119		58,562	
Capitalisation Direction	1,519		0	
REFCUS	3,711		6,941	
		76,349		65,503
Sources of Finance:				
Revenue Provision	(621)		(610)	
Capital expenditure charged to the Council Fund	0		0	
Capital Receipts	(989)		(2,600)	
Government Grants & Other Contributions	(62,319)		(50,129)	
		(63,929)		(53,339)
, QFUHDVH LQ FDSLWDO ÀQDQFLQJ UHTXLUHPHQW		12,420		12,164
Explanation of in-year movements:				
Borrowing Supported by Government Financial Assistance		2,567		4,433
Borrowing Unsupported by Government Financial Assistance		9,853		7,731
Total borrowing:		12,420		12,164

The Authority owns the following heritage assets, classed as Monuments, preserved principally for their contribution to knowledge and culture:



These monuments have been valued on an insurance replacement cost basis.

Reconciliation of the carrying amount of heritage assets held by the Authority is as follows:

7KHVH KHULWDJH DVVHWV DUH QRW GHSUHFLDWHG DV WKHLU XVHIXO OLIH LV GHHPHG WR EH LQGHÀQLWH

Heritage Assets (Not Reported on Balance Sheet)	Description
Marine Colliery Pumping Engine	A steam pumping engine built by Hathorn Davey of Leeds in 1893 and formerly used at Marine Colliery. Regarded as of national importance as a rare colliery pumping engine surviving intact from the late 19th century. There is no cost or valuation information available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Sirhowy Ironworks	The impressive remains at Sirhowy Ironworks is the only 18th century ironworking complex still visible in the County Borough. There is no cost or valuation information available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Aneurin Bevan Stones	

7KH RXQFLO KDV DFTXLUHG D QXPEHU RI PDWHULDO DVVHWV XQGHU ÀQDQFH OHDVHV 7KH DVVHWV DFTXLUHG XQGHU WKHVH leases are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts:

The Authority is committed to making minimum payments under these leases comprising settlement of the QRQ FXUUHQW OLDELWLW IRU WKH DVVHW DFTXLUHG E\ WKH \$XWKRULW\ DQG ÀQDQFH FRVWV WKDW ZLOO EH SD\DEOH E\ WKH Authority in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

The minimum lease payments will be payable over the following periods:

The Authority has acquired various vehicles and equipment by entering into operating leases, with typical lives of 5 years. The future minimum lease payments due under non-cancellable leases in future years are:

	31 March 2013		31 March 2012	
	Vehicles, plant & equipment	Other land & buildings	Vehicles, plant & equipment	Other land & buildings
	£000	£000	£000	£000
Operating Lease Minimum Payments				
Not later than one year	231	269	173	237
Later than 1 year and not later than 5 years	324	1,032	210	875
Later than 5 years	0	2,664	0	2,809
Total Minimum Lease Payments	555	3,965	383	3,921

The expenditure charges to service revenue accounts in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

	2012/2013		2011/2012	
	Vehicles, plant & equipment	Other land & buildings	Vehicles, plant & equipment	Other land & buildings
	£000	£000	£000	£000
Operating Leases				
Minimum lease payments	282	269	337	237
Total	282	269	337	237

30.3 Authority as Lessor - Finance Leases

On 1st March 2012, the Authority entered into a finance lease agreement with the Gwent Joint Records Committee (GJRC) for housing of the Gwent County Archives facility. The lease term is 5 years, with an option to extend for a further 5 years. The lease is classified as a finance lease as it transfers substantially all the risks and rewards of ownership to the lessee.

The Authority has a gross investment in the lease, made up of the minimum lease payments expected to be received over the remaining lease term. The lease has been calculated on the assumption that the asset will have no residual value at the end of the arrangement.

The gross investment in the lease is made up as follows:

Finance Lease Debtor	31 March 2013		31 March 2012	
	Other land & buildings	Other land & buildings	Other land & buildings	Other land & buildings
	£000	£000	£000	£000
Current	44	79		
Non Current	4,401	3,766		
Unearned Finance Income	0	0		
Unguaranteed Residual Value of Property	(566)	0		
Total	3,879	3,845		

The gross investment in the lease and the minimum lease payments will be received over the following periods:

	Gross Investment in Lease		Minimum Lease Payments	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	Other land & buildings £000	Other land & buildings £000	Other land & buildings £000	Other land & buildings £000
Finance Leases - Lessor				
Not later than one year	44	79	269	256
Later than 1 year and not later than 5 years	200	317	1,074	1,023
Later than 5 years	3,635	3,449	8,955	11,102
Total	3,879	3,845	10,298	12,381

30.4 Authority as Lessor - Operating Leases

The Authority leases out land and buildings under operating leases.

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

Operating Lease Minimum Payments	31 March 2013 £000	31 March 2012 £000
Not later than one year	155	183
Later than 1 year and not later than 5 years	382	448
Later than 5 years	416	506
Total Minimum Lease Payments	953	1,137

31. Non-Current Investments

Non-current investments consist of investments related to the

Included in the Balance Sheet is the Authority's apportioned share of assets relating to the Local Government Pension Scheme, a funded scheme in which it is a participant. These assets represent the net

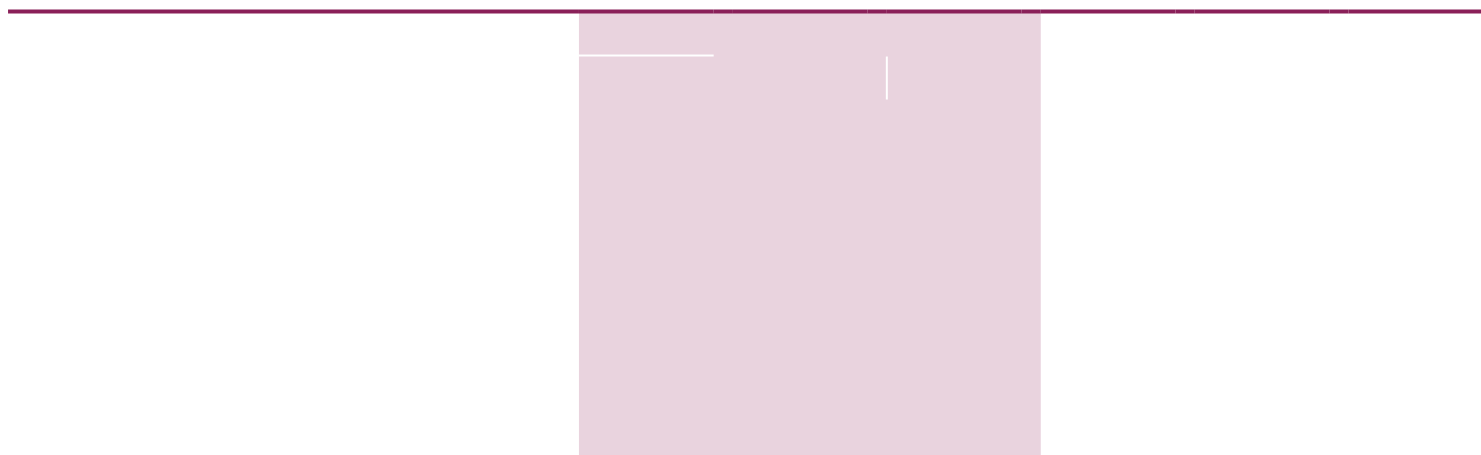
The Authority acts as trustee for the following charitable trusts:

- ‡ Bedwellty House and Park
- ‡ Cwm, Ebbw Vale and Tredegar Recreation Grounds.

Bedwellty Park is a 26 acre historic park and landscape. It has 6 listed structures within its grounds including a Grade II listed ironmaster's dwelling. The site has recently been subject to a £5 million restoration project and is now a public open access space available for events such as weddings, art exhibitions and displays.

Cwm, Ebbw Vale and Tredegar recreation grounds are open access outdoor spaces used for sporting activities such as rugby, football, cricket and walking.

The summarised transactions for these charitable trusts are as follows:



32. Non-Current Debtors

Non-current debtors in the balance sheet consist of the following:

Non-Current Debtors	2012/2013 £000	2011/2012 £000
County Archives Lease Debtor	4,401	3,766
Newport City Council Managed Debt	157	183
Properties in Possession	2	3
Sale of Council Houses Advances	16	23
Total Non-Current Debtors	4,576	3,975

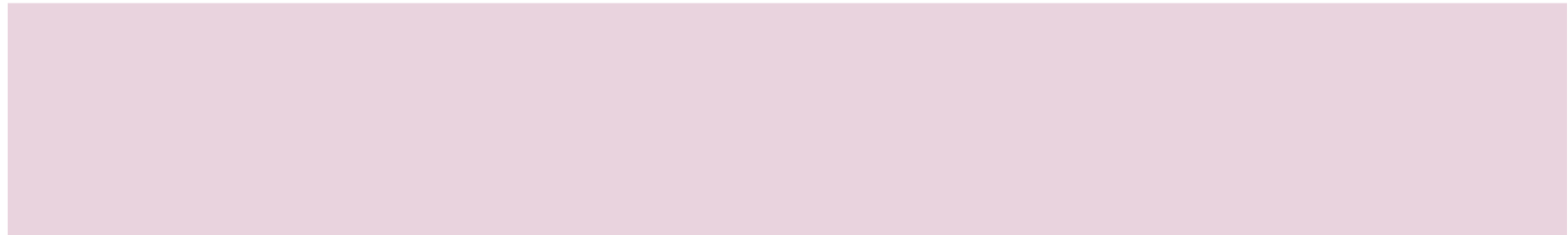
Assets Heldfor Sale are items of property, plant or equipment or a group of assets and liabilities whose carrying amount is to be recovered principally through a sale rather than its continued use by the Authority. The asset must be available for immediate sale in its present condition, the sale must be highly probable, the asset must be actively marketed for a sale at a price that is reasonable in relation
WR LWV FXUUHQW IDLU YDOXH DQG WKH VDOH VKRXOG EH H[SHFWHG WR TXDOLI\ IRU UHFRJQLWLRQ DV D FRPSOHWHG VDOH Z

Transactions relating to these assets were as follows:

In 2012/2013, the Comprehensive Income and Expenditure Statement net gain on disposal of assets included £0.222m of asset valuations written off on disposal together with associated capital receipts of £0.261m, giving a gain on disposal of assets held for sale of £0.039m. (In 2011/2012, no transactions relating to assets held for sale were included in the Comprehensive Income and Expenditure Statement).

The following transactions occurred in respect of inventories (stocks and work-in-progress):

--	--



Outstanding debtor balances can also be analysed as follows:

Where possible, debtor balances have been reduced to eliminate sums that have not been written off but are deemed to be irrecoverable. Impairment allowance accounts have been established for the

36. Creditors

Amounts owed by the Authority were as follows:

Creditors	31 March 2013 £000	31 March 2012 £000
Central Government		
Welsh Government	(5,320)	(7,800)
European Funding Bodies	(2,246)	(111)
Public Works Loan Board	(899)	(839)
HM Revenue & Customs	(366)	0
Department of Work and Pensions	(35)	0
Other	(193)	0
	(9,059)	(8,750)
Local Authorities		
Caerphilly County Borough Council	(176)	(118)
Monmouthshire County Council	(44)	(31)
Newport City Council	(45)	(10)
Torfaen County Borough Council	(302)	(168)
Other	(205)	(294)
	(772)	(621)
NHS		
Aneurin Bevan Local Health Board	(35)	(49)
	(35)	(49)
Other Creditors		
Capital Creditors	(50)	(166)
Council Tax Payers Credits	(645)	(738)
Other Entities and Individuals	(7,122)	(8,551)
	(7,817)	(9,455)
Total Creditors:	(17,683)	(18,875)

Outstanding creditor balances can also be analysed as follows:

Creditors	31 March 2013 £000	31 March 2012 £000
Receipts in Advance	(7,505)	(5,384)
Related Parties	(52)	(178)
Trade Customers	(808)	(730)
Other Creditors	(9,318)	(12,583)
Total	(17,683)	(18,875)

Provision	Purpose		

Movements in these provisions during 2012/2013 were as follows:

Provision Movements	Balance at 1 April 2011 £000	Net Movements 2011/2012 £000	Balance at 1 April 2012 £000	Additional Provisions made in 2012/2013 £000	Amounts Used in 2012/2013 £000	Unused Amounts Reversed in 2012/2013 £000	Unwinding of Discount in 2012/2013 £000	Balance at 31 March 2013 £000
Current Provisions								
Employee Provisions:								
Back Pay	(1,000)	(1,295)	(2,295)	(41)	1,519	324	0	(493)
Early Terminations	(331)	(698)	(1,029)	(1,454)	1,002	27	0	(1,454)
Employment Tribunal	0	(201)	(201)	0	201	0	0	0
Job Evaluation Back Pay & Compensation	0	(2,633)	(2,633)	(405)	2,907	0	0	(131)
Short Term Compensated Absences	(2,225)	(64)	(2,289)	(1,683)	2,289	0	0	(1,683)
Other Provisions:								
Carbon Reduction Commitment	0	(167)	(167)	(163)	157	10	0	(163)
Insurance	(607)	155	(452)	(200)	162	67	0	(423)
Part 1 Compensation Claims	0	0	0	(141)	0	0	0	(141)
Reservoir Act	(300)	0	(300)	0	24	0	0	(276)
Silent Valley Capping Costs	(1,666)	757	(909)	0	909	0	0	0
	(6,129)	(4,146)	(10,275)	(4,087)	9,170	428	0	(4,764)
Non-Current Provisions								
Insurance	(1,278)	444	(834)	(963)	791	0	0	(1,006)
	(1,278)	444	(834)	(963)	791	0	0	(1,006)
Total Provisions:	(7,407)	(3,702)	(11,109)	(5,050)	9,961	428	0	(5,770)

- ‡ Under the terms of the Municipal Mutual Insurance Scheme of Arrangement, the Authority is responsible for the payment of a percentage towards future claims, potentially for many years due to the inherent long-tail nature of the insured risks.
- ‡ As part of the legal agreements associated with the transfer of the Authority's Housing Stock to Tai Calon, a number of warranties and indemnities have been provided for a period of 32 years from the transfer date, covering areas including environmental, asbestos and redevelopment issues. The limit to claims made against these warranties is £15,000 for each property (uprated annually by RPI),

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

Total actuarial losses of £27.296m have been included in the Comprehensive Income and Expenditure Statement (2011/2012: £27.037m loss). The cumulative amount of actuarial losses recognised to 31 March 2013 is £134.513m.

At 31 March 2013, £1.192m remained payable to the LGPS relating to contributions arising in the March payroll (31 March 2012: £1.121m). This amount has been excluded from the Pensions Asset in the Balance Sheet.

Transactions in respect of the fair value of pension scheme assets are as follows:

	2012/2013			2011/2012		
	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000
Balance at 1 April:	217,244	0	217,244	217,622	0	217,622
Expected Return on Assets	13,014	0	13,014	14,429	0	14,429
Actuarial Gains/(Losses) on Assets	21,277	0	21,277	(14,049)	0	(14,049)
Employer Contributions	11,633	1,790	13,423	10,834	1,679	12,513
Member Contributions	2,943	0	2,943	2,721	0	2,721
% H Q H Å W V 3 D L G	(13,545)	(1,790)	(15,335)	(14,313)	(1,679)	(15,992)
Settlements	0	0	0	0	0	0
Balance at 31 March:	252,566	0	252,566	217,244	0	217,244

The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for investment returns over the entire life of the related obligation. The assumption used is the average of the following assumptions appropriate to the individual asset classes weighted by the proportion of the assets in the particular asset class. (Rates quoted are gross of expenses, charged at 0.3% in 2012/2013 and 2011/2012).

Return on Plan Assets	1 April 2012 %	1 April 2011 %
Asset Class:		
Equities	7.00	7.00
Government Bonds	2.80	3.10
Other Bonds	3.90	4.10
Property	5.70	6.00
Cash/Current Assets	0.50	0.50
Other	7.00	7.00

7KH DVVXPHG LQYHVWPHQW UHWXUQ RQ JRYHUQPHQW ERQGV LV WKH \LHOG RQ \HDU À[HG LQWHUHVW JLOWV DW WKH UHOH
UHOHYDQW GDWH OHVV D UHGXFWRQ WR UHÁFW D ULVN RI GHIDXOW LQ WKH FRUSRUDWH ERQG \LHOG

7KH DVVXPHG LQYHVWPHQW UHWXUQ RQ HTXLWLHV IRU LV WKH \LHOG RQ \HDU À[HG LQWHUHVW JLOWV SOXV DQ DOO

7KH KLVWRU\ RI WKH \$XWKRULW\·V SHQVLRQ IXQG GHÀFLW RYHU WKH SDVW ÀQDQFLDO \HDUV FDQ EH DQDO\VHG DV IROORZV

Entries are included in the Balance Sheet for this Authority's share of assets and liabilities of the Local Government Pension Scheme. Liabilities relating to Unfunded Teachers' Discretionary Pensions are also

/LDELOLWLHV KDYH EHHQ DVVHVVHG RQ DQ DFWXDULDO EDVLV XVLQJ WKH SURMHFWHG XQLW PHWKRG DQ HWLPLDWH RI WKH S

7KH DFWXDULDO DVVXPSWLRQV XVHG LQ WKH FDOFXODWLRQ RI \HDU HQG %DODQFH 6KHHW OLDELWLWLHV DUH EDVHG RQ WKH D
8QIXQG HG 'LVFUHWLRQDU\ %HQHÀWV DUH FDOFXODWHG RQ WKH VDPH EDVLV DV WKH /RFDO *RYHUQPHQW 6FKHPH H[FHSW IRU

The date of the last full actuarial valuation was 31 March 2010.

7KHUH DUH QR DVVHWV WR FRYHU WKH GLVFUHWLRQDU\ EHQHÀWV DZDUGHG WR 7HDFKHUV 8QIXQG HG 7HDFKHUV. 'LVFUHWLRQDU\

Investment Categories	31 March 2013		31 March 2012	
	Local Government Pension Scheme	Teachers' Unfunded Discretionary Pensions	Local Government Pension Scheme	Teachers' Unfunded Discretionary Pensions
Split of Assets Between Investment Categories:				
Equities	76.4%	n/a	75.1%	n/a
Bonds: Government	8.7%	n/a	9.2%	n/a
Other	8.5%	n/a	8.2%	n/a
Property	2.3%	n/a	2.3%	n/a
Cash/Liquidity	0.5%	n/a	1.6%	n/a
Other	3.6%	n/a	3.6%	n/a

+LVWRU\ RI ([SHULHQFH *DLQV DQG /RVVHV

7KH DWWULEXWDEOH DFWXDULDO JDLQV RU ORVVHV IRU WKH /RFDO *RYHUQPHQW 3HQVLRQ)XQG *UHDWHU *ZHGW 7RUIDHQ categories, measured as absolute amounts and as a percentage of assets or liabilities:

LGPS Actuarial Gains or Losses	2012/2013		2011/2012		2010/2011		2009/2010		2008/2009	
	£000	%	£000	%	£000	%	£000	%	£000	%
Differences between the expected and actual return on assets	21,277	8.4 (of Assets)	(14,049)	6.5	2,489	1.1	52,070	23.8	(57,963)	37.8
Experience gains on liabilities	0	0.0 (of Liabilities)	0	0.0	23,906	7.2	0	0.0	0	0.0

uTPS Actuarial Gains or Losses	2012/2013		2011/2012		2009/2010		2008/2009		2007/2008	
	£000	%	£000	%	£000	%	£000	%	£000	%
Differences between the expected and actual return on assets	0	0.0 (of Assets)	0	0.0	0	0.0	0	0.0	0	0.0
Experience gains on liabilities	0	0.0 (of Liabilities)	0	0.0	(2,303)	10.0	0	0.0	0	0.0

43. Reserves

43.1 Usable Reserves

Fund balances and usable reserves are held by the Authority for the following purposes:

Fund Balances:

Council Fund General Reserve	The cumulative amount available to meet the future costs of Council services.
Housing Revenue Account	The residual balance on the Authority's former Housing Revenue Account.

Usable Earmarked Revenue Reserves (Continued):

Corporate Improvement Fund	7R IXQG VSHFLÅF SURMHFWV DQG VHUYLFH HIÅFLHQF\ LPSURYHPPHQW PHDVXUHV
Cultural Olympiad	To provide funding towards the Cultural Olympiad Projects.
Deposits & Bonds	To hold deposits and bonds (e.g. Highways s38, s278) prior to satisfactory completion of schemes.
Digital Inclusion	To match fund the Digital Inclusion project.
'RZQVLJLQJ	7R KHOS PHHW WKH FRVWV DVVRFLDWHG ZLWK RUJDQLVDWLRQDO GRZQVLJLQJ
'RZQVLJLQJ 1HZ	To fund redundancy, one years pension strain and costs arising from the termination of grant funded schemes associated with organisational GRZQVLJLQJ
Ebbw Vale Multi Storey Car Park	To meet anticipated rent increases for previous years, subject to rent review.
E-Government	To bring the ICT service in line with other organisations as well as addressing new, emerging and future technologies that will provide long term HIÅFLHQFLHV IRU WKH \$XWKRULW\ LQ OLQH ZLWK WKH UHFRPPHQGDWLRQV RI WKH :\$2 , &7 *RYH
Election Costs	To meet additional future costs of elections.
Electronic Committee Management System	To fund the initial purchase costs and running costs of the new electronic committee management system.
Enterprise and Development	To provide for future costs in relation to economic development initiatives, industrial units and enterprise facilitation projects.
ERDF	To hold ERDF grants unapplied to schemes.
General/Voluntary Sector Grants	7R SURYLGH ÅQDQFLDO DVVLVWDQFH WR YROXQWU\ VHFWRU ERGLHV
Homelessness Prevention Fund	To meet the costs of implementing measures to prevent homelessness.
I.C.T.	7R PHHW WKH DQWLFLSDWHG LQFUHDVH LQ FDSDFLW\ UHTXLUHG IRU , &7 LQ UHODWLRQ WR VWL
I.C.T. for Elected Members	To enable elected members to access information & communication technology.
Implementation of IFRS	To meet costs associated with the implementation, embedding and ongoing requirements of International Financial Reporting Standards.

Usable Reserves Earmarked for Capital Purposes (Continued):

Leisure Facilities Refurbishment	To fund future leisure capital assets.
Structural Maintenance Work	To fund expenditure on structural maintenance work in relation to education.
Victoria End Use	To fund future capital expenditure together with any future liabilities that may arise in respect of claims from developers.

Capital Accounting Reserves:

Capital Grants Unapplied	Representing the balance of capital grants received (or receivable) for which grant conditions have been met but which have yet to be applied to match relevant capital expenditure.
Usable Capital Receipts	

Movements on fund balances and reserves were as follows:

Fund Balances	1 April 2011	Net transfers (to) or from Fund Balances	31 March 2012	Net transfers (to) or from Fund Balances	31 March 2013
	£000	£000	£000	£000	£000
Council Fund*	(3,509)	1,250	(2,259)	(4,109)	(6,368)
Housing Revenue Account	(4,886)	677	(4,209)	4,209	0
Total: Fund Balances	(8,395)	1,927	(6,468)	100	(6,368)

7KH &RXQFLO)XQG *HQHUDO 5HVHUYH KDV EHHQ UHGXFHG E\ DQ DSSURSULDWLRQ RI ... P WR D VSHFLÀF SURYLVLRL
 2013/2014 estimates. The costs of these redundancies will be incurred in 2013/2014 and for statutory accounting purposes will be charged to the provision, rather than the General Reserve. Effectively, £7.822m remains available to fund services, being the aggregate of the General Reserve and the Early Termination Provision.

Net transfers (to) or from	Net transfers (to) or from

Usable Earmarked Revenue Reserves (Continued)	Net transfers (to) or from Reserves			Net transfers (to) or from Reserves	
	1 April 2011 £000	£000	31 March 2012 £000	£000	31 March 2013 £000
Occupational Health	(50)	0	(50)	50	0
Payroll Project Management	0	(50)	(50)	0	(50)
Portfolio Reserves	(573)	(275)	(848)	317	(531)
Prudential Borrowing	(200)	0	(200)	0	(200)
Purchasing Oncost	(2)	2	0	0	0
Rassau Ind. Est. Drainage	(30)	0	(30)	30	0
Redundancy	0	0	0	(218)	(218)
Retaining Walls	(58)	0	(58)	0	(58)
Revenue Grants & Contributions Unapplied	(755)	1	(754)	(152)	(906)
Sports Centre - Leisure	0	0	0	(75)	(75)
Stock Condition Surveys	0	(12)	(12)	0	(12)
Stores & Purchasing Oncost	(191)	(23)	(214)	16	(198)
Superannuation	(1,619)	(75)	(1,694)	236	(1,458)
SW Fire Authority Levy	(33)	(45)	(78)	0	(758)

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

43.2.2 Capital Adjustment Account

Capital Adjustment Account (Continued)	2012/2013		2011/2012	
	£000	£000	£000	£000
Items not debited or credited to the CIES:				
6WDWXWRU\ SURYLVLRQ IRU WKH ÀQDQFLQJ RI FDSLWDO LQYDOLWPHQW FK(4,589)HG DJDLQVW WK(4,420)R XQFLO)XQG +5\$				
Capital expenditure charged against the Council Fund & HRA balances	(621)		(333)	
		(5,210)		(4,753)
&DSLWDO ÀQDQFLQJ DSSOLHG LQ WKH \HDU				
8VH RI WKH &DSLWDO 5HFHLSWV 5HVHUYH WR ÀQDQFH QHZ FDSLWDO H[SHQ(89)WXUH			(2,600)	
8VH RI WKH 0DMRU 5HSDLUV 5HVHUYH WR ÀQDQFH QHZ FDSLWDO H[SHQGLWXUH			0	
\$\$SOLFDFWLRQ RI JUDQWV WR FDSLWDO ÀQDQF\$EGRXQW WKH &DSLWDO *UD(4,177)8QDSSOLHG			(3,779)	
		(5,406)		(6,379)
Sub-Total: Capital Adjustment Transactions included in the Movement in Reserves Statement:		(24,623)		(18,499)
Adjusting Amounts written out of the Revaluation Reserve:				
Charges for depreciation & impairment of non-current assets	(402)		(393)	
Non-current assets written off on disposal or sale as part of the gain/loss on disposal	(207)		90	
		(609)		(303)
Balance at 31 March		(139,458)		(114,226)

7KH)LQDQFLDO ,QVWUXPHQWV \$GMXVWPHQW \$FFRXQW DEVRUEV WKH WLPLQJ GLIIHUHQFHV DULVLQJ IURP WKH GLIIHUHQW DUL
IRU EHDULQJ ORVVHV RU EHQHAWLQJ IURP JDLQV SHU VWDWXWRU\ SURYLVLRQV

2012/20132011/2012£000£000£000£0004,144,19000(46)(46)accord98 e with statutory require 0.js @P R € p 0E À °L`K 0À @Q F € `R` p` °D PJ €G p p °H 0& P 0U €K €Q VL •H 0, `R H 0 €[

43.2.4 Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Authority
GRHV QRW WUHDW WKHVH JDLQV DV XVDEOH IRU ÀQDQFLQJ QHZ FDSLWDO H[SHQGLWXUH XQWLO WKH\ DUH EDFNHG E\ FDK UH
Capital Receipts Reserve.

7KH 3HQVLRQV 5HVHUYH DEVRUEV WKH WLPLQJ GLIIHUHQFHV DULVLQJ IURP WKH GLIIHUHQW DUUDQJHPHQWV IRU DFFRXQWLQJ 7KH \$XWKRULW\ DFFRXQWV IRU SRVW HPSOR\PHQW EHQHÄWV LQ WKH &RPSUHKHQVLYH ,QFRPH DQG ([SHQGLWXUH 6WDWHPHQW UHFRJQLVHG WR UHÄFW LQÄDWLRQ FDKQLQJ DVVXPSWLRQV DQG LQYHVWPHQW UHWXUQV RQ DQ\ UHVRXUFHV VHW DVLGH W\ Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial VKRUWIDOO LQ WKH EHQHÄWV HDUQH G E\ SDVW DQG FXUUHQW HPSOR\HHV DQG WKH UHVRXUFHV WKH \$XWKRULW\ KDV VHW DVLG WLPK WKH EHQHÄWV FRPH WR EH SDLG

Pensions Reserve	2012/2013		2011/2012	
	£000		£000	
Balance at 1 April	166,857		138,696	
Actuarial gains or losses on pensions assets & liabilities	27,296		27,037	
5HYHUVD O RI LWHPV UHODWLQJ WR UHWLUHPHQW EHQHÄWV GHELWHG RU FULWGHG LWHG 13,687 WKH VXUSOXV RU GHÄFLW RQ WKH of services in the Comprehensive Income & Expenditure Statement	(13,493)		(12,563)	
Employer's pensions contributions and direct payments to pensioners payable in the year	(13,493)		(12,563)	
Balance at 31 March	195,839		166,857	

43.2.6 Unequal Pay Back Pay Account

The Unequal Pay Back Pay Account compensates for the differences between the rate at which the Authority provides for the potential costs of back pay settlements in relation to Equal Pay cases and the ability under statutory provisions to defer the impact on the Council Fund Balance until such time as cash might be paid out to claimants.

Unequal Pay Back Pay Account	2012/2013		2011/2012	
	£000	£000	£000	£000
Balance at 1 April	2,295		1,000	
Increase/(Decrease) in provision for back pay in relation to Equal Pay cases	(283)		1,366	
Cash settlements paid in the year	(1,519)		(71)	
Amount by which amounts charged for Equal Pay claims to the Comprehensive Income & Expenditure Statement are different from the cost of settlements chargeable in the year in accordance with statutory requirements	(1,802)		1,295	
Balance at 31 March	493		2,295	

44.1 Non-Cash Movements

Cash Flow - Adjustments for Non-Cash Movements	2012/2013		2011/2012	
	£000	£000	£000	£000
Depreciation & Impairment	38,171		32,909	
REFCUS (deferred charges)	3,711		6,023	
, QWDQJLEOH À[HG DVVHW ZULWH GRZQV	20		20	
Effective interest adjustment	(36)		(35)	
HRA Item 8 Credit	0		0	
1HW , \$6 FKDUJHV PDGH IRU 5HWLUHPHQW %H(3,757) V	(3,757)		(12,918)	
IAS19 Employers Contributions Paid to Pension Fund	12,463		11,831	
		40,562		37,830
Increase/(Decrease) in Provisions		(5,339)		3,702
(Increase)/Decrease in Inventories		(346)		(118)
(Increase)/Decrease in Revenue Debtors		1,464		(159)
Increase/(Decrease) in Revenue Creditors		(2,861)		(4,096)
Total		33,480		37,159

44.2 , QYHVWLQJ RIFWQDQFLQV , QFOXGHG LQ WKH 'HÀFLW RQ SURYLVLRQ RI VHUYLFHV

Cash Flow - Adjustments for Investing & Financing Activities	2012/2013	2011/2012
	£000	£000
*DLQ /RVV RQ 'LVSRVDO RI À[HG DVVHWV	64	(119)
Capital Grants credited to CIES	(60,444)	(54,015)
HRA stock transfer premium paid	0	0
Total	(60,380)	(54,134)

7KH FDVK ÁRZV IRU RSHUDWLQJ DFWLYLWLHV ZHUH DV IROORZV

7KH FDVK ÁRZV IRU LQYHVWLQJ DFWLYLWLHV FRQVLVW RI WKH IROORZLQJ

Cash Flow - Investing Activities	2012/2013			2011/2012		
	£000	£000	£000	£000	£000	£000
& DVK 2XWÁRZV						
Purchase of Non-Current Assets	(68,393)			(63,969)		
Other Capital Cash Payments	0			0		
		(68,393)		(63,969)		
& DVK ,QÁRZV						
Sale of Non-Current Assets	421			155		
Capital Grants Received	70,856			38,224		
Other Capital Cash Income	0			0		
		71,277		38,379		
Total			2,884			(25,590)

45.3 Financing Activities

7KH FDVK ÁRZV IRU ÀQDQFLQJ DFWLYLWLHV FRQVLVW RI WKH IROORZLQJ

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

Other Notes

47. Jointly Controlled Operations

7 KH \$XWKRULW\ SDUWLFLSDWHV LQ D QXPEHU RI MRLQW DUUDQJHPHQWV DV D PHDQV RI GHOLYHULQJ VHUFLFHV LQ D PRUH H relevant service line for expenditure and income incurred by the Authority for each arrangement.

Joint Arrangements	2012/2013			2011/2012		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£000	£000	£000	£000	£000	£000
Greater Gwent Cremation Joint Committee	0	(79)	(79)	0	(79)	(79)
Gwent Joint Records Committee	131	0	131	135	0	135
Gwent Transport Unit	1,483	0	1,483	1,550	0	1,550
South East Wales Transport Alliance	0	0	0	0	0	0
Welsh Purchasing Consortium	15	0	15	15	0	15
Total	1,629	(79)	1,550	1,700	(79)	1,621



Gwent Transport Unit Balance Sheet	2012/2013		2011/2012	
	Gwent	Apportioned	Gwent	Apportioned
	Transport Unit £000	Share £000	Transport Unit £000	Share £000
Non-Current Assets	360	178	308	153
Current Assets	219	108	574	284
Current Liabilities	(219)	(108)	(574)	(284)
Non-Current Liabilities	(227)	(112)	(212)	(105)
Total Net Assets	133	66	96	48
Usable Reserve	0	0	0	0
Unusable Reserve	(133)	(66)	(96)	(48)
Total Reserves	(133)	(66)	(96)	(48)

6 Accounts Unit

The Cremation Joint Committee provides cremation services to the residents of the Greater Gwent area through a facility based at Croesyceiliog, Cwmbran. Further details of the arrangement can be obtained from the lead authority for the joint committee, Newport City Council.

47.3 Gwent Joint Records Committee (GJRC)

7KH *ZHQW 5HFRUG 2IÀFH SURYLGHV WKH VWDWXWRU\ DUFKLYH VHUYLFH IRU /RFDO \$XWKRULWLHV LQ WKH *UHDWHU *ZHQW D V ,Q D QHZ *ZHQW \$UFKLYHV -RLQW \$JUHHPHQW ZDV VLJQHG SURYLGGLQJ IRU WKH MRLQW VHUYLFH IRU WKH QH[W TXDU Vale. This facility opened to the public in October 2011. Further details of the joint arrangement can be obtained from the lead authority, Torfaen CBC.

47.4 South East Wales Transport Alliance (SEWTA)

SEWTA (The South East Wales Transport Alliance), is a consortium established on 1 April 2003 by the 10 local authorities in South-East Wales to carry out their functions in respect of public transport and some other transport matters. SEWTA works in close liaison with partners representing public transport operators and users. The Board of SEWTA is formally constituted as a joint committee of the local DXWKRULWLHV LQ WKH DUHD 1HZSRUW &LW\ &RXQFLYDLKBU WRHWKHA PLDDUGROH RI &OHUN DQG /HJDO

The main functions of SEWTA are to:

‡ 3UHSDUH UHJLRQDO WUDQVSRUWDWLRQ VWUDWHJLHV SODQV DQG SURJUDPPHV

The Supplementary Financial Statements

Y Datganiadau Ariannol Atodol

The Housing Revenue Account Income & Expenditure Statement

The Movement on HRA Statement



Note: A residual balance of £1.521 million pre-2004 capital receipts was transferred from the HRA to the Council Fund during 2011/2012. As a result, the adjustments between accounting

The Notes to the Supplementary Financial Statements

Nodiadau I'r Datganiadau Ariannol Atodol

7 KLV HQWU\ LQ WKH 0RYHPHQW RQ +5\$ 6WDWHPHQW FRQWDLQV WKRVH LWHPV DULVLQJ IURP VDWXWRU\ SURYLVRQV RU JX calculating the balance on the HRA. These include transactions relating to depreciation and impairment, pensions provision, employee accruals, unequal pay and capital grants. The following adjusting transactions were made in the HRA in 2012/2013:

HRA Adjustments between Accounting Basis and Funding Basis under Regulations 2012/2013	Housing Revenue Account £000	Capital Receipts Reserve £000	Movement in Unusable Reserves £000
Transfer of Capital Receipts from HRA using Item 10 Direction	(2,668)	2,449	219
Adjustments to/from the Capital Adjustment Account:			
Items not debited or credited to the HRA Income & Expenditure Statement:			
Transfer of Residual Capital Adjustment Account Balance from HRA to Council Fund (Note 1)	0	0	96
Adjustments to/from the Deferred Capital Receipts Reserve:			
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	(11)	11
Total Adjustments between Accounting Basis and Funding Basis under Regulations	(2,668)	2,438	326

Note 1: A residual balance of £0.096 million was transferred from the HRA Capital Adjustment Account to the Council Fund Capital Adjustment Account, representing ECSC loan balances remaining on the account after stock transfer. As a result, the adjustments between accounting basis and funding basis under regulations line in the Movement RQ +5\$ 6WDWHPHQW GRHV QRW EDODQFH WR JHUR

The following transactions adjusting between accounting basis and funding basis were made in the HRA in 2011/2012:

Note 1: A residual balance of £1.521 million pre-2004 capital receipts was transferred from the HRA to the Council Fund during 2011/2012. As a result, the adjustments between

Statement of Group Accounts 2012/2013

'DWJDQLDG 2·U &\IULIRQ *U S

The Core Group Financial Statements

< 'DWJDQLDGD X \$ULDQQRO &UDLGG < *UZS

Group Cash Flow Statement

7KH *URXS & DVK)ORZ 6WDWHPHQW VXPPDULVHV WKH FDVK DQG FDVK HTXLYDOHQW WUDQVDFWLRQV RI WKH *URXS GXULQJ WKH UHSRQGHU FODVVLI\LQJ FDVK LQÁRZV DQG RXWÁRZV DV RSHUDWLQJ LQYHVWLQJ DQG ÁQDQFLQJ DFWLYLWLHV

‡ 7KH D PRXQW RI QHW FDVKÁRZV DULVLQJ IURP RSHUDWLQJ DFWLYLWLHV LV D NH\ LQGLFDWRU RI WKH H[WHQW WR ZKLFK WKH RSHUDWLQJ services provided.

‡ ,QYHVWLQJ DFWLYLWLHV UHSUHVHQW FDVKÁRZV UHODWLQJ WR WKH DFTXLVLWLQJ GLVSRVDO DQG IXQGLQJ YLD FDSLWDO JUDQW RI UHSRQGHU assets.

‡ & DVKÁRZV DULVLQJ IURP ÁQDQFLQJ DFWLYLWLHV UHSUHVHQW WKH H[WHQW WR ZKLFK ERUURZLQJ DQG VLPLODU FKDUJHV KDYH LQFUODU providers of capital to the Group.

Group Cash Flow Statement	2012/2013		2011/2012		Note:	Page:
	£000	£000	£000	£000		
1HW GHÁFLW RQ WKH SURYLVLQJ RI VHU\LFHV						157
\$GMXVWPHQWV WR WKH SURYLVLQJ RI VHU\LFHV IRU QRQ FDVK PRYHPHQWV					18.1	177
\$GMXVWPHQWV IRU LWHPV LQFOXGHG LQ WKH SURYLVLQJ RI VHU\LFHV WKDW DUH LQYHVWLQJ DQG ÁQDQFLQJ DFWLYLWLHV					18.2	177
1HW & DVK ,QÁRZV IURP RSHUDWLQJ DFWLYLWLHV						
Investing activities					19.1	178
Financing activities					19.2	178
1HW LQFUODVH RU GHFUODVH LQ FDVK DQG FDVK HTXLYDOHQWV						
& DVK DQG FDVK HTXLYDOHQWV DW WKH EHJLQQLQJ RI WKH UHSRUWLQJ SHULRG						
& DVK DQG FDVK HTXLYDOHQWV DW WKH HQG RI WKH UHSRUWLQJ SHULRG					20	179

The Notes to the Group Financial Statements

1 RGLDGD X , - U ' DWJDQLDGD X \$ UL DQQRO & UDLGG < * U S

)RU DVVHWV KH ~~DGCH~~ \6: DVMW6 H UYLFHV /WG WKH IROORZLQJ VWDQGDUG OLYHV DUH XVHG LQ FDOFXODWLQJ GHSUHFLDWLRQ

‡ /HDVHKROG ODQG DQG EXLOGQLQJV ² \HUV DQG

‡ 3ODQW DQG ODFKLQHU\ ² \HUV

7KHVH

Other Operating income and expenditure in the Group Comprehensive Income and Expenditure Statement consists of the following:

6.

7D[DWLRQ DQG 1RQ 6SHFLÅF *UDQW LQFRPH LQ WKH *URXS &RPSUHKHQVLYH ,QFRPH DQG ([SHQGLWXUH 6WDWHPHQW FRQVLVW

7D[DWLRQ 1RQ 6SHFLÅF *UDQW ,QFRPH	2012/2013 £000	2011/2012 £000
1RQ 6SHFLÅF JUDQWV		
Council Tax Income		
Non-Domestic Rates		
Revenue Support Grant/IAG		
7RWDO 1RQ 6SHFLÅF JUDQWV		
Capital grants and contributions		
Total		

8. External Audit Fees

The Group incurred the following fees relating to External Audit and inspection:

External Audit Fees	2012/2013 £000	2011/2012 £000
)HHV SD\DEOH LQ UHVSHFW RI		
External audit services	325	327
&HUWLÅFDWLRQ RI JUDQW FODLPV DQG UH50XUQV	150	155
Other services	0	0
Total Audit Fees	475	482

([WHUQDO \$XGLW VHUFLHV IRU %ODHQDX *ZHQW &%& DUH SURYLGHG E\ WKH :DOHV \$XGLW 2IÅFH IRU 6LOHQW 9DOOH\ :DVWH

7KH *URXS.V WRWDO WD[OLDELOLW\ RQ SURÅWV JHQHUDWHG DULVHV RXW RI WKH DFWLYLWLHV RI WKH VXEVLGLDU\ 6LOHQW 9

10. 3URSHUW\ 3ODQW (TXLSPHQW

7KH JURVV FDUU\LQJ DPRXQW DQG DFFXPXURSW\ 3ODQW UHCFDQWLRSFHQWDLQJ WR 3

Movements in 2011/2012:

1RQ &XUUHQW ,QYHVWPHQW

OPHQWG/ WGH WKHR/ QREKSH'RYHUQPHQW 3

Non-

31 March 2013

31 March 2012

1 April 2011

£000

£000

£000

Pens

Total

12.

Debtors

\$PRXQWV RZLQJ WR WKH *U

DV IROORZV

13.

Creditors

\$PRXQWV RZHG E\ WKH *UR

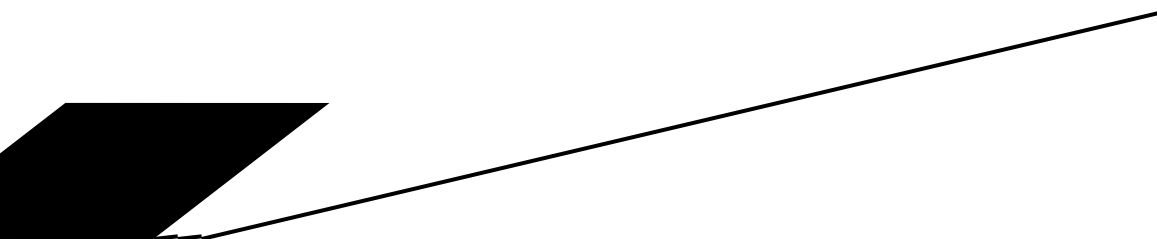
The Group holds the following balances as non-current liabilities:

16. 3RVW (PSOR\PHQW %HQHÄWV

7KH IROORZLQJ SHQVLRQ VFKHPH WUDQVDFWLRQV KDYH EHHQ PDGH LQ WKH *URXS &RPSUHKHQMLYHHV, QWRPH DQG ([SHQGLWXUH 6WDW



7RWDO DFWXDULDO ORVVHV RI ... P KDYH EHHQ LQFOXGHG LQ WKH *URXS &RPSUHKHQVLYH ,QFRPH DQG ([SHQGLWXUH 6WDW



Transactions in respect of the fair value of pension scheme assets are as follows:

7KH KLVWRU\ RI WKH *URXS.V SHQVLRQ IXQG GHÀFLW RYHU WKH SDVW ÀQDQFLDO \HDUV FDQ EH DQDO\VHG DV IROORZV

3HQVLRQ)XQG 6FKHPH +LVWRU\

(QWULHV DUH LQFOXGHG LQ WKH *URXS %DODQFH 6KHHW IRU WKH *URXS.V VKDUH RI DVVHWV DQG OLDELOLWLHV RI WKH /RFDO DOVR LQFOXGHG 'LVFORVHG OLDELOLWLHV VKRZ WKH XQGHUO\LQJ FRPPLWPHQW WKDW WKH *URXS KDV LQ WKH ORQJ WHUP W

7KH *URXS KROGV WRWDO XVDEOH UHVHUYHV RI ... P DW 0DUFK ... P DW 0DUFK 7KH HIIHFW RI DSSO\LQJ WK ZRXOG EH D GHÀFLW RI ... P WKH VXSHUDQQXDWLRQ GHÀFLW RI ... P H[FHHGHG XVDEOH UHVHUYHV E\ ... P

+RZHYHU WKLV GHÀFLW LV GSHQGHHQ RQD QXPEHU RI IDFWRUV VXFK DV LQYHVWPHQW SHUIRUPDQFH DQG UHWLUHPPHQW EH DGGUHVHGH RYHU D QXPEHU RI \HDUV E\ VWDJHG LQFUHDVVH WR HPSOR\HU FRQWULEXWLRQV &RQVHTXHQWO\ WKH OLDELOLW)XQG LV UHJXODUO\ UHYLHZHG E\ \$FWXDULHV RQ EHKDOI RI WKH DGPLQLVWHULQJ \$XWKRULW\ 7RUIDHQ &%%

7KH FDVK ÁRZV IRU LQYHVWLQJ DFWLYLWLHV FRQVLVW RI WKH IROORZLQJ

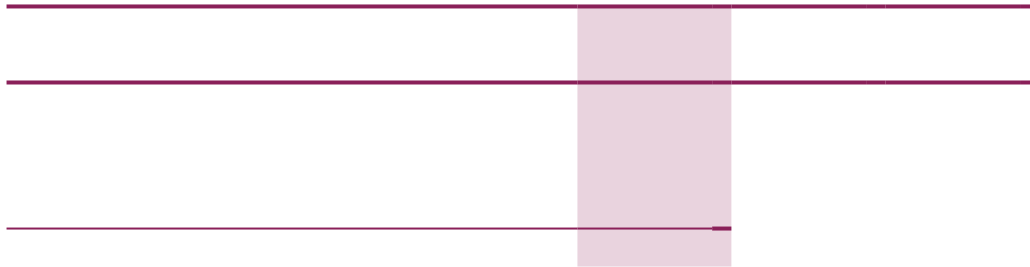
Cash Flow - Investing Activities	2012/2013			2011/2012		
	£000	£000	£000	£000	£000	£000
& DVK 2XWÁRZV						
Purchase of Non-Current Assets 2WKHU &DSLWDO &DVK 3D\PHQWV	0					
& DVK ,QÁRZV						
Sale of Non-Current Assets	421			206		
Capital Grants Received						
Other Capital Cash Income	208			184		
Total						

19.2 Financing Activities

7KH FDVK ÁRZV IRU ÀQDQFLQJ DFWLYLWLHV FRQVLVW RI WKH IROORZLQJ

Cash Flow - Financing Activities	2012/2013			2011/2012		
	£000	£000	£000	£000	£000	£000
& DVK 2XWÁRZV						
5HSD\PHQWV RI \$PRXQWV %RUURZHG &DSLWDO (OHPHQW RI)LQDQFH /HDVH 5HQWDO 3D\PHQWV						
& DVK ,QÁRZV						
New Loans Raised				0		
New Short Term Loans						
Long Term Investments Repaid	26			26		
Total						

7KH EDODQFH RI JURXS FDVK DQG FDVK HTXLYDOHQWV LV PDGH XS RI WKH IROORZLQJ



Abbreviations and Terms Used

Byfoddau a Thermau a Ddefnyddir

ACW	Arts Council of Wales	ECSC	European Coal and St EMC7
AEF	Aggregate External Finance		
AGM	Annual General Meeting		
AIR	Annual Improvement Report		
BGCBC	Blaenau Gwent County Borough Council		
BVACOP	Best Value Accounting Code of Practice		
CAMWG	Corporate Asset Management Working Group		
CBC	County Borough Council		
CC	City or County Council		
CCT	Compulsory Competitive Tendering		
CDS	Credit Default Swap		
& (2	& K L H I ([H F X W L Y H 2 I A F H U		
&) 2	& K L H I) L Q D Q F H 2 I A F H U		
CIN	Corporate Improvement Network		
CIP	Corporate Improvement Plan		
CIPFA	Chartered Institute of Public Finance and Accountancy		
CMT	Corporate Management Team		
CIES	Comprehensive Income and Expenditure Statement		
& 2 7	& H Q W U D O 2 W A E X Q R D O V) R U P		
CPFA	Chartered Public Finance Accountant		
CPI	Consumer Price Index		
CSSIW	Care and Social Services Inspectorate Wales		
CYPP	Children and Young People's Plan		
DfE	Department for Education		
DLO	Direct Labour Organisation		
DRC	Depreciated Replacement Cost		
DWP	Department for Work and Pensions		
EAS	Education Achievement Service (for South-East Wales)		

Abbreviations and Terms Used in the Statement of Accounts

LHB	Local Health Board	RSL	Registered Social Landlord
LMS	Local Management of Schools	SEN	Special Education Needs
LOBO	Lender's Option Borrower's Option	SeRCoP	Service Reporting Code of Practice
LSB	Local Service Board	SEWTA	South East Wales Transport Alliance
/ 6 % 2 1	/ R F D O 6 H U Y L F H % R D U G 2 I A F H U 1 H W Z R U N	SIP	Single Integrated Plan
MiRS	Movement in Reserves Statement	SOA	Scheme of Arrangement
MMI	Municipal Mutual Insurance	SOLACE	Society of Local Authority Chief Executives
MoHRAS	Movement on Housing Revenue Account Statement	SORP	Statement of Recommended Practice
MRA	Major Repairs Allowance	SSAP	Statement of Standard Accounting Practice
MRICS	Member of the Royal Institution of Chartered Surveyors	STRGL	Statement of Total Recognised Gains and Losses
MRP	Minimum Revenue Provision	SVWS Ltd	Silent Valley Waste Services Ltd
MRR	Major Repairs Reserve	TPS	Teachers Pension Scheme (also: uTPS)
MTFS	Medium Term Financial Strategy	UITF	Urgent Issues Task Force
NCS	Net Cost of Services	UK GAAP	United Kingdom Generally Accepted Accounting Principles (and/or Practices)
NDC	Non-Distributed Costs	UKPS	United Kingdom Practice Statement
NHS	National Health Service	uTPS	Unfunded Teachers Pension Scheme (also: TPS)
NNDR	National Non-Domestic Rates	VALREC	Valleys Regional Equality Council
NPV	Net Present Value	VAT	Value Added Tax
PACT	Partners and Communities Together	VPE	Vehicles, Plant and Equipment
PPE	Property, Plant and Equipment	: \$ 2	: D O H V \$ X G L W 2 I A F H
PWLB	Public Works Loan Board	: () 2	: H O V K (X U R S H D Q) X Q G L Q J 2 I A F H
RBA	Results Based Accountability	WG	Welsh Government
RCCO	Revenue Contribution to Capital Outlay	WLGA	Welsh Local Government Association
REFCUS	Revenue Expenditure Funded from Capital Under Statute	WPC	Welsh Purchasing Consortium
RICS	Royal Institution of Chartered Surveyors		
RPI	Retail Price Index		
RRA	Revaluation Reserve Account		
RSG	Revenue Support Grant		