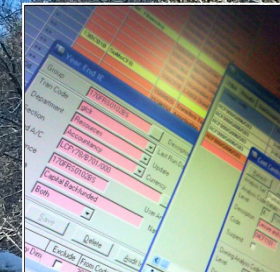


Draft Statement of Accounts



Cyngor Bwrdeistref Sirol

Blaenau Gwent

County Borough Council



Winter Sun (January 2026)

A crisp January morning in Festival Park, Ebbw Vale, bathed in the glow of the low winter sun. Frost and snow sparkle on the grass and bare trees beneath a cloudless blue sky, while long shadows stretch across the frozen landscape, capturing the quiet beauty and stillness of a winter's day.



Cyngor Bwrdeistref Sirol

Blaenau Gwent

County Borough Council

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Abbreviations and Terms Used

Byrfoddau a Thermau a Ddefnyddir



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County Borough Council

Abbreviations and Terms Used in the Statement of Accounts

AEF	Aggregate External Finance	GJRC	Gwent Joint Records Committee
ALT	Aneurin Leisure Trust	GMIRS	Group Movement in Reserves Statement
AW	Audit Wales	GMP	Guaranteed Minimum Pension
BS	Balance Sheet	GTU	Gwent Transport Unit
BHAP CT	Bedwellty House & Park Charitable Trust	GWICES	Gwent Wide Integrated Community Equipment Service
CARE	Career Average Revalued Earnings	HMRC	His Majesty's Revenue & Customs
CBC	County Borough Council	HMT	His Majesty's Treasury
CC	City or County Council	HRA	Housing Revenue Account
CCP	Collaborative Change Programme	IAS	International Accounting Standard
CCRCD	Cardiff City Region City Deal	ICT	Information and Communications Technology
CDS	Credit Default Swap	IFRS	International Financial Reporting Standard
CIES	Comprehensive Income and Expenditure Statement	IPSAS	International Public Sector Accounting Standard
CIPFA	Chartered Institute of Public Finance and Accountancy	ISB	Individual Schools Budget
CPFA	Chartered Public Finance Accountant	JVA	Joint Venture Agreement
CPI	Consumer Price Index	LASAAC	Local Authority (Scotland) Accounts Advisory Committee
DRC	Depreciated Replacement Cost	LGPS	Local Government Pension Scheme
EAS	Education Achievement Service (for South-East Wales)	LLP	Limited Liability Partnership
EEA	European Economic Area	LMS	Local Management of Schools
EFA	Expenditure and Funding Analysis	LOBO	Lender's Option Borrower's Option
EFTA	European Free Trade Association	MIRS	Movement in Reserves Statement
EU	European Union	MMI	Municipal Mutual Insurance
EUV	Existing Use Value	MRICS	Member of the Royal Institution of Chartered Surveyors
FRS	Financial Reporting Standard	MRP	Minimum Revenue Provision
FSS	Funding Strategy Statement	MTFS	Medium Term Financial Strategy
FTSE	Financial Times Stock Exchange	NHS	National Health Service
GBS	Group Balance Sheet	NNDR	National Non-Domestic Rates
GCIES	Group Comprehensive Income and Expenditure Statement	NPV	Net Present Value
GGCJC	Greater Gwent Cremation Joint Committee	NRW	Natural Resources Wales

Abbreviations and Terms Used in the Statement of Accounts

PPE	Property, Plant and Equipment
PWLB	Public Works Loan Board
REFCUS	Revenue Expenditure Funded from Capital Under Statute
RICS	Royal Institution of Chartered Surveyors
RPI	Retail Price Index
RSG	Revenue Support Grant
SCAPE	Superannuation Contributions Adjusted for Past Experience
SCR	Standard Contribution Rate
SeRCoP	Service Reporting Code of Practice
SEWSPG	South East Wales Planning Group
SPA	State Pension Age
SRS	Shared Resource Services
SSP	Statutory Sick Pay
STCA	Short-Term (Accumulating) Compensated Absences
STRGL	Statement of Total Recognised Gains and Losses
SVWS Ltd.	Silent Valley Waste Services Ltd
TPS	Teachers Pension Scheme (<i>also</i> : uTPS)
UK GAAP	United Kingdom Generally Accepted Accounting Principles (and/or Practices)
UKGN	United Kingdom Guidance Notes (RICS)
UKVS	United Kingdom Valuation Standards (RICS)
uTPS	Unfunded Teachers Pension Scheme (<i>also</i> : TPS)
VAT	Value Added Tax
WAO	Wales Audit Office
WG	Welsh Government
WRAP	Waste & Resources Action Programme
WTO	World Trade Organisation



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Cyngor Bwrdeistref Sirol

Blaenau Gwent

County Borough Council

1. Introduction

The purpose of this Narrative Report is to offer a guide to the context in which the Authority operates, provide an overview of the most significant matters affecting the Accounts, outline the changes in accounting policies applied in preparing the Accounts and explain the Authority's overall financial position.

The financial statements cover the period 1 April 2025 to 31 March 2026 and have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/2026 (the Code), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

Amounts in these Accounts have been rounded and presented to the nearest thousand Pound (£000), except where disclosure to the nearest Pound is required to aid in presentation and understanding.

2. Background - Impact of Current Economic Climate on the Authority and the Services it Provides

During 2025/26, Blaenau Gwent County Borough Council continued to operate within a wider economic environment characterised by inflationary pressures, higher interest rates, and ongoing constraints on public sector funding. These factors have influenced both the cost of delivering services and the level of demand for certain Council services.

Inflation has increased costs across a range of areas, including employee costs, energy, supplies and commissioned services, and capital financing. At the same time, the economic environment has contributed to sustained demand pressures across a range of service areas. Funding and income levels have not fully offset these pressures.

The Welsh Government (WG) Revenue Settlement for 2025/2026 was positive, with Aggregate External Finance increasing by 4.8% (£7.09m). Despite the positive uplift, inflation and rising pay costs contributed to a funding gap of £1.93m.

To set a balance revenue budget of £196.7m, the Council approved a range of measures including:

- A council tax increase of 4.95% (Blaenau Gwent element);
- An increase of £0.51m to the Council Tax Reduction Scheme to support households on low incomes;
- Budget reductions of £1.93m relating to the Bridging the Gap proposals;
- Inclusion of £2.3m of revenue budget cost pressures;
- Financial support of £0.4m for Aneurin Leisure Trust; and
- An uplift of £4.7m to the Individual Schools Budget to cover pay pressures and rebalance school budgets.

Throughout the year, the Council has managed these impacts through its established financial management arrangements, including regular budget monitoring, delivery of approved savings, and prudent use of reserves where appropriate. Financial assumptions and risks continue to be reviewed through the Medium-Term Financial Strategy.

3. Background - Significant Events

Prior to the completion of the Accounts, the following significant events occurred that have had an impact on the financial statements themselves or the environment in which the Authority operates:

3.1 Annual Governance Statement

In the Annual Governance Statement, the Audit & Risk Manager has concluded that Blaenau Gwent County Borough Council's system of internal control during the 2025/2026 financial year operates to a level which gives reasonable assurance on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

3.2 Federated Council Approach

During 2025/2026, Blaenau Gwent County Borough Council, continued to progress its federated council approach with Torfaen County Borough Council. Following the initial discovery phase and the decision to move to more permanent joint working arrangements, the federation has strengthened strategic leadership, supported closer alignment of senior management arrangements and provided a platform for both councils to respond collectively to the financial, workforce and demand pressures facing local government..

Progress during the year included the establishment of joint leadership arrangements, further alignment of organisational design and operating structures, development of a Federation Transformation Plan, and work to support joint roles through appropriate governance and legal arrangements. The approach has also supported greater collaboration across services, including opportunities to share expertise, reduce duplication, build resilience and develop more consistent approaches to service planning and delivery while maintaining the sovereignty, democratic accountability and financial responsibilities of each council.

A key development has been the launch of The Deal, a new community-centred approach between the Councils, residents and partners. The Deal is intended to change the way services are designed and delivered by focusing on prevention, empowerment, collaboration and shared responsibility with communities. It builds on the adoption of the Marmot Principles and places fairness, social justice and the wider determinants of health at the centre of decision-making, resource allocation and service transformation.

The Deal is structured around five missions: Early Years – Building Bright Futures; Inspiring Lifelong Learning, Ambition and Resilience; Wellbeing through Community Leadership; Thriving Economy, Vibrant Places; and Empowered Communities, Shared Power and Success. These missions provide a framework for aligning services, investment and community engagement around long-term outcomes, including reducing inequality, improving wellbeing, strengthening community resilience and managing future demand for statutory services.

The federation and The Deal are therefore important elements of the Council's medium to long-term response to financial and service sustainability. While the financial benefits will emerge over time, the approach is already supporting stronger strategic planning, shared capacity, improved resilience and a clearer focus on prevention and early intervention. This is expected to help the Council manage future cost pressures more effectively and ensure that resources are increasingly directed towards activity that improves outcomes for residents and communities.

4. Summary of Outturn

4.1 Revenue

Revenue expenditure relates to the Council's day-to-day running costs and the delivery of services within the financial year, including employee costs, supplies and services, and payments to third parties. The management accounts for 2025/2026 reported an overall overspend of £1.68 million, after net contributions of £0.83 million from specific reserves, highlighting the continuing need for robust financial management and close monitoring of portfolio-level pressures. The overall overspend of £1.68m has resulted in a decrease in the Financial Resilience Specific Reserve.

The most significant factor in the overall overspend related to Children's Services, which faced significant operational and financial challenges during the year. The £3.14m service overspend was driven predominantly by increased demand for services and rising placement costs. The Council will continue to monitor these pressures closely through its established performance and financial monitoring processes, supported by oversight from the Children's Services Accelerated Improvement Board.

A number of budget pressures were identified during the financial year and these have been managed within the overall budget.

Further details are to be presented in the Provisional Outturn report to Cabinet on 19 October 2026.

The provisional outturn presented above is reported on a management accounting basis, in line with the budget reports used for internal management and decision-making. Consequently, the figures differ slightly from those included in the Comprehensive Income and Expenditure Statement (CIES), which is prepared in accordance with statutory financial accounting standards.

4.2 Capital

Capital expenditure is money the Council invests in long-term assets such as buildings, roads, schools, and other infrastructure, which are intended to support service delivery and benefit communities over a number of years. For 2025/2026, Capital Expenditure totalled £41.609 million, financed by a combination of external funding and Council resources, comprising local authority borrowing (£4.283m), leasing arrangements (£0.495m), grants (£35.501m) and revenue contributions (£1.329m).

The provisional outturn for capital expenditure incurred in 2025/2026 reported a minor underspend of £90,166 against in-year approvals. This variance relates to the delivery of the Enhanced Electric Vehicle Provision scheme within the Welsh Government grant allocation provided.

4.3 Reserves

Usable reserves represent amounts set aside by the Council that can be applied to support future expenditure, manage financial risk, or fund one-off investment and service pressures. These reserves provide an important element of financial resilience and flexibility. During 2025/2026, the Council's usable reserves reduced by £4.2 million overall, reflecting the planned use of reserves to support approved spending and financial management decisions during the year including the application of the Financial Resilience Reserve to meet the reported overspend within Management Accounts. The overall decrease also includes the further reduction in net balances held by schools.

4.4 Schools Outturn

As at 31 March 2026, the overall level of school balances had reduced by £1.7m, resulting in a net deficit position of £3m across all schools. At year-end, 15 schools were reporting deficit balances, with aggregate deficits totalling £4m. This position reflects the continuing financial challenges facing the schools sector, including the impact of sustained pay, utility and wider inflationary pressures, alongside demographic changes, falling pupil numbers, surplus places and increasing additional learning needs.

The Council continues to work closely with schools to support robust financial management and improve longer-term sustainability. This includes targeted support for schools in deficit and the development and monitoring of Deficit Recovery Plans to address budget shortfalls over the short to medium term. In recognition of the ongoing pressures, additional funding of £2.45m has been allocated to schools in 2026/2027, over and above funding provided for pay-related pressures, to help mitigate prior year pressures associated with pay and utility costs. A further £0.2m of capital funding has also been approved to support energy efficiency projects, helping schools to reduce ongoing utility costs.

Alongside these measures, the Council will continue to progress school reorganisation and rationalisation proposals to reduce surplus places, improve efficiency and strengthen the financial resilience of the school estate. These actions are intended to support schools in managing existing pressures while ensuring resources are aligned as effectively as possible to future need.

5. Revenue Expenditure Outturn and Funding

5.1 2025/2026 Outturn

The following table reconciles the net service expenditure reported on a statutory basis in the Comprehensive Income & Expenditure Statement with net outturn as reported to management during the year. The Expenditure and Funding Analysis together with the accompanying notes provide details of the adjustments that have been made in reconciling between the statutory and management accounts. The table also indicates the Authority's net service expenditure (as reported to management) compared with the budget for the year.

Service Expenditure Compared to Budget	2025/2026					Variance: Adverse / (Favourable) £000
	CIES Net Expenditure £000	Accounting Code Adjustments £000	Funding and Accounting Basis Adjustments £000	Net Outturn - Management Accounts £000	Revised Budget £000	
Portfolio/Committee:						
Corporate Resources	24,744	(1,475)	621	23,890	24,911	(1,021)
Children, Young People & Families *	31,226	64,324	2,294	97,844	94,152	3,692
Adults & Communities	46,206	2,868	(628)	48,446	48,888	(442)
Economy and Place	7,118	2,771	(4,383)	5,506	5,891	(385)
Neighbourhood & Environment Services	22,897	11,043	(5,842)	28,098	27,707	391
Sub-Total:	132,191	79,531	(7,938)	203,784	201,549	2,235
Education - School Spending **	73,813	(48,116)	(12,078)	13,619	0	13,619
Cardiff Capital Region City Deal ***	7	29	(36)	0	0	0
Total:	206,011	31,444	(20,052)	217,403	201,549	15,854

*: *Children, Young People & Families* includes centralised education functions and non-school transactions.

**: *Education - School Spending* refers to financial transactions related specifically to school establishments.

***: *Cardiff Capital Region City Deal* refers to the Authority's contributions to revenue and capital costs, as apportioned in accordance with the terms of the joint arrangement.

5.2 Impact of Inflation on Revenue Expenditure

Consumer Price Inflation (CPI) at April 2026 was 2.8%, a reduction from 3.5% at April 2025. While this demonstrates some easing in headline inflation over the period, inflation remained above the Bank of England's 2% target and continued to place pressure on the Authority's revenue expenditure. During 2025/2026, inflationary pressures were particularly evident in areas such as pay, energy, supplies and services, commissioned services and contract prices. These pressures, alongside wider demand-led cost increases, continued to affect the cost of delivering services and informed the Council's ongoing budget monitoring and medium-term financial planning assumptions.

The impact of inflationary pressures on the Authority varies across different areas of expenditure. A significant proportion of the Authority's costs relate to employee expenditure, with a 1% increase in employee costs equating to approximately £1.3m. Although inflation moderated during parts of the year, pay settlements continued to exceed historic assumptions, contributing to ongoing financial pressures across local government.

As part of its response to changing inflationary conditions, the Bank of England's Monetary Policy Committee (MPC) continued to ease monetary policy during 2025/2026. The Bank Rate was reduced from 4.50% at the start of the financial year to 4.25% in May 2025 and 4.00% in August 2025, before a further reduction to 3.75% in December 2025. The Bank Rate was then maintained at 3.75% through the remainder of the financial year. These decisions reflected the progress made in reducing inflationary pressures, although the MPC continued to highlight that CPI inflation remained above the 2% target and that domestic price and wage pressures, while easing, remained elevated.

The MPC confirmed that future changes in Bank Rate would remain dependent on the evolution of the economic outlook and the extent to which inflation is expected to return sustainably to target over the medium term.

Overall, increases in the prices at which the Authority procures goods and services were not offset by corresponding increases in income from fees, charges or government grant funding and continued to have an adverse impact on the cost of service delivery during 2025/2026. These pressures, combined with pay, demand and contract-related cost increases, continued to affect the Authority's medium-term financial position and reinforced the importance of robust budget monitoring, delivery of agreed savings and prudent financial planning.

5.3 Funding Sources

The majority of the Authority's ongoing service expenditure is funded through external support provided by the Welsh Government. This core funding is referred to as Aggregate External Finance (AEF) and comprises the Revenue Support Grant and the Authority's share of Non-Domestic Rates. AEF represents the principal source of general funding available to the Authority to support the delivery of local services and is distributed through the Welsh Government's annual local government financial settlement.

For 2025/2026, the Authority's AEF (adjusted for transfers) increased by 4.8% compared with 2024/2025, which was above the average increase of 4.3% across Welsh unitary authorities. For the Authority a 1% change in AEF equates to approximately £1.5 million. However, the real-terms value of this increase is reduced by inflationary pressures.

During 2025/2026, the Council operated within a challenging financial environment. Although the Welsh Government funding settlement was more favourable than originally anticipated, the benefit of this additional funding was offset by ongoing inflationary pressures, elevated interest rates, increased demand for services and rising costs across key areas of expenditure. These factors continued to place significant pressure on service budgets and financing activities, requiring careful financial management, delivery of approved savings plans, robust budget monitoring and continued review of financial risks through the Council's medium-term financial planning arrangements.

6. Capital Expenditure Outturn and Funding

Capital Expenditure

In year, total capital expenditure amounted to £41.609m, broadly consistent with £41.099m in 2024/2025. The £0.510m movement mainly reflects the timing and delivery of individual capital projects, particularly increased road and school expenditure, offset by reductions in regeneration, finance leases and waste management.

The major items of expenditure, categorised by scheme type, are identified in the table below.

Capital Expenditure by Scheme	2025/2026	2024/2025
	£000	£000
Corporate Property	251	86
Flying Start Schemes	697	816
Housing General	1,224	920
Industrial Units	88	139
Leisure Schemes	710	193
Rail Infrastructure Programme	0	606
Regeneration Schemes	9,136	11,803
Right of Use Asset Leases	495	2,502
Road Network & Maintenance Schemes	8,441	2,822
Schools & Education Establishments	17,154	14,758
Social Services Adults	619	371
Social Services Children	205	887
Town Centre Regeneration	1,112	1,689
Waste Management	1,424	3,239
Other	53	268
Total:	41,609	41,099

Further details of capital expenditure are contained in Core Statement note 25.

Financing of Capital Expenditure

Capital expenditure totalling £41.609m was financed by local authority borrowing (£4.283m), leasing arrangements (£0.495m), grants (£35.501m) and revenue contributions (£1.329m).

7. Contingencies, Provisions and Reserves

7.1

Contingencies

A number of contingent liabilities are disclosed in relation to issues where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority, where it is not probable that an outflow of resources will be required or where the amount of the obligation cannot be measured reliably. For 2025/2026, disclosures cover:

- The Municipal Mutual Insurance run-off claims and liability under the Scheme of Arrangement;
- Warranties and indemnities to Tai Calon arising from the transfer of housing stock;
- Part 1 compensation claims arising from public works projects;
- Guarantees to the Greater Gwent (Torfaen) Pension Fund in the event that pension liabilities are not settled by Aneurin Leisure Trust; and
- Potential liabilities that may arise following decisions of the courts in relation to specific past actions of the Authority.
- Possible obligations that may arise but for which no claims have yet been presented.

No contingent assets have been identified.

It is not possible to place a value on these contingent liabilities, which may or may not crystallize at a point in the future. In the event of these issues and the sums involved becoming more certain, the appropriate accounting treatment will be applied and relevant charges made to the accounting statements.

Further details of contingent liabilities can be found in note 35.4.

7.2 Provisions

The level of provisions held by the Authority varies each year in relation to the level of liabilities identified. Total provisions held by the Authority at the beginning of the year amounted to £8.733m, decreasing by £2.021m to £6.712m during 2025/2026. This was largely due to the application of employee provisions in the settlement of pay and similar claims, and the closure of dilapidation provisions on the termination of leases for Anvil Court and Ebbw Vale Multi Storey Car Park.

All provisions have been assessed to reflect payments made against them during the financial year and have been increased or decreased in line with anticipated outstanding liabilities.

Details of the movements of individual provisions are shown in note 35 to the Core Statements.

7.3 Reserves

Movements on usable reserves are detailed in note 41 to the Core Statements. Total usable reserves amounted to £61.966m at 31 March 2025, decreasing by £4.2m to £57.763m at 31 March 2026:

Aggregate Usable Reserves - year on year movement	2024/2025	2025/2026	(Increase) / Decrease	
	£000	£000	£000	%
Council Fund	(13,969)	(13,969)	0	0.00
Earmarked Reserves	(32,676)	(30,712)	1,964	6.01
Usable Capital Reserves	(15,321)	(13,083)	2,238	14.61
Total Usable Reserves	(61,966)	(57,764)	4,202	6.78

Over the financial year, there was no change in the Council Fund General Reserve. This was due to the management of the reserve in accordance with the Authority's policy of maintaining General Reserves at a minimum target level of 4% of Revenue Outturn Expenditure.

The year on year decrease of £4.2m in the Usable Reserves (the Council Fund, Earmarked Reserves and Usable Capital Reserves) is a result of a number of factors, including:

- the review of reserves and balances to ensure they remain sufficient to support the Council's financial resilience over the short, medium and long term;
- the use of the Finance Planning/Resilience Reserve to fund the overall overspend reported within the Management Accounts; and
- the £1.7m decrease in the earmarked reserve for school balances reflecting an overall increase in school deficit balances.

Establishment, retention and use of earmarked reserves are subject to review during the year in accordance with the Authority's risk-assessment based Reserves Management Protocol.

Impact of Pension Deficit on Reserves

The Authority holds total usable reserves of £57.763m at 31 March 2026 (£61.966m at 31 March 2025). The effect of applying the net superannuation fund deficit of £90.675m to the Authority's usable reserves would be a deficit of £32.912m (2024/2025: the superannuation deficit of £86.971m exceeded usable reserves by £25.005m).

However, the reported pension deficit is after adjustment for the impact of the asset ceiling and the recognition of agreed past service cost contributions, and the actuarial figures are dependent on a number of factors such as investment performance and retirement benefits payable. The long-term funding of the Local Government Scheme is addressed over a number of years by staged changes to employer contributions. Consequently, the total liability would not arise in one financial year. The overall financial standing of the Superannuation 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 39-40.

The most significant net contributions to/from usable reserves were:

Summary Reserves Movements	2025/2026			2024/2025	
	£000	£000		£000	£000
Balance at 1 April		(61,966)	Balance at 1 April		(62,864)
Significant net contributions (to)/from earmarked reserves:			Significant net contributions (to)/from earmarked reserves:		
Children's Services Transitional Funding	(2,250)		LMS	2,481	
Financial Planning/Resilience	2,139		Rail Loan Interest	1,617	
LMS	1,695		Covid 19 Response & Recovery	1474	
Inflation & Service Cost Pressure	911		Pay and National Insurance Contingency	(1,300)	
Revenue Grants & Contributions Unapplied	508		Revenue Grants & Contributions Unapplied	(202)	
Reserves Related to Portfolio Services	274		Reserves Related to Portfolio Services	431	
Revenue Reserves Earmarked for Capital Purposes	(665)		Revenue Reserves Earmarked for Capital Purposes	(1,304)	
Other Earmarked Reserves	(648)		Other Earmarked Reserves	(263)	
		1,964			2,934
Significant net contributions (to)/from other usable reserves:			Significant net contributions (to)/from other usable reserves:		
Usable Capital Receipts	(1,319)		Usable Capital Receipts	(1,057)	
Capital Grants Unapplied	3,557		Capital Grants Unapplied	(82)	
Other net contributions (to)/from usable reserves	0		Other net contributions (to)/from usable reserves	(897)	
		2,238			(2,036)
Balance at 31 March		(57,764)			(61,966)

8. Treasury Management Activities

In March 2025, the Authority approved the Treasury Strategy Statement, Annual Investment Strategy and MRP Policy Statement for the 2025/2026 financial year. The prime objectives of these policies were firstly to ensure the security of capital and secondly to maximise the liquidity of investments. In doing so, the policies sought to minimise the revenue costs of debt whilst maintaining a prudent level of debt redemption.

All borrowing and investing activities have been conducted within the framework set out in the Treasury Strategy. In particular the Authority has adopted a low risk strategy in order to give priority to the security of its investments.

Investing Activities

During the year, transactions related to investments were as follows:

Investments	2025/2026 £000	2024/2025 £000
Balance at 1 April	6,119	22,531
Investments Made	379,550	273,119
Investments Repaid	(383,603)	(289,531)
Balance at 31 March	2,066	6,119

The balance of investments held at year-end can be analysed as follows:

Analysis of Investments	31 March 2026 £000	31 March 2025 £000
Call Account Cash Deposits	0	3,000
Fixed Term Cash Deposits	0	0
Short Term Investments	2,066	3,119
Total	2,066	6,119

Borrowing Activities

Total external loan debt at 31 March 2026 amounted to £166.741m (31 March 2025: £155.239m). On 1 April 2024, the Cardiff Capital Region City Deal (CCRCD) formally transitioned from the Joint Working Agreement to the Corporate Joint Committee model. As a separate corporate and legal entity, the CCRCD obtained powers to borrow in its own right. The reported total for external loan debt includes the Authority's share of long-term loans raised by CCRCD, being £0.294m at 31 March 2026 (31 March 2025: £0.462m).

Following the increases in the Bank of England base rate, new long-term borrowing has been kept to a minimum to avoid committing the Council to higher interest payments in future years. Further opportunities to raise long term loans will be explored when interest rates reduce from their current high levels.

In March 2021 the Authority received a £70m interest free loan from the Welsh Government in relation to the Ebbw Valley Railway Infrastructure Project. This loan has been classified as non-current (long-term) borrowing to be repaid over a 50 year period commencing on completion of the project (expected to be from 2024/2025). The loan was discounted to its fair value in 2020/2021 and the sum in excess of the fair value was included as capital grant unapplied as required by the Accounting Code of Practice. This value was reassessed at 31 March 2025 resulting in an increase in the fair value of £4.234m, due to repayment of £6.590m that had not been utilised in delivery of the project objectives.

Transactions relating to external loan debt during the year were as follows:

Borrowing	2025/2026			2024/2025		
	Temporary Loans £000	Other Loans £000	Total £000	Temporary Loans £000	Other Loans £000	Total £000
Balance at 1 April	(57,925)	(97,314)	(155,239)	(38,452)	(111,494)	(149,946)
Adjustment to Present Value of Rail Loan	(557)	557	0	557	(4,234)	(3,677)
Loans Raised	(144,500)	(8,800)	(153,300)	(78,100)	(601)	(78,701)
Loans Repaid	127,500	14,287	141,787	58,000	21,039	79,039
Effective Interest Adjustment	0	(44)	(44)	0	(51)	(51)
Soft Loan Adjustment	(70)	125	55	70	(1,973)	(1,903)
Balance at 31 March	(75,552)	(91,189)	(166,741)	(57,925)	(97,314)	(155,239)

Minimum Revenue Provision

The 2003 Capital Finance Regulations require amounts to be set aside from revenue for the repayment of external loans. This is known as the Minimum Revenue Provision (MRP) and in 2025/2026 the sum of £2.980m (2024/2025: £2.423m) has been set aside by the Authority based on statutory guidance, as disclosed in note 1.17.

Interest on external loan debt of £5.513m has been charged to the Comprehensive Income & Expenditure Statement in 2025/2026 (2024/2025: £5.243m).

9. Pension Assets and Liabilities

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

Pension Assets and Liabilities	31 March 2026 £000	31 March 2025 £000
Fair Value of Scheme Assets	608,614	544,935
Present Value of Scheme Liabilities	(493,136)	(468,943)
Net Assets (before application of asset ceiling)	115,478	75,992
Cumulative effect of asset ceiling on scheme assets	(141,473)	(103,264)
Cumulative effect of asset ceiling on scheme liabilities	(64,680)	(59,699)
Net cumulative impact of asset ceiling	(206,153)	(162,963)
Net Liabilities (after application of asset ceiling)	(90,675)	(86,971)

All Pension Assets held relate to the Greater Gwent Local Government Scheme.

Total liabilities at 31 March 2026 include £25.985m of unfunded obligations (£27.201m at 31 March 2025) of which £22.757m relate to the Teachers Pension Fund (31 March 2025: £23.658m), and the remainder relate to the Local Government Scheme.

Impact of IAS 19 Asset Ceiling

IAS 19 limits the measurement of the pension scheme defined benefit asset to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Actuarial assessment of the net pension asset at 31 March 2026 (for funded obligations) indicated a surplus (i.e. asset) before asset ceiling adjustments of £141.473m (surplus of £103.264m at 31 March 2025). However, this amount is restricted by the entitlement of the Authority to any refunds for contributions made, or any agreed reductions in future contributions to reduce this surplus.

Under the terms of the Local Government Pension Scheme, the Council has no right to receive refunds in relation to payments made. At the Balance Sheet date, there has also been no agreement to reduce future contribution rates as a result of fund surpluses.

Therefore, IAS 19 restricts the level of assets to the level of funded obligations - i.e. there can be no surplus asset. Consequently, having been reduced by £103.264m to 31 March 2025, the funded pension asset has been restricted by an additional £38.209m in the 2025/2026 Accounts, with a corresponding adjustment to the Pensions Reserve.

In addition, IFRIC 14 requires an additional liability to be recognised where agreed past service contributions would give rise to a future surplus and not be available after they are paid (i.e. available as a refund or reduction in future contributions). The Actuary has determined that the Present value of agreed past service contributions at 31 March 2026 is £64.680m (31 March 2025: £59.699m). Fund liabilities have therefore been increased by £4.981m during 2025/2026, with a corresponding adjustment to the Pensions Reserve.

Therefore, the overall impact of applying the asset ceiling requirements of IAS 19 and IFRIC 14 to the Council's pension scheme assets and liabilities is an increase in net liabilities of £206.153m, (£81.235m in 2023/2024; £81.728m in 2024/2025; and £43.190m in 2025/2026) effectively taking the fund from a surplus position of £115.478m at 31 March 2026 to a deficit position of £90.675m.

10. Movement in Valuation of Non-Current Assets

During 2025/2026, the net carrying value of Property, Plant and Equipment increased by £8.870m, from £381.661m to £390.531m. The movement reflects £31.069m of capital expenditure, including £12.163m on Assets Under Construction and £18.906m of additions and enhancements to operational assets. Significant movements included the Welsh Medium New Build, School, Ebbw Fawr Secondary Extension and HiVE schemes, additions for Ebbw Vale Multi Storey Car Park and Gwent Shopping Centre, and enhancement works to the Authority's roads infrastructure. This was partly offset by disposals, downward revaluation movements, depreciation and impairment charges recognised during the year.

The overall movements on the net cost or valuation of non-current assets is summarised below:

Movement in Property, Plant & Equipment Assets	2025/2026 £000	2024/2025 £000
Balance Brought Forward at 1 April	381,661	356,405
Adjustment to Balances Brought Forward	0	23
Revised Balance Brought Forward at 1 April	381,661	356,428
Expenditure on Assets Under Construction	12,163	20,489
Additions/Enhancements	18,906	12,414
Disposals	(1,390)	(1,150)
Revaluations	(15,899)	(3,743)
Depreciation Written Back on Revaluation	9,322	11,769
In-Year Depreciation & Impairment	(14,232)	(14,546)
Balance Carried Forward at 31 March	390,531	381,661

Note 25 provides further detail of the additions, disposals, appropriations, depreciation and revaluations that comprise the overall net increase in value during the year.

11. Significant Changes in Accounting Policies

11.1 CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2025/2026

The most significant changes introduced by the 2025/2026 CIPFA Code of Practice relate to the accounting and valuation of non-investment assets.

Under the revised Code, property, plant and equipment assets are generally required to be subject to a full valuation at least once every five years, with annual indexation applied in the intervening years to ensure carrying values remain materially accurate. This replaces the previous expectation that authorities demonstrate asset values remained current through more frequent valuation exercises.

In addition, all intangible assets are now required to be measured using the historical cost model, removing the previous requirement to apply fair value measurement where an active market existed.

The Code also clarifies that a full asset revaluation should not automatically be used as the default method for demonstrating that no material impairment has occurred. Transitional arrangements require these changes to be applied prospectively, with no restatement of prior year figures.

Indexation of assets not formally valued during the year resulted in a net increase in carrying values of £4.468 million. In 2024/2025, indexation of assets valued on a DRC basis increased carrying values by £2.557 million. The extension of indexation to cover a broader range of assets has not therefore had a material impact on the 2025/2026 Accounts.

12. Main Financial Statements

The Code interprets the requirements of IAS1 *Presentation of Financial Statements* for the local government context and requires the following main financial statements to be included:

12.1 The Comprehensive Income and Expenditure Statement (CIES)

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 providing services during the financial year.

12.2 The Movement in Reserves Statement (MiRS)

Equivalent to the IAS1 Statement of Changes in Equity, this records the movement in the year on the different reserves held by the Authority, analysed into usable (those that can be used to fund expenditure or reduce local taxation) and unusable reserves (those that typically arise from timing differences between the identification of liabilities and the funding or settlement of those liabilities, which could be over a long period).

Whilst increases in usable reserves represent additional sums that can be utilised in the short term to provide funding for services, increases in unusable reserves represent an increasing burden on future taxpayers.

The MiRS includes adjustments that remove accounting entries made in accordance with proper accounting practice in order that the Council Taxpayer is charged only with amounts required by statute and regulations.

12.3 The Balance Sheet

Derived from the IAS1 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.

12.4 The Cash Flow Statement

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 Authority generates and uses cash and cash equivalents by classifying cash inflows and (outflows) as operating, investing and financing activities.

13. Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax payers how the funding available to the Authority (i.e. government grants, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by the Authority in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

The following table summarises the transactions recorded in the EFA for 2025/2026.

Expenditure & Funding Analysis - Summary	2025/2026					2024/2025				
	Management Account Net Expenditure £000	Accounting Code Adjustments £000	Net Expenditure Chargeable to the Council Fund £000	Funding and Accounting Basis Adjustments £000	CIES Net Expenditure £000	Management Account Net Expenditure £000	Accounting Code Adjustments £000	Net Expenditure Chargeable to the Council Fund £000	Funding and Accounting Basis Adjustments £000	CIES Net Expenditure £000
(Surplus)/Deficit on the Provision of Services	217,403	(215,453)	1,950	(6,923)	(4,973)	199,799	(197,778)	2,021	(18,570)	(16,549)
Tax Expenses			14					16		
Transfers to/(from) earmarked reserves			(1,964)					(2,934)		
(Increase)/Decrease in year			0					(897)		
Opening council Fund Balance as at 1 April			(13,969)					(13,072)		
Closing Council Fund Balance as at 31 March			(13,969)					(13,969)		

14. Group Accounts

The Authority is required to prepare Group Accounting Statements including Bedwellty House & Park Charitable Trust (BHAP CT).

Bedwellty House & Park Charitable Trust was formally registered in 1981 with the Council as the sole trustee. The Trust Seal Documentation specifies that the assets of the Trust are vested with the Trustee (i.e. the Council) and as a result the transactions and balances of the charitable trust have been included in the Group Accounts.

The Authority's interest in the Education Achievement Service for South-East Wales has not been consolidated in the Group Accounts. Whilst the Authority holds a 20% interest in the company, which would normally trigger the requirements for inclusion as an associate company within group accounts, there are a number of factors that counter-indicate the Authority having significant influence over the EAS, including the level of control exercised by Welsh Government, and therefore the presumption for inclusion has been rebutted.

Group Accounts have been prepared in compliance with the Accounting Policies set out on pages 24-33 and 138-139 and are included in the Statement of Accounts on pages 134-150.

A phased transition to the CJC operating as the accountable body for the City Deal was undertaken to ensure business continuity. While the CJC initially operated on a limited basis, a number of technical and legal issues delayed full operational delivery. During 2024/2025, these issues were resolved and the CJC assumed full responsibility for the delivery and governance of the City Deal programme, with the previous 'twin-track' arrangements coming to an end.

The Authority continues to recognise its funding commitment to the City Deal and to monitor associated financial risks and obligations as part of its medium-term financial planning.

15. Future Developments

15.1 'The Deal'

The Deal continues to develop and its ambitions will increasingly shape decisions within the Medium-Term Financial Strategy (MTFS). By embedding both the Marmot Principles and The Deal's missions into the MTFS, the Council ensures that financial planning is not solely focused on balancing budgets, but also on investing in long-term health equity, community resilience, and sustainable development. This approach supports the Council in responding to demographic and economic challenges while creating the conditions for a fairer, healthier, and more prosperous Blaenau Gwent.

15.2 Cardiff Capital Region City Deal (CCRCDD)

The Cardiff Capital Region City Deal between the UK Government, the Welsh Government and the 10 constituent Councils in South East Wales, including Blaenau Gwent, was formally ratified on 1 March 2017. The City Deal offers the opportunity to deliver an investment package of £1.2 billion into the City Region economy between now and 2036. Whilst much of this is already earmarked for certain activities, particularly investment in the South East Wales Metro, there are funds available as part of the £1.2 billion to leverage wider economic benefits. The City Deal has a small number of key targets. Notably, these include the creation of 25,000 new jobs by 2036, leveraging £4 billion of private sector investment and securing economic growth.

Since inception, the City Deal has evolved from a single funding programme into a broader set of regional functions and accountabilities. The South East Wales Corporate Joint Committee (CJC) was established under the South East Wales Corporate Joint Committee Regulations 2021 and came into effect on 1 April 2021.

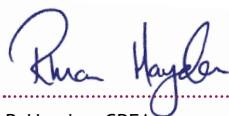
16. Conclusion

The production of the IFRS-compliant annual Statement of Accounts continues to present a considerable challenge for the Council. In recent years, significant delays have arisen in the production of the Statutory Accounts, reflecting both the complexity of the accounting arrangements to be finalised and the consequential impact of prior-year audit delays. These challenges have affected the Council's capacity to prepare and progress the 2025/2026 Accounts in compliance with the statutory timetable.

Whilst the Draft 2025/2026 Accounts have not been delivered by the statutory deadline, they have been prepared significantly earlier than in previous years. This represents an important step forward in the Council's recovery plan and demonstrates progress in strengthening the accounts closedown process, improving audit readiness, and restoring timely financial reporting.

The Council has put in place a robust action plan to address the remaining barriers to timely accounts production, with clear actions focused on improving planning, capacity, quality assurance, and engagement with audit requirements. The plan will be subject to ongoing monitoring and oversight to support delivery of the 2026/2027 Accounts within the statutory timescales.

In presenting this Statement of Accounts, I also wish to recognise the professionalism and unstinting commitment of the Resources Team, together with the support and assistance of colleagues across other departments. Their continued collaboration remains essential to the production of this document and to the Council's wider progress in returning to timely statutory financial reporting.



R. Hayden, CPFA

Strategic Director - Corporate Resources

Statement of Responsibilities

Datganiad O Gyfrifoldebau



Cyngor Bwrdeistref Sirol

Blaenau Gwent

County Borough Council



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Statement of Responsibilities

The Authority's Responsibilities

The Authority is required to:

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

The Responsibilities of the Strategic Director - Corporate Resources

The Strategic Director - Corporate Resources is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code). In preparing this Statement of Accounts, the Strategic Director - Corporate Resources has:

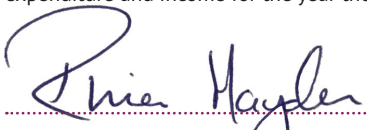
- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent; and
- Complied with the Local Authority Code.

The Strategic Director - Corporate Resources has also:

- Kept proper accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certification of Accounts

In my opinion the Statement of Accounts gives a true and fair view of the financial position of Blaenau Gwent County Borough Council and the Blaenau Gwent County Borough Council Group as at 31 March 2026, and of their expenditure and income for the year then ended


Strategic Director - Corporate Resources

28 August 2026

Date



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Cyngor Bwrdeistref Sirol

Blaenau Gwent

County Borough Council

The report of the Auditor General for Wales to the Members of Blaenau Gwent County Borough Council

Opinion on financial statements

I have audited the financial statements of:

- Blaenau Gwent County Borough Council and
- Blaenau Gwent County Borough Council Group

for the year ended 31 March 2026 under the Public Audit (Wales) Act 2004.

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

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

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025-2026.

Draft - Subject to Audit

Draft - Subject to Audit

Draft - Subject to Audit

...the Statement of Accounts comprise the financial statements and the notes to the accounts, including the summary of significant accounting policies...



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Blaenau Gwent

County Borough Council



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Blaenau Gwent

County Borough Council

Comprehensive Income and Expenditure Statement

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

Comprehensive Income & Expenditure Statement	2025/2026			2024/2025 (Restated)			Note:
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	
	£000	£000	£000	£000	£000	£000	
Continuing Operations							
Corporate Resources	26,274	(1,530)	24,744	26,467	(1,768)	24,699	17
Children, Young People & Families	56,251	(25,025)	31,226	50,202	(23,013)	27,189	
Schools Spending	77,719	(3,906)	73,813	72,761	(6,395)	66,366	30
Adults & Communities	83,123	(36,917)	46,206	81,916	(39,953)	41,963	
Economy and Place	24,545	(17,427)	7,118	26,074	(28,879)	(2,805)	46
Neighbourhood & Environment Services	36,267	(13,370)	22,897	30,746	(9,156)	21,590	
Cardiff Capital Region City Deal	1,009	(1,002)	7	1,468	(733)	735	12
Total Deficit on Continuing Services	305,188	(99,177)	206,011	289,634	(109,897)	179,737	7

Note: Gross Expenditure, Income and Net Expenditure figures for Continuing Operations have been restated for 2024/2025 to reflect the Portfolio arrangements adopted for the 2025/2026 financial year. Totals for Continuing Services are unaffected.

Comprehensive Income & Expenditure Statement (Continued)	2025/2026			2024/2025			Note:
	Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Gross Expenditure £000	Gross Income £000	Net Expenditure £000	
Total Deficit on Continuing Services	305,188	(99,177)	206,011	289,634	(109,897)	179,737	
Other Operating Expenditure	14,449	(985)	13,464	13,578	(358)	13,220	9, 19, 20
Financing and Investment Income & Expenditure	39,718	(29,145)	10,573	38,746	(28,085)	10,661	10
Taxation & Non-Specific Grant Income	0	(235,021)	(235,021)	0	(220,167)	(220,167)	8, 18, 19, 21
(Surplus)/Deficit on Provision of Services	359,355	(364,328)	(4,973)	341,958	(358,507)	(16,549)	7
Tax Expenses			14			16	46.1
(Surplus)/Deficit on Provision of Services			(4,959)			(16,533)	MiRS
(Surplus)/Deficit Arising on the Revaluation of Non-Current Assets			(9,610)			(14,157)	
Surplus on revaluation of available for sale financial assets			135			762	
Remeasurement of the net defined benefit pension liability			(22,898)			(88,811)	40
Effect of the asset ceiling on the net defined pension liability			33,745			77,791	
Other Comprehensive Income & Expenditure			1,372			(24,415)	MiRS, 23
Total Comprehensive Income & Expenditure			(3,587)			(40,948)	MiRS

Note: In the Comprehensive Income & Expenditure Statement, amounts relating to expenditure are disclosed as positive and amounts relating to income are disclosed as negative (i.e. enclosed in brackets). Consequently, total figures disclosed in brackets are surpluses, representing net income to the Authority, whilst those not in brackets are deficits, where expenditure exceeds income.

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.

Movement in Reserves Statement	Council Fund	Earmarked Council Fund Reserves	Capital Reserves		Total Usable Reserves	Unusable Reserves	Total Authority Reserves	Note
			Capital Receipts Reserve	Capital Grants Unapplied				
	£000	£000	£000	£000	£000	£000	£000	
Balance at 1 April 2024	(13,072)	(35,610)	(9,099)	(5,083)	(62,864)	(81,661)	(144,525)	
Total Comprehensive Income and Expenditure	(16,533)	0	0	0	(16,533)	(24,415)	(40,948)	CIES
Adjustments between accounting basis & funding basis under statutory provisions	18,570	0	(1,057)	(82)	17,431	(17,431)	0	24
Net (Increase)/Decrease before transfers to Earmarked Reserves	2,037	0	(1,057)	(82)	898	(41,846)	(40,948)	
Transfers from Council Fund (to) Earmarked Reserves	(2,934)	2,934	0	0	0	0	0	41
(Increase)/Decrease in 2024/2025	(897)	2,934	(1,057)	(82)	898	(41,846)	(40,948)	
Balance at 31 March 2025	(13,969)	(32,676)	(10,156)	(5,165)	(61,966)	(123,507)	(185,473)	BS

The *(Surplus) or Deficit on the Provision of Services* line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. This cost is different from the statutory amount required to be charged to the Council Fund for Council Tax setting purposes. The *Net (Increase)/Decrease before Transfers to Earmarked Reserves* line shows the statutory Council Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Authority. Earmarked Reserves have been disclosed separately in the MiRS to provide users with information regarding the use of these balances in comparison to the use of the Council Fund.

Movement in Reserves Statement 2025/2026	Council Fund £000	Earmarked Council Fund Reserves £000	Capital Reserves		Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000	Note
			Capital Receipts Reserve £000	Capital Grants Unapplied £000				
Balance at 1 April 2025	(13,969)	(32,676)	(10,156)	(5,165)	(61,966)	(123,507)	(185,473)	
Total Comprehensive Income and Expenditure	(4,959)	0	0	0	(4,959)	1,372	(3,587)	CIES
Adjustments between accounting basis & funding basis under statutory provisions	6,923	0	(1,319)	3,557	9,161	(9,161)	0	24
Net (Increase)/Decrease before transfers to Earmarked Reserves	1,964	0	(1,319)	3,557	4,202	(7,789)	(3,587)	
Transfers from Council Fund (to) Earmarked Reserves	(1,964)	1,964	0	0	0	0	0	41
(Increase)/Decrease in 2025/2026	0	1,964	(1,319)	3,557	4,202	(7,789)	(3,587)	
Balance at 31 March 2026	(13,969)	(30,712)	(11,475)	(1,608)	(57,764)	(131,296)	(189,060)	BS

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 would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under statutory provisions' (e.g. the Capital Adjustment Account, Pensions Reserve and Accumulated Absences Account).

Balance Sheet	31 March 2026		31 March 2025		Note:
	£000	£000	£000	£000	
Property, Plant & Equipment	390,531		381,661		25, 27, 30
Investment Properties	8,842		7,147		25.5, 46
Heritage Assets	820		726		26
Intangible Assets	76		94		25.4
Non-Current Investments	660		593		28
Non-Current Debtors	25,850		25,693		29
Non-Current Deferred Tax Asset	247		115		
Sub Total: Long-Term Assets		427,026		416,029	
Current Investments	2,066		3,119		31
Inventories	220		247		32
Current Debtors	56,996		55,266		33
Deferred Tax Asset	0		0		46
Cash and Cash Equivalents	6,710		2,573		44
Sub Total: Current Assets		65,992		61,205	
Current Borrowing	(92,403)		(75,361)		37-38
Current Creditors	(32,540)		(34,153)		34
Current Grants Receipts in Advance	(4,932)		(3,732)		21
Current Donated Assets	(2)		(28)		32
Current Provisions	(1,321)		(2,213)		35
Sub Total: Current Liabilities		(131,198)		(115,487)	
Non-Current Borrowing	(74,338)		(79,878)		37-38
Non-Current Provisions	(5,391)		(6,520)		35
Other Long-Term Liabilities	(93,031)		(89,876)		36, 40
Sub Total: Long-Term Liabilities		(172,760)		(176,274)	
Total Net Assets/(Liabilities)		189,060		185,473	
Usable Reserves	(57,764)		(61,966)		41.1
Unusable Reserves	(131,296)		(123,507)		41.2
Total Reserves		(189,060)		(185,473)	

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 classifying cash inflows and (outflows) as operating, investing and financing activities.

Cash Flow Statement	2025/2026		2024/2025		Note:
	£000	£000	£000	£000	
Net surplus/(deficit) on the provision of services <i>less</i> tax expenses	4,959		16,533		CIES
Adjustments to the provision of services for non-cash movements	35,645		18,255		42.1
Adjustments for items included in the provision of services that are investing and financing activities	(34,391)		(38,635)		42.2
Net Cash Inflows/(Outflows) from Operating Activities		6,213		(3,847)	
Investing activities		(12,611)		(9,994)	43.1
Financing activities		10,535		(1,576)	43.2
Net increase or (decrease) in cash and cash equivalents		4,137		(15,417)	
Cash and cash equivalents at the beginning of the reporting period		2,573		17,990	BS, 44
Cash and cash equivalents at the end of the reporting period		6,710		2,573	BS, 44

- The amount of net cashflows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of services provided.
- Investing activities represent cashflows relating to the acquisition, disposal and funding via capital grant of resources which are intended to contribute to the Authority's future service delivery, i.e. non-current assets.
- Cashflows arising from financing activities represent the extent to which borrowing and similar charges have increased/decreased during the year and are useful in predicting claims on future cash flows by providers of capital to the Authority.



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Cyngor Bwrdeistref Sirol

Blaenau Gwent

County Borough Council

1. Accounting Policies

1.1 General Principles

The Statement of Accounts summarises the Authority's transactions for the 2025/2026 financial year and its position at the year-end of 31 March 2026. The Authority is required to prepare an annual Statement of Accounts in accordance with proper accounting practices by the Accounts and Audit (Wales) Regulations 2014.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2025/2026 and the Service Reporting Code of Practice 2025/2026, supported by International Financial Reporting Standards (IFRS). Where there is no relevant IFRS or International Accounting Standard (IAS), reference is made to International Public Sector Accounting Standards (IPSASs); if there is no relevant IPSAS, domestic Financial Reporting Standards (FRSs) are applied.

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

1.2 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that are held in call accounts, with other Local Authorities and banks, and that are readily convertible to known amounts of cash with insignificant risk of change in value, or are due to mature within 90 days of the Balance Sheet date.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

1.3 Employee Benefits

1.3.1 Post Employment Benefits

The Local Government Pension Scheme

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

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

- Liabilities are discounted to their value at current prices, with the default accounting assumptions used by Hymans Robertson being:

Duration Category	31 March 2026			31 March 2025		
	Discount	RPI	CPI	Discount	RPI	CPI
	Rate			Rate		
	%	%	%	%	%	%
Ultra short (Less than 11 years)	6.10	3.40	3.00	5.80	3.15	2.80
Short (between 11 and 17 years)	6.20	3.30	3.00	5.80	3.15	2.80
Medium (between 17 and 23 years)	6.30	3.25	3.00	5.80	3.05	2.75
Long (between 23 and 29 years)	6.30	3.20	3.00	5.85	2.95	2.70
Ultra long (over 29 years)	6.35	3.20	3.00	5.85	2.95	2.70

Discount rates have been derived for each duration profile at which payments may be due, based on a 'Hymans Robertson' corporate bond yield curve, constructed on the basis of the constituents of the iBoxx AA-rated corporate bond index.

Remeasurements of the net defined benefit liability

- Actuarial gains and losses – changes in the present value of the defined obligation resulting from changes in actuarial assumptions or the effects of differences between actuarial assumptions and actual events - debited or credited to the Remeasurement of the net defined benefit liability line in the CIES.
- Return on plan assets, excluding amounts included in Net Interest on the net defined benefit liability - the sum of any interest, dividends and other income derived from plan assets, together with realised and unrealised gains or losses, less any costs of managing plan assets and tax payable by the plan. Interest on plan assets is determined by multiplying the fair value of plan assets by the rate used to discount liabilities - credited to the Remeasurement of the net defined benefit liability line in the CIES.

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

1.3.2 Discretionary Benefits

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

1.4 Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

1.5 Provisions

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

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

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

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

Where the Authority has a legal obligation to restore a landfill site at the end of its operational life, a provision is recognised for the estimated future costs of site restoration and aftercare, measured at the present value of the expected future cash flows required to settle the obligation. The decommissioning provision is discounted using a rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised annually as a finance cost in the Comprehensive Income and Expenditure Statement. The provision is reviewed at each reporting date and adjusted to reflect changes in the estimated timing or amount of the outflows, or changes in the discount rate.

1.6 Financial Instruments

Valuation of Assets and Liabilities Carried at Amortised Cost

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

- The discount rate used in the NPV calculation is equal to the current rate in relation to the same instrument from a comparable lender. This is the rate applicable in the market on the date of valuation (31 March 2026) for an instrument with the same duration, i.e. equal to the outstanding period from valuation date to maturity. For Public Works Loan Board (PWLb) borrowing the new PWLB borrowing rate has been used.
- Interest is calculated using the most common market convention (actual number of days/365).
- For fixed term deposits it is assumed that interest is received on maturity.

Fair value disclosures have not been calculated for short term financial assets including receivables (debtors), or short term financial liabilities including payables (creditors), since the carrying amounts represent a reasonable approximation of fair value.

Premiums/Discounts

1. Where premiums/discounts arising before April 2006 could be attributed to the replacement debt, then they were amortised using an effective interest basis and were included as part of the replacement loan carrying amount as at 31 March 2007. The additional interest resulting from the effective interest method is charged to the Comprehensive Income & Expenditure Statement.
2. Where premiums/discounts arising before 1 April 2006 could not be attributed to identifiable loan debt on the closing 2006/2007 Balance Sheet, then they were derecognised by writing off the balance as at 31 March 2007 to the Council Fund/HRA balance and then reversing out through the Financial Instruments Adjustment Account. The premium/discount write down for future years is charged/ (credited) to the Movement in Reserves Statement.
3. Where premiums/discounts have arisen after 1 April 2006, then the accounting treatment depends upon whether it can be classified as a modification or an extinguishment. In order to be classified as a modification, then the repayment and replacement must be on the same day and must meet the 10% test. If the modification test cannot be met then it is treated as an extinguishment. All post April 2006 premiums/discounts do not meet the modification test and therefore have been accounted for as extinguishments, with the accounting treatment being the same as for (2) above.

Interest

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

- PWLB debt – on a nominal basis, with the exception of loans where premiums/discounts are included as part of the carrying amount, where interest is calculated using an effective interest basis.
- Market loans - on a nominal basis.
- Temporary Loans & Investments – on a nominal basis.

1.7 Intangible Assets

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 economic benefits or service potential will flow from the intangible asset to the Authority.

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 service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the Council Fund Balance. The gains and losses are therefore reversed out of the Council Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

1.8 Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using last known cost.

1.9 Leases

The Authority adopted IFRS 16 (Leases) with effect from 1 April 2024. This standard introduces a single lessee accounting model, removing the previous classification of finance and operating leases. The Authority as lessee is required to recognise Right-of-use assets for all qualifying leases within Property Plant and Equipment, with corresponding liabilities representing the obligation to make future lease payments. Lessor accounting remains relatively unchanged.

The Authority as Lessee

The Authority classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

Initial Measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The Authority initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the Authority's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined.

Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the Authority is reasonably certain to exercise
- lease payments in an optional renewal period if the Authority is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the Authority is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

Subsequent Measurement

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method.

The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate;
- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee;
- the Authority changes its assessment of whether it will exercise a purchase, extension or termination option; or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the Comprehensive Income & Expenditure Statement.

Low value and short lease exemption

As permitted by the Code, the Authority excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items; or
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the Authority is reasonably certain to exercise and any termination options that the Authority is reasonably certain not to exercise).

Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight-line depreciation, asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Rentals for leases of low-value items or shorter than 12 months are also charged to the relevant service heading in the CIES.

Lease payments are debited against the balance sheet liability.

Depreciation and impairments are not charges against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Charges to service accounts for these amounts are therefore reversed out of the Council Fund by appropriations to the Capital Adjustment Account in the Movement in Reserves Statement.

The Authority as Lessor

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

Finance Leases

Where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the Council Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the Council Fund balance to the capital receipts reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the Council Fund balance to the deferred capital receipts reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the capital receipts reserve.

The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Reversing amounts are therefore appropriated to the capital adjustment account from the Council Fund balance in the Movement in Reserves Statement.

Operating Leases

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

1.10 Fair Value Measurement

The Authority measures some of its non-financial assets such as Surplus Assets and Assets Held for Sale at fair value at each reporting date in accordance with the measurement requirements of IFRS13 *Fair Value Measurement*.

Surplus assets are defined as Property, Plant & Equipment (PPE) assets that do not provide service potential for the Authority and are therefore not measured for their service potential but for the economic benefits inherent in the assets. They are revalued at fair value at the point of being declared surplus and then in accordance with the usual 5 year rolling programme of revaluations.

Assets Held for Sale are assets where it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use. They are held at the lower of carrying amount (before reclassification) or Fair Value.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset takes place either:

- a) in the principal market for the asset; or
- b) in the absence of a principal market, in the most advantageous market for the asset.

The Authority measures the fair value of an asset using the assumptions that market participants would use when pricing the asset, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Authority takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. In considering alternative higher and best uses for the asset being valued, consideration has been given to value for the asset that may not necessarily be reflected in the existing configuration or use of the asset. In the consideration of alternatives the physical, legal and financial feasibility of that alternative has been taken into account.

The Authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of non-financial assets for which fair value is measured or disclosed in the Authority's financial statements are categorised within the fair value hierarchy, as follows:

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

All valuations for surplus assets and assets held for sale fall into the level 3 category, due to the nature of the valuation technique. The valuation technique maximises the use of relevant observable inputs and minimises the use of unobservable inputs.

Information about the valuation techniques and inputs used in determining the fair value of the Authority's surplus assets are disclosed in note 25.6 to the Balance Sheet.

1.11 Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to surplus assets under PPE and valued at fair value in accordance with the fair value measurement requirements of IFRS13 (*see Accounting Policy 1.10*).

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale, but are treated as surplus assets within Property, Plant & Equipment.

The following criteria have to be satisfied in order to classify an asset as held for sale:

- The asset must be available for immediate sale;
- The sale must be highly probable & there must be an active programme to locate a buyer;
- The asset must be marketed for sale at a price that is reasonable in relation to its fair value; and
- The sale should be anticipated to be completed within one year from the date of classification.

1.12 Surplus Non-Current Assets Under PPE

Assets that have been declared surplus that do not meet the criteria above are reclassified as surplus assets under PPE and valued at fair value at the point they are declared surplus. This will be its highest and best use in accordance with the fair value measurement requirements of IFRS13 (*see Accounting Policy 1.10*).

1.13 Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice 2025/2026 (SeRCoP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core – costs relating to the Authority's status as a multifunctional, democratic organisation.
- Non Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and impairment losses chargeable on Assets Held for Sale.

These two cost categories are defined in SeRCoP and accounted for within the Corporate Resources Portfolio in the Expenditure & Funding Analysis (EFA), as part of Net Expenditure on Continuing Services.

The total actual costs of central departments are recharged as central support charges to services on the basis of estimated staff time. Office accommodation charges are pooled and allocated on the basis of floor area. I.T. recharges are made on the basis of hardware and software usage.

The Authority's Management Accounts, included in the EFA, reflect the proper allocation of overhead and support costs to services. Where recharges are made between accounting segments (i.e. Portfolios), these have been removed by adjustment in the EFA and are not included in the Comprehensive Income & Expenditure Statement.

1.14 Property, Plant and Equipment

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

1.14.1 Recognition

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

Only expenditure in excess of £10,000 has been capitalised, with amounts below this threshold being charged directly to revenue. The exceptions to this are highways and health & safety assets that individually fall below this de-minimis level but are capitalised because they are treated as one single item of expenditure in the year and expenditure that has a capital grant approval.

Where the Authority has a legal obligation to restore a site (e.g. landfill) at the end of its operational life, a provision is recognised for the estimated future costs of site restoration and aftercare. This provision is included in the cost of the decommissioning asset and is measured at the present value of the expected future cash flows required to settle the obligation.

1.14.2 Initial Measurement, Revaluation and Indexation

Assets are initially measured at cost, comprising:

- The purchase price;
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- 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.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure assets – depreciated historical cost. Not all roads and infrastructure assets are included in the Balance Sheet as the asset valuation reflects historic expenditure incurred on such assets from a point in time. Any roads provided by private developers that are adopted by the Authority are not individually recognised on the Balance Sheet and are effectively recorded at nil value. From 2021/2022, only the Net Book Value of Infrastructure Assets has been reported in the Accounts, as allowed by CIPFA's temporary adjustment to the Accounting Code of Practice. In accordance with provision 24L of The Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2022), where works have been undertaken to existing Infrastructure Assets, the carrying amount of any component that has been replaced has been determined as being nil.
- Community assets and assets under construction – depreciated historical cost;
- All other operational PPE assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV). Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value. Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value; and
- Surplus Assets under PPE – fair value in accordance with the definitions and measurement requirements in IFRS13.

Assets included in the Balance Sheet at fair value are revalued on the basis of a five-year rolling programme supplemented by annual indexation of assets not formally valued during the year to ensure that their carrying amount is not materially different from their fair value at the year-end. In 2025/2026, the following indices have been applied to the relevant asset classification:

Asset Classification	Indexation Basis
Operational Buildings	The 'BCIS All in TPI' index has been used for assets valued on a Depreciated Replacement Cost (DRC) basis. The 'MSCI All Property' index was considered for other operational buildings, but due to the type, quality and location of assets underlying the index, this has only been applied in limited cases (for newly commissioned assets). The valuation of most 'Other Operational Buildings' has been adjusted using the 'BCIS All in TPI' index.
Industrial & Business Units	The 'MSCI Industrial' index was considered for Industrial and Business Units, but due to the type, quality and location of assets underlying the index, this has only been applied in limited cases (for newly commissioned assets). The valuation of most 'Industrial & Business Units' has been adjusted using the 'BCIS All in TPI' index.
Surplus Assets	Surplus Assets includes a range of assets that vary in classification and condition. All have been indexed using the 'BCIS All in TPI' index.
Land	Land has been classified as either Urban/Brownfield, Greenfield or Farmland. Urban Land falls within the boundaries of a developed urban area, including land on which operational assets are situated; Greenfield Land is undeveloped land at the edge of urban areas, including land reclamation sites; and Farmland is land with a designated agricultural purpose. Brownfield Land has been indexed using the Savills Brownfield Index - Wales; Greenfield Land has been indexed using the Savills Greenfield Index - Wales; and Farmland has been indexed using the Savills Farmland Index - Wales.

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

Decommissioning assets are measured at the present value of the expected future cash flows required to settle the obligation in accordance with IFRS13. This valuation is reviewed over the life of the asset and adjusted for any discount unwound, expenditure incurred, changes in the estimates of future cash flows and the rate used to calculate the discounted value of those obligations. In the absence of a statutory override, any changes in the valuation of the decommissioning asset are charged to the relevant heading in the Comprehensive Income and Expenditure Statement (as either service expenditure or financing costs), but are not subsequently reversed to the Capital Adjustment Account.

Where decreases in value are identified, the accounting treatment is:

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

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

1.14.3 Impairment

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

Where impairment losses are identified, they are accounted for by:

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

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

1.14.4 Depreciation

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

Depreciation is calculated on the following bases:

- Dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer;
- Vehicles, plant, furniture and equipment – straight-line allocation over the useful life of the asset, as advised by a suitably qualified officer; and
- Infrastructure – straight-line allocation.

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

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

Where qualifying assets have been acquired or disposed of part way through the year, depreciation has been charged on a daily basis.

For buildings, a technical assessment of the useful life of the asset is provided by the Authority's appointed external valuers, Savills (UK) Limited.

For other asset-types, the following standard lives have been used to calculate depreciation amounts:

Asset Type	Standard Life (Years)
Vehicles	5
Equipment	10
I.T. Equipment	5
Infrastructure Assets	40
Street Lighting	40

†: In some cases the relevant technical officer may provide a different assessment of the useful life.

Assets which have been fully depreciated over their standard life are reviewed to confirm continued existence and ownership. If possible, the asset will then be revalued and re-lifed (i.e. a new assessment of the remaining useful life determined). Where existence and ownership cannot be evidenced, the Gross Book Value and Accumulated Depreciation of the asset is written out at the start of the following financial year.

1.14.5 Disposals

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

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

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

1.14.6 Componentisation

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

- A material component is defined as one that has a gross replacement cost in excess of 25% or the total gross replacement cost for the asset;
- Where material components have been identified the current carrying amount of that component is reflected as a separate asset and depreciated over the life of that component.

1.15 Heritage Assets

Tangible heritage assets are defined as having historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. Intangible heritage assets are defined as having cultural, environmental, or historical significance.

The Authority has identified three heritage assets for inclusion on the balance sheet, which have been valued on the basis of insurance replacement cost. Where significant physical deterioration or damage has occurred to the assets, this has been recognised as an impairment charge. The useful lives of these assets have been assessed as 'indefinite' and therefore no depreciation is charged.

The acquisition of heritage assets is a rare occurrence; in the event a new asset is acquired or identified it will be valued using an appropriate basis (where the expected value is estimated to be significant). Given the nature of heritage assets identified for inclusion in the accounts, disposal is also a rare occurrence. On disposal, proceeds would be accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts as outlined in section 1.14.5.

An Heritage Assets Register is maintained by the Authority which details qualifying assets within the boundaries of the County Borough, including those assets identified as heritage assets for the purposes of the Statement of Accounts.

1.16 Investments and Investment Properties

1.16.1 Investment Properties

Investment properties are those held solely to earn rentals and/or for capital appreciation such as ground leases, land held for future development as strategic sites and other land and buildings that meet investment property criteria. Investment properties are measured at fair value, based on the market value that would be received to sell an asset in an orderly transaction between market participants at the measurement date, reflecting the asset's highest and best use.

Investment properties are not depreciated, but a full revaluation of the assets is required on an annual basis. Gains and losses on revaluation and disposal are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

The Cardiff Capital Region City Deal (CCRCDD) has a number of investment properties, with the most recent valuation of these having taken place during the preparation of their 2025/2026 accounts.

1.17 Minimum Revenue Provision

Local Authorities are normally required each year to set aside some of their revenues as provision for capital expenditure financed by borrowing or credit arrangements. This is referred to as Minimum Revenue Provision (MRP).

The Welsh Government issued regulations for the making of MRP with effect from the 2008/2009 financial year, requiring Local Authorities to make a prudent provision for MRP. Local Authorities are legally obliged to "have regard" to such guidance (i.e. set a prudent MRP). The legislation does not define what constitutes a "prudent provision", however the MRP guidance issued by the Secretary of State interprets the term and provides some examples.

The MRP for 2025/2026 has been calculated in accordance with the MRP policy that was approved by full Council in March 2025, using the following method:

- Supported Borrowing – MRP is calculated on an annuity basis over 50 years.
- Unsupported Borrowing – The calculation looks at the average asset life for all unsupported borrowing in each year and applies the annuity calculation to the total unsupported borrowing capital expenditure for that year.
- Right of Use Assets – The MRP for Right of Use Assets is equal to the principal element of the rental payable each year.

1.18 Tax Income (Council Tax and National Non-Domestic Rates (NNDR))

The Authority follows the principles in IPSAS23 *Revenue from Non-Exchange transactions (Taxes and Transfers)* in respect of accounting for tax income collected, except where interpretations or adaptations to fit the public sector are detailed in the Code.

Council Tax

The Authority collects and distributes Council Tax on behalf of the Police & Crime Commissioner for Gwent and four town or community councils. The precept for each of these bodies is paid in full during the financial year and is not affected by the level of Council Tax actually collected. As payment is made in full, there are no debtor or creditor balances recognised for precepting bodies on the Balance Sheet.

The Comprehensive Income & Expenditure Statement recognises the amount due to the Authority for the year. Any surplus or deficit arising on collection is also included in Taxation and Non-Specific Grant Income.

Council Tax Reduction Scheme (CTRS)

Costs relating to the Council Tax Reduction Scheme are included as expenses paid through the tax system and in accordance with IPSAS 23 are recognised as a service cost and not a reduction of Council Tax income through foregone revenues.

National Non-Domestic Rates (NNDR)

The Authority collects National Non-Domestic Rates (NNDR) under an agency arrangement with the Welsh Government. Cash collected from non-domestic ratepayers is not the income of the Authority and is therefore not included in its Accounting Statements. Debtor and creditor balances with taxpayers and the impairment allowance for doubtful debts are not the assets and liabilities of the Authority and are therefore not recognised in the Balance Sheet.

A debtor or creditor is included for cash collected on an agency basis that has been under or overpaid to the Welsh Government at the Balance Sheet date. The Comprehensive Income and Expenditure Statement includes the Authority's contribution due from the NNDR Pool, the cost of collection allowance for the year and accrued amounts billed in pursuit of unpaid NNDR debts.

1.19 Joint Arrangements

Joint Arrangements involve the provision of services by two or more parties that have joint control over the activity, bound by contract. These arrangements can be classed as Joint Ventures or Joint Operations, depending on the status of the arrangement as an entity in its own right, the degree to which the owning parties have control over the entity and the governance arrangements in place.

The Lime Avenue Joint Venture Agreement is a partnership between the Council and Welsh Government for the development of business units on the Lime Avenue and Regain 2 sites in Ebbw Vale. This arrangement has been classed as a joint operation as it is considered that joint control exists between the two parties, and that ultimately the authority has rights and obligations in relation to the assets and liabilities of the arrangement. In accordance with the Code requirements, the Authority has included its share of income, expenditure, assets, liabilities, reserves and cash flows relating to the arrangement within the single entity accounting statements and disclosures.

In assessing all other joint arrangements in which Blaenau Gwent participates, it has been concluded in each case that no separate legal entity exists and that the Authority does not have control (as defined by the Accounting Code and IFRS10). Consequently, the accounts of these arrangements have not been consolidated in the group accounting statements and in each case the Comprehensive Income and Expenditure Account reflects the transactions occurring between the Authority and the joint arrangement.

1.20 Accounting for Schools

The Accounting Code includes a prescribed treatment for the inclusion of schools in the Statement of Accounts. CIPFA/LASAAC is of the view that local authority maintained schools are capable of being treated as separate entities for control purposes, and that based on the indicators of control identified under the requirements of the Code's adoption of IFRS10 *Consolidated Financial Statements*, the balance of control lies with local authorities. Consequently, schools should be included in group accounts. However, the Code also includes an adaptation to the definition of single entity financial statements to include the income, expenditure, assets, liabilities, reserves and cash flows of local authority maintained schools.

All maintained schools in the County Borough are now therefore considered to be entities controlled by the Authority, with the income, expenditure, assets, liabilities, reserves and cash flows of each school recognised in the single entity accounts on the basis outlined below. The Authority has the following types of maintained schools under its control:

- Community
- Voluntary Aided
- Voluntary Controlled
- Foundation

Schools Non-Current Assets are recognised on the Balance Sheet where the Authority directly owns the assets, holds the balance of control of the assets or where the school or the school Governing Body own the assets or have had rights to use the assets transferred to them. Land and buildings used by schools are recognised in accordance with the recognition tests relevant to the arrangements that prevail for the property.

Community schools are owned by the Authority and are, therefore, recognised on the Balance Sheet.

The four Voluntary Aided and Controlled schools within the County Borough are owned by the respective Diocese with no formal rights to use the assets through licence arrangements passed to the school or Governing Bodies. The assets are used under "mere" licences that pass no interest to the school and which are terminable by the trustees at any time without causal action. As a result these schools are not recognised on the Balance Sheet.

Ownership and control of the Foundation school lies with the school or the school's Governing Body and therefore the assets have been recognised on the Balance Sheet with effect from 1 April 2013.

For those maintained schools not controlled by the Authority, any transactions made on their behalf have been included in the Comprehensive Income & Expenditure Statement and related notes under the appropriate Service Code of Practice standard subjective grouping, or exceptionally as third party payments.

1.21 Group Accounts

In addition to the preparation of single entity financial statements, the Authority is required to prepare Group Accounts where it has interests in subsidiaries, associates and joint ventures, unless those interests are considered not material. The 2014/2015 Code included revisions resulting from the introduction or amendment in May 2011 of five accounting standards (IFRS10 *Consolidated Financial Statements*, IFRS11 *Joint Ventures*, IFRS12 *Disclosure of Interests in Other Entities*, IAS27 *Separate Financial Statements* and IAS28 *Investments in Associates*) relating to the preparation of group or consolidated accounts. These standards included amendments to the definition of the group boundary that could impact on the entities to be consolidated with the Authority in preparing group accounts.

The relevant standards and the CIPFA publication *Accounting for Collaboration in Local Government* have been used to determine the correct treatment of collaborative working arrangements in which the Authority is involved. As a result, the group boundary has been determined as including the Authority and the Bedwellty House & Park Charitable Trust (of which the Council is the sole trustee).

The Authority's interest in the Education Achievement Service for South-East Wales has not been consolidated in the Group Accounts. Whilst the Authority holds a 20% interest in the company, which would normally trigger the requirements for inclusion as an associate company within group accounts, there are a number of factors that counter-indicate the Authority having significant influence over the EAS, including the level of control exercised by Welsh Government, and therefore the presumption for inclusion has been rebutted.

1.22 Determination of Operating Segments

For the purpose of classifying expenditure and income in the Comprehensive Income and Expenditure Statement (CIES) and Expenditure and Funding Analysis (EFA), operating segments disclosed have been aligned with the Authority's Portfolio structure. All Portfolios and Committees have been disclosed, regardless of size in monetary terms, and there has been no aggregation of segments in these Accounts.

Comparative information in the relevant Accounting Statements and disclosures (notably the Comprehensive Income and Expenditure Statement (CIES) and Expenditure and Funding Analysis (EFA)) has been restated to reflect the restructuring of the Authority's Portfolios during the 2025/2026 financial year.

2. Impact of changes in Accounting Policies and Estimates

From 1 April 2025, the Authority implemented the amended Code requirements relating to the revaluation of Property, Plant & Equipment included on the Balance Sheet. Indexation of assets not formally valued during the year resulted in a net increase in carrying values of £4.468 million. In 2024/2025, indexation of assets valued on a DRC basis increased carrying values by £2.557 million. The extension of indexation to cover a broader range of assets has not therefore had a material impact on the 2025/2026 Accounts.

3. Accounting Standards Issued but not yet Adopted

The following accounting standards have been issued but not yet adopted in the CIPFA Code of Practice on Local Authority Accounting, but will take effect from 1 April 2026 (i.e. in the 2026/2027 financial year):

Source, Requirement and Potential Impact
<i>FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (amendments to heritage assets)</i> Issued March 2024: These amendments are intended to provide clarification and improve consistency of application of the existing accounting treatment of heritage assets. These changes are not expected to have a material impact on the Authority's Accounts, but will be reviewed in line with any future CIPFA Code amendments or Guidance when preparing disclosures for the Council and Group Accounts in 2026/2027.
<i>IFRS 7 Financial Instruments: Disclosures</i> <i>IFRS 9 Financial Instruments</i> Issued May 2024: Amendments to the Classification and Measurement of Financial Instruments. This amendment provides additional clarification relating to the classification and measurement of certain financial assets, the derecognition of specific financial liabilities and associated disclosure requirements. These amendments are not expected to have a material impact on the recognition, measurement or disclosure of its existing financial instruments. Issued December 2024: Contracts Referencing Nature-dependent Electricity - these amendments clarify the accounting treatment of qualifying renewable electricity contracts, including certain power purchase agreements, and introduce additional disclosure requirements. The Authority does not currently anticipate a material impact on its financial statements but this assessment will be kept under review should it enter into significant renewable electricity contractual arrangements.
<i>Annual improvements to IFRS accounting standards - Volume 11</i> Issued July 2024: The amendments include a number of minor clarifications and consistency improvements affecting IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 which are not expected to have a material impact on the Authority's 2026/2027 Accounts.

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

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Authority's Balance Sheet at 31 March 2026 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Local Government Scheme Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. The Greater Gwent Local Government Pension Scheme has engaged Hymans Robertson LLP as its consulting actuary to provide expert advice concerning the appropriate assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. The fund actuary has advised that a 1% decrease in the discount rate assumption would result in an increase in the pension liability of £73.12m. However, the assumptions interact in complex ways. During 2025/2026, the Authority's actuaries advised that the net pensions asset had increased by £22.898m as a result of remeasurements of pension assets and liabilities. Note 40 includes more detailed sensitivity analysis and information on remeasurement gains and losses for the financial year.
Revaluation of Property, Plant and Equipment	Property, Plant and Equipment assets are formally revalued or indexed on a sufficiently regular basis to ensure their carrying amount is not materially different from their fair value. As a minimum, all assets (other than those valued on an Historical Cost Basis) are revalued every five years. In addition, all assets are assessed annually for impairment. The value of the asset portfolio is based upon calculations and estimation techniques following the Royal Institute of Chartered Surveyors (RICS) guidance.	The appointed valuers have applied professional judgement and assumptions in determining the value of assets and the extent of any impairment. Given the revaluation of £51.647m of assets in 2025/2026, a 1% variation arising from the judgements and assumptions adopted could result in an over or understatement of the Gross Book Value of PPE of £0.516m. Such variations could result in the Statement of Accounts being materially mis-stated and their adjustment could have an impact on the Balance Sheet, CIES and the level of the Authority's Reserves.
Indexation of Assets not subject to a formal valuation in-year	The 2026 Accounting Code requires the indexation of any assets (held at fair value) for which there has not been a formal revaluation during the financial year. A range of indices have been considered and applied to relevant assets based on their classification, location and condition. These ranged from -2.0% (Brownfield Land) to +9.3% (MSCI Industrial).	Indexation of assets resulted in a net increase in carrying values of £4.468m, which represented a 1.98% average increase. Based on initial Carrying Values of £225.572m, a 1% change in the average indexation percentage would result in an increase or decrease of £2.256m.
Fair Value Estimations	When the fair values of Investment Properties, Surplus Assets and Assets Held for Sale cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using the following valuation techniques: - For Level 2 inputs, quoted prices for similar assets or liabilities in active markets at the balance sheet date; - For level 3 inputs, valuations based on a combination of available market data derived from a mixture of transactions on both Council and 3rd party assets which are then analysed to take into account yields, rates per sq. m, build costs etc.. Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible, judgment is required in establishing fair values. These judgments typically include considerations such as uncertainty and risk. Changes in assumptions used could affect the fair value of the Authority's assets and liabilities.	The Authority uses a combination of available market data derived from a mixture of transactions on both Council and 3rd party assets which are then analysed to take into account yields, rates per sq. m, build costs etc. to measure the fair value of its Surplus Assets and Assets Held for Sale under IFRS13, depending on which technique it considers most appropriate. The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, occupancy levels, floor area repairs backlogs, and others. Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for these assets.
Depreciation of Property, Plant and Equipment	Assets are depreciated based on useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. Uncertainty around current and future funding for the Council could result in reductions in the level of expenditure incurred on repairs and maintenance. This could reduce the useful economic lives assigned to assets.	If the useful economic life of assets is reduced, depreciation charged to the CIES increases and the carrying amount of assets on the Balance Sheet falls.
Impairment of Debtors	As at 31 March 2026, the Authority has an outstanding debtors balance of £93.108m. In accordance with proper accounting practice, impairment allowances totalling £11.028m have been calculated for the various classifications of debt outstanding. However, these allowances are based on estimates and judgements, including past experience of collecting similar debts, which may not accurately reflect future levels of debt recovery.	An overstatement of debtor impairment allowances would result in an understatement of income recoverable that would require adjustment in the Accounting Statements. At 31 March 2026, impairment allowances represent 11.84% of debt outstanding. A 5% overstatement in impairment would therefore represent a potential reduction in revenues of £4.651m.

5. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- i. These accounts have been prepared on a going concern basis, which assumes that the functions and services provided by the Authority will continue in operational existence for the foreseeable future, although there will be significant financial challenges to be met (*see also note 15 to the Narrative Report*).
- ii. The Authority has reviewed all property assets in accordance with the relevant accounting policies and has made appropriate reclassifications for assets that are held for sale.
- iii. All maintained schools in the County Borough are considered to be entities controlled by the Authority, with the income, expenditure, assets, liabilities, reserves and cash flows of each school recognised in the single entity accounts on the basis outlined in the Authority's Accounting Policies (1.20).
- iv. The Authority has determined that assets it has constructed for economic development purposes, e.g. industrial estates, are not held solely for the purpose of income generation or capital appreciation and therefore do not meet the definition of investment properties. These assets have been treated as Property, Plant and Equipment in the Balance Sheet. However, where assets have been purchased with existing tenants in place, manufacturing goods or providing services that are outside of the normal activities of the Authority, it has been determined that these assets meet the definition of Investment Properties at the balance sheet date and have been included as such.
- v. The Authority has recognised 'Right of Use Assets' in accordance with IFRS16, except where the expected remaining term of the arrangement is less than 1 year, and/or the value of the arrangement is less than £10,000. Where there is a reasonable expectation that an arrangement will be extended, such that the remaining term will be greater than 1 year, these have been included as Right of Use Assets.
- vi. Capital and revenue grants and contributions continue to be reviewed to determine the existence of any conditions requiring repayment of sums involved to the awarding body, and the extent to which any conditions have been fulfilled. There has been a consequential impact on sums retained on the Balance Sheet and credited to the Comprehensive Income and Expenditure Statement.
- vii. Where disclosure notes required by the Accounting Code are insignificant or immaterial in value and their omission has been determined not to have a detrimental impact on the presentation of the financial position or performance of the Authority, these disclosures have not been presented.

6. Events After the Reporting Period

The Statement of Accounts was authorised for issue by Ms R. Hayden CPFA, Strategic Director - Corporate Resources on 28 August 2026.

Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Comprehensive Income and Expenditure Statement Notes

7. Expenditure and Funding Analysis

The Expenditure & Funding Analysis shows how annual expenditure is used and funded from resources (i.e. government grants, council tax and business rates) by the Authority in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and Expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Expenditure & Funding Analysis	2025/2026					2024/2025 (Restated)				
	Management Account Net Expenditure	Accounting Code Adjustments (Note 7.1)	Net Expenditure Chargeable to the Council Fund (Note 7.2)	Funding & Accounting Basis Adjustments (Note 7.3)	CIES Net Expenditure	Management Account Net Expenditure	Accounting Code Adjustments (Note 7.1)	Net Expenditure Chargeable to the Council Fund (Note 7.2)	Funding & Accounting Basis Adjustments (Note 7.3)	CIES Net Expenditure
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Corporate Resources	23,890	1,475	25,365	(621)	24,744	23,908	120	24,028	671	24,699
Children, Young People & Families	97,844	(64,324)	33,520	(2,294)	31,226	91,391	(61,023)	30,368	(3,179)	27,189
Schools Spending	13,619	48,116	61,735	12,078	73,813	6,320	49,009	55,329	11,037	66,366
Adults & Communities	48,446	(2,868)	45,578	628	46,206	43,440	461	43,901	(1,938)	41,963
Economy and Place	5,506	(2,771)	2,735	4,383	7,118	7,676	(5,935)	1,741	(4,546)	(2,805)
Neighbourhood & Environment Services	28,098	(11,043)	17,055	5,842	22,897	27,064	(9,705)	17,359	4,231	21,590
Cardiff Capital Region City Deal	0	(29)	(29)	36	7	0	707	707	28	735
Capital Adjustments*	0	5	5	(5)	0	0	(5)	(5)	5	0
Pension Adjustments**	0	486	486	(486)	0	0	929	929	(929)	0
Net Expenditure on Continuing Operations	217,403	(30,953)	186,450	19,561	206,011	199,799	(25,442)	174,357	5,380	179,737
Other Operating Expenditure	0	13,916	13,916	(452)	13,464	0	12,747	12,747	473	13,220
Financing & Investment Income & Expenditure	0	9,106	9,106	1,467	10,573	0	9,020	9,020	1,641	10,661
Taxation & Non-Specific Grant Income	0	(207,522)	(207,522)	(27,499)	(235,021)	0	(194,103)	(194,103)	(26,064)	(220,167)
(Surplus)/Deficit on the Provision of Services	217,403	(215,453)	1,950	(6,923)	(4,973)	199,799	(197,778)	2,021	(18,570)	(16,549)
Tax Expenses			14					16		
Transfers to/(from) earmarked reserves			(1,964)					(2,934)		
(Increase)/Decrease in year			0					(897)		
Opening Council Fund Balance as at 1 April			(13,969)					(13,072)		
Closing Council Fund Balance as at 31 March			(13,969)					(13,969)		

*: Capital Adjustments relate to a correction of amounts posted to Capital schemes relating to the accrual of estimated amounts of compensated absence liabilities at year-end.

** : Pension Adjustments represents corporate amounts for Past Service Cost/Curtailment payments to the Local Government Pension Scheme.

Note: Gross Expenditure, Income and Net Expenditure figures for Continuing Operations have been restated for 2024/2025 to reflect the Portfolio arrangements adopted for the 2025/2026 financial year. Totals for Continuing Services are unaffected.

7.1 Code-Compliant Adjustments to Management Accounts

This table shows the adjustments made to the 2025/2026 management accounts to arrive at 'Net Expenditure Chargeable to the Council Fund' on an Accounting Code of Practice-compliant basis:

Expenditure and Funding Analysis: Accounting Code Adjustments to Management Accounts	2025/2026							
	Capital Charges (Note 7.1.1)	Elimination of Internal Recharges (Note 7.1.2)	Pension Liabilities (Note 7.1.3)	Precepts & Levies (Note 7.1.4)	Provisions (Note 7.1.5)	Reserves (Note 7.1.6)	Other (Note 7.1.7)	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Corporate Resources	(48)	18	0	0	(3)	0	1,508	1,475
Children, Young People & Families	(3,894)	(59,875)	0	0	(531)	0	(24)	(64,324)
Schools Spending	(11,921)	60,071	0	0	0	0	(34)	48,116
Adults & Communities	(1,771)	290	0	0	(901)	0	(486)	(2,868)
Economy and Place	(1,849)	(503)	0	0	(551)	0	132	(2,771)
Neighbourhood & Environment Services	(4,319)	0	0	(4,623)	(211)	0	(1,890)	(11,043)
Cardiff Capital Region City Deal	0	0	0	0	0	0	(29)	(29)
Capital Adjustments	0	0	0	0	0	0	5	5
Pension Adjustments	0	0	486	0	0	0	0	486
Net Expenditure on Continuing Operations	(23,802)	1	486	(4,623)	(2,197)	0	(818)	(30,953)
Other Operating Expenditure	0	0	0	4,623	0	0	9,293	13,916
Financing & Investment Income & Expenditure	0	0	0	0	0	0	9,106	9,106
Taxation & Non-Specific Grant Income	0	0	0	0	0	0	(207,522)	(207,522)
(Surplus)/Deficit on the Provision of Services	(23,802)	1	486	0	(2,197)	0	(189,941)	(215,453)

This table shows the adjustments made to the 2024/2025 management accounts to arrive at 'Net Expenditure Chargeable to the Council Fund' on an Accounting Code of Practice-compliant basis:

Expenditure and Funding Analysis: Accounting Code Adjustments to Management Accounts	2024/2025 (Restated)							Total £000
	Capital Charges (Note 7.1.1)	Elimination of Internal Recharges (Note 7.1.2)	Pension Liabilities (Note 7.1.3)	Precepts & Levies (Note 7.1.4)	Provisions (Note 7.1.5)	Reserves (Note 7.1.6)	Other (Note 7.1.7)	
	£000	£000	£000	£000	£000	£000	£000	
Corporate Resources	(56)	17	0	0	7	0	152	120
Children, Young People & Families	(8,164)	(52,677)	0	0	(167)	0	(15)	(61,023)
Schools Spending	(3,838)	52,875	0	0	0	0	(28)	49,009
Adults & Communities	733	309	0	0	13	0	(594)	461
Economy and Place	(4,356)	(530)	0	0	(413)	0	(636)	(5,935)
Neighbourhood & Environment Services	(4,971)	0	0	(4,408)	(40)	0	(286)	(9,705)
Cardiff Capital Region City Deal	0	0	0	0	0	0	707	707
Capital Adjustments	0	0	0	0	0	0	(5)	(5)
Pension Adjustments	0	0	929	0	0	0	0	929
Net Expenditure on Continuing Operations	(20,652)	(6)	929	(4,408)	(600)	0	(705)	(25,442)
Other Operating Expenditure	0	0	0	4,408	0	0	8,339	12,747
Financing & Investment Income & Expenditure	0	0	0	0	0	0	9,020	9,020
Taxation & Non-Specific Grant Income	0	0	0	0	0	0	(194,103)	(194,103)
(Surplus)/Deficit on the Provision of Services	(20,652)	(6)	929	0	(600)	0	(177,449)	(197,778)

Note: Gross Expenditure, Income and Net Expenditure figures for Continuing Operations have been restated for 2024/2025 to reflect the Portfolio arrangements adopted for the 2025/2026 financial year. Totals for Continuing Services are unaffected.

The following notes provide additional detail for each of the adjustments made to management accounts: 7.1.2

7.1.1 Capital Charges

Capital charges reported to management are on the basis of estimates calculated prior to the commencement of the financial year during the budget-setting process. These are removed and replaced with actual capital charges for depreciation, impairment and leasing. The 'Financing & Investment Income & Expenditure' line includes the calculated MRP for the year.

7.1.2 Elimination of Internal Recharges

The Accounting Code confirms that the EFA fulfils the Authority's requirements for segmental analysis in compliance with IFRS 8 *Operating Segments* and also stipulates that transactions between segments are not permitted in the service analysis section of the CIES. Management reports include expenses and revenues arising from recharges for a range of internally provided support services and services reported on a corporate basis (such as Corporate Landlord functions). These entries are eliminated to avoid the overstatement of segment income and expenditure as reported in the CIES. Transactions relating to specific services provided to Schools have not been eliminated as these are not material in value but would distort the figures reported in relation to Schools Balances and the Council Fund General Reserve in a way that is not considered to be useful to the users of the Accounts.

7.1.3 Pension Liabilities

Current Service Costs included in management reports are on the basis of an estimated level of liabilities, with adjustment to the equivalent cash cost for grant funded schemes. Past Service and Curtailment Costs are also included on an estimate basis. These amounts are adjusted to the actuarially-calculated amounts for inclusion in the statutory accounts.

Accruals for short-term accumulating compensated absences are not included in management accounts; these are added for code-compliance.

7.1.4 Precepts & Levies

Precepts and levies are reported in the Neighbourhood and Environment Portfolio, but are reclassified as 'Other Operating Expenditure' in the CIES.

7.1.5 Provisions

Amounts are included in management accounts for early termination provision costs, on a case-by-case basis. No other entries relating to provisions are included. Adjustment is made to match the statutory accounts that include provisions on the basis required by IAS37 *Provisions, Contingent Liabilities and Contingent Assets*.

7.1.6 Reserves

Management accounts include transfers to or from earmarked reserves as income or expenditure against services. Amounts may also be included for revenue contributions to capital expenditure. These are adjusted to match the treatment in the statutory accounts, where transfers to/from reserves are recorded in the Movement in Reserves Statement and revenue contributions to capital expenditure are included as adjustments under statutory provisions.

7.1.7 Other Adjustments

This includes:

- Reclassification of the Council Tax Surplus on Collection, which is included as a credit against services in the management accounts and within 'Taxation and Non-Specific Grant Income' in the CIES;
- Adjustment for Impairment Charges for Debtors which have not been reported to management but included in the statutory accounts;
- Inclusion of unhypothecated funding sources, such as Revenue Support Grant, NNDR and Council Tax, which are not included in reports to management;
- Correction of entries in relation to Housing Benefit overpayments and associated impairment; and
- Addition of Blaenau Gwent's share of the Cardiff Capital Region City Deal operating income and expenditure.

7.2 Expenditure and Income Charged to the Council Fund

Net Expenditure charged by Portfolios to the Council Fund can be analysed as follows:

Expenditure & Income Charged to Council Fund	2025/2026	2024/2025
	£000	£000
External Fees, Charges & Other Service Income	(21,850)	(21,504)
Government Grants	(70,359)	(75,519)
Total Income	(92,209)	(97,023)
Employee Expenses	147,932	136,505
Other Service Expenses	130,727	134,875
Total Expenditure	278,659	271,380
Net Expenditure	186,450	174,357

7.3 Adjustments Between Funding and Accounting Basis

This table shows the adjustments between the management accounts (restated to an Accounting Code of Practice-compliant basis) and the net expenditure reported in the Comprehensive Income and Expenditure Statement:

Expenditure & Funding Analysis: Adjustments between 'Code-Compliant' Management Accounts and the CIES	2025/2026				2024/2025 (Restated)			
	Adjustments for Capital Purposes (Note 7.3.1)	Net Change for Pensions Adjustments (Note 7.3.2)	Other Adjustments (Note 7.3.3)	Total Adjustments	Adjustments for Capital Purposes (Note 7.3.1)	Net Change for Pensions Adjustments (Note 7.3.2)	Other Adjustments (Note 7.3.3)	Total Adjustments
	£000	£000	£000	£000	£000	£000	£000	£000
Corporate Resources	88	(739)	30	(621)	68	602	1	671
Children, Young People & Families	4,146	(6,528)	88	(2,294)	2,613	(5,879)	87	(3,179)
Schools Spending	11,921	0	157	12,078	9,583	1,065	389	11,037
Adults & Communities	2,420	(1,824)	32	628	(733)	(1,198)	(7)	(1,938)
Economy and Place	5,328	(969)	24	4,383	(4,044)	(550)	48	(4,546)
Neighbourhood & Environment Services	7,041	(1,228)	29	5,842	4,999	(772)	4	4,231
Cardiff Capital Region City Deal	36	0	0	36	27	0	1	28
Capital Adjustments	0	0	(5)	(5)	0	0	5	5
Pension Adjustments	0	(486)	0	(486)	0	(929)	0	(929)
Net Expenditure on Continuing Operations	30,980	(11,774)	355	19,561	12,513	(7,661)	528	5,380
Other Operating Expenditure	(452)	0	0	(452)	473	0	0	473
Financing & Investment Income & Expenditure	(2,957)	4,696	(272)	1,467	(2,961)	4,706	(104)	1,641
Taxation & Non-Specific Grant Income	(27,499)	0	0	(27,499)	(26,064)	0	0	(26,064)
(Surplus)/Deficit on the Provision of Services	72	(7,078)	83	(6,923)	(16,039)	(2,955)	424	(18,570)

Note: Gross Expenditure, Income and Net Expenditure figures for Continuing Operations have been restated for 2024/2025 to reflect the Portfolio arrangements adopted for the 2025/2026 financial year. Totals for Continuing Services are unaffected.

7.3.1 Adjustments for Capital Purposes

This column adds in depreciation, impairment and revaluation gains & losses in the service lines, and for:

- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Financing and investment income and expenditure – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

7.3.2 Net Change for Pensions Adjustments

This column shows the net change for the removal of pension contributions and the addition of IAS19 *Employee Benefits* pension related expenditure and income:

- For services this represents the removal of the employer pension contributions made by the Authority as allowed by statute and the replacement with current service costs and past service costs.
- For financing and investment income and expenditure, the net interest on the defined benefit liability is charged to the CIES.

7.3.3 Other Adjustments

This column includes differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- For service lines, the adjustment for short-term accumulating compensated absences.
- For financing and investment income and expenditure the other differences column recognises adjustments to the Council Fund for the timing differences for premiums and discounts.

8. Taxation and Non-Specific Grant Income

This disclosure includes:

- Local taxation income, such as Council Tax receipts;
- Grants and contributions that are not attributable to specific services and are applied as general revenue funding; and
- Capital grants and contributions from a variety of funding bodies to cover expenditure on capital schemes.

Taxation & Non Specific Grant Income	2025/2026	2024/2025
	£000	£000
Taxation & Non-Specific Revenue Grants		
Council Tax Income	(52,915)	(49,571)
Non-Domestic Rates	(24,120)	(24,381)
Revenue Support Grant	(130,414)	(119,663)
Unhypothecated Grants	(73)	0
Total Taxation and Non-Specific Revenue Grants	(207,522)	(193,615)
Capital grants and contributions	(27,499)	(26,552)
Total	(235,021)	(220,167)

In 2025/2026 additional grant funding was received from Welsh Government to meet the additional cost of Employers National Insurance contributions. Where possible, this has been matched against the relevant service heading, but the amount relating to the additional costs included in the South Wales Fire Authority Levy has been included in Taxation & Non-Specific Grants above.

9. Other Operating Expenditure

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

Other Operating Expenditure	2025/2026			2024/2025		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£000	£000	£000	£000	£000	£000
(Gains)/losses on the Disposal of Non-Current Assets	1,060	(985)	75	1,150	(358)	792
Precepts & Levies: Police & Crime Commissioner for Gwent	7,998	0	7,998	7,318	0	7,318
South Wales Fire Authority	4,375	0	4,375	4,108	0	4,108
Community Council Precepts	768	0	768	702	0	702
Coroners' Courts	214	0	214	268	0	268
Bannau Brycheiniog National Park Authority Levy	34	0	34	32	0	32
Total	14,449	(985)	13,464	13,578	(358)	13,220

10. Financing and Investment Income and Expenditure

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

Financing and Investment Income and Expenditure	2025/2026			2024/2025		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£000	£000	£000	£000	£000	£000
Income, expenditure & changes in the fair value of investment properties *	1,389	(399)	990	63	0	63
Impairment **	810	0	810	354	0	354
Interest payable and similar charges - Financial Instruments	6,794	0	6,794	8,898	0	8,898
Interest payable and similar charges - Other ***	351	0	351	183	0	183
Interest receivable and similar income - Financial Instruments	0	(1,418)	(1,418)	0	(1,807)	(1,807)
Interest receivable and similar income - Other ****	0	(1,650)	(1,650)	0	(1,736)	(1,736)
Net Pensions Interest Cost	26,914	(31,663)	(4,749)	25,850	(25,081)	769
Effect of asset ceiling on Pensions Interest	3,460	5,985	9,445	3,398	539	3,937
Total	39,718	(29,145)	10,573	38,746	(28,085)	10,661

11. Agency Income and Expenditure

The Council acts as an agent of the Welsh Government in respect of certain schemes and funding arrangements. As the Council does not act as principal or control the related income and expenditure, transactions arising from these arrangements are not recognised in the Comprehensive Income and Expenditure Statement. However, cash balances held at the year-end in connection with these arrangements are included within the Balance Sheet where appropriate.

11.1 Houses into Homes, Home Improvement Loans and Town Centre Loans

The Welsh Government has established a funding stream to provide loans to homeowners, landlords and business owners wishing to renovate properties and to offer them for sale or rent. They have arranged for local Authorities to act as their agents to implement these schemes.

The terms and conditions for the schemes have been determined by the Welsh Government, and loans are to be issued interest free to applicants. Blaenau Gwent County Borough Council's role is to promote these schemes, manage the applications and undertake financial and property checks. When loans provided to applicants are repaid to the Council, this funding is recycled back in to the scheme to provide loans to future applicants.

Summary balances and transactions for these arrangements are as follows:

Recyclable Loan Funding Administered on Behalf of Welsh Government	2025/2026	2024/2025
	£000	£000
Available Repayable Funding	(4,467)	(4,467)
Active loans provided	2,056	2,169
Repayments Received	(364)	(723)
Repayable Funding Available	(2,775)	(3,020)

11.2 Other Welsh Government Agency Arrangements

During the Covid-19 pandemic, the Authority acted as an agent on behalf of the Welsh Government in administering a range of grant and relief schemes. Residual transactions were processed during the 2025/2026 financial year in relation to Retail, Leisure and Hospitality Rate Relief, details of which are included in the following tables.

In addition, the Welsh Government Ukraine Resettlement Scheme was initiated in 2022 to provide accommodation and wider support for refugees arriving in Wales. Details of transactions relating to this scheme are also included in the following tables.

Transactions relating to Other Agency Schemes administered on behalf of Welsh Government:

	2025/2026	2024/2025
Funding Administered on Behalf of Welsh Government: Purpose	Number of Businesses/ Individuals Supported	Number of Businesses/ Individuals Supported
Retail, Leisure and Hospitality Rate Relief	155	165
<i>To provide support for eligible properties by offering a discount of 100% on the non-domestic rates bill for 2024/2025 and 2025/2026.</i>		
Ukraine Resettlement Scheme	17	13
<i>To provide support for hosting accommodation for Ukraine Refugees £350 per month and £200 initial support payments.</i>		

	2025/2026		2024/2025	
Funding Administered on Behalf of Welsh Government: Transactions	Funding Allocation	Payments Made or Reliefs Applied	Funding Allocation	Payments Made or Reliefs Applied
	£000	£000	£000	£000
Retail, Leisure and Hospitality Rate Relief	(562)	396	(855)	262
Ukraine Resettlement Scheme	(58)	58	(87)	87
Total	(620)	454	(942)	349

Funding Administered on Behalf of Welsh Government: Balances	Balance at 31 March 2026	Balance at 31 March 2025
	£000	£000
Retail, Leisure and Hospitality Rate Relief	(166)	(593)
Total	(166)	(593)

12. Partnership Schemes Under Section 33 of the NHS (Wales) Act 2006

12.1 The Gwent Wide Integrated Community Equipment Service (GWICES)

The Gwent Wide Integrated Community Equipment Service is an agreement for the provision of an efficient and effective integrated community equipment service to users who are resident in the partner localities. This agreement came into effect on 1 October 2008.

12.2 The Gwent Frailty Programme

The Gwent Frailty Programme is an agreement 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 provide integrated urgent response, re-ablement and falls services within each locality in line with agreed Locality Annual Commissioning Plans. This agreement came into effect on 4 April 2011.

Notice has been served to terminate the Gwent Frailty section 33 partnership agreement with effect from 1 April 2027. Partner organisations are working collaboratively to develop the future operating and financial arrangements that will be implemented on termination.

12.3 The Gwent Care Home Accommodation Functions Pooled Fund

The Gwent Care Home Accommodation Functions Pooled Fund is an agreement for the provision of efficient and effective Care Home functions reflecting locally agreed priorities for older people who are assessed as in need of such care. The arrangement came into effect on 1 April 2018.

The Authority's transactions in relation to these partnership schemes are included in the Adults and Communities Portfolio line of the CIES. Summarised transactions for the financial year ending 31 March 2026 were as follows.

Partnership Schemes:	2025/2026				2024/2025			
	GWICES £000	Gwent Frailty £000	Care Homes £000	Total £000	GWICES £000	Gwent Frailty £000	Care Homes £000	Total £000
Total Expenditure	5,161	18,634	162,569	186,364	4,787	18,136	150,254	173,177
Funding								
Blaenau Gwent County Borough Council	(424)	(756)	(12,573)	(13,753)	(379)	(690)	(11,303)	(12,372)
Caerphilly County Borough Council	(730)	(2,372)	(37,498)	(40,600)	(635)	(2,349)	(34,641)	(37,625)
Monmouthshire County Borough Council	(581)	(1,794)	(17,677)	(20,052)	(518)	(1,628)	(15,255)	(17,401)
Newport City Council	(619)	(2,080)	(31,264)	(33,963)	(537)	(2,148)	(29,117)	(31,802)
Torfaen County Borough Council	(1,071)	(881)	(16,754)	(18,706)	(990)	(833)	(15,983)	(17,806)
Aneurin Bevan University Health Board	(1,323)	(10,677)	(46,803)	(58,803)	(1,264)	(10,320)	(43,955)	(55,539)
Other	(413)	0	0	(413)	(464)	0	0	(464)
Total Funding	(5,161)	(18,560)	(162,569)	(186,290)	(4,787)	(17,968)	(150,254)	(173,009)
Net In-Year (Under)/Overspend	0	74	0	74	0	168	0	168
Balance Brought Forward	0	(353)	0	(353)	0	(521)	0	(521)
Balance Carried Forward	0	(279)	0	(279)	0	(353)	0	(353)

13. Members' Allowances

The total amount of allowances and expenses paid to Members during the year was £837,473 (2024/2025: £793,338), analysed as follows:

Members' Allowances	2025/2026 £000	2024/2025 £000
Allowances	837	793
Expenses	0	0
Total:	837	793

14. Officers' Remuneration

14.1 Remuneration Ratio

For 2025/2026 the ratio of the Chief Executive's remuneration in comparison to the median remuneration of all the Authority's employees was as follows:

	2025/2026	2024/2025
Ratio of Chief Executive pay to median pay of all staff	1:5.15	1:5.15



14.2 The number of employees whose remuneration, including termination benefits but excluding employer pension contributions, was £60,000 or more, was:

Officers Emoluments	2025/2026					2024/2025				
	Teaching	Other	Total	Left During Year	Total excluding leavers	Teaching	Other	Total	Left During Year	Total excluding leavers
Remuneration Band										
£60,000 - £64,999	25	30	55	1	54	19	22	41	0	41
£65,000 - £69,999	12	5	17	0	17	11	2	13	1	12
£70,000 - £74,999	9	6	15	0	15	17	2	19	1	18
£75,000 - £79,999	14	1	15	0	15	5	2	7	1	6
£80,000 - £84,999	7	1	8	0	8	3	1	4	0	4
£85,000 - £89,999	3	2	5	1	4	3	2	5	0	5
£90,000 - £94,999	4	3	7	0	7	2	0	2	0	2
£95,000 - £99,999	2	0	2	0	2	0	0	0	0	0
£100,000 - £104,999	0	0	0	0	0	0	0	0	0	0
£105,000 - £109,999	0	0	0	0	0	3	0	3	0	3
£110,000 - £114,999	2	0	2	0	2	0	0	0	0	0
£115,000 - £119,999	0	0	0	0	0	0	0	0	0	0
£120,000 - £124,999	1	0	1	0	1	0	0	0	0	0
£125,000 - £129,999	0	0	0	0	0	0	0	0	0	0
£130,000 - £134,999	0	0	0	0	0	1	0	1	0	1
£135,000 - £139,999	0	0	0	0	0	0	0	0	0	0
£140,000 - £144,999	1	0	1	0	1	0	0	0	0	0
Total	80	48	128	2	126	64	31	95	3	92

Notes: 1) In most cases, employees disclosed within the Senior Officers' Remuneration note are excluded from the table above. However, where an employee meets the criteria for inclusion in the Senior Officers' Remuneration disclosure for only part of the year (i.e. falls within the categories specified in Part 4 of the Accounts and Audit (Wales) Regulations 2014), they may also be included in the table above where the full-year equivalent of their remuneration, relating to periods outside that disclosure, exceeds £60,000.

In 2025/2026, one employee disclosed within the Senior Officers' Remuneration note is also included in the analysis of employees whose remuneration was £60,000 or more (2024/2025: two employees).

2) Voluntary Aided School employees have been included in the above disclosure.

Further details of termination benefits can be found in notes 15-16.

14.3 Senior Officer Remuneration

The following table sets out the remuneration in 2025/2026 for senior employees whose salary is £150,000 or more per year, or an employee whose salary is £60,000 or more per year and falls within the categories specified in Part 4 of the Accounts and Audit (Wales) Regulations 2014.

2025/2026	Notes	Salary (including fees & allowances) £	Expense Allowances £	Compensation for Loss of Office £	Benefits in Kind £	Total Remuneration (excluding Pension Contributions) £	Employers Pension Contributions £	Total Remuneration (including Pension Contributions) £
Joint Chief Executive - Stephen Vickers	Note 1	165,266	0	0	0	165,266	40,254	205,520
Joint Strategic Director - Neighbourhood Services	Note 2	111,659	0	0	0	111,659	28,696	140,355
Joint Strategic Director - Adults & Communities	Note 3	124,698	0	0	0	124,698	32,047	156,745
Joint Director - Economy & Place	Note 4	98,539	0	0	0	98,539	26,113	124,652
Strategic Director Children, Young People & Families (Deputy Chief Executive)	Note 5	112,543	0	0	0	112,543	28,944	141,487
Strategic Director Corporate Resources	Note 6	99,636	0	0	0	99,636	26,534	126,170
Interim Corporate Director of Social Services	Note 7	7,983	0	0	0	7,983	2,050	10,033
Corporate Director of Regeneration & Community Services	Note 8	8,104	0	57,295	0	65,399	2,147	67,546
Head of Legal & Corporate Compliance (Monitoring Officer)	Note 9	77,522	0	0	0	77,522	21,206	98,728
Total		805,950	0	57,295	0	863,245	207,991	1,071,236

- Note 1: The costs of the Chief Executive are shared equally with Torfaen County Borough Council. For 2025/2026 payments of £115,146 (inclusive of Employers National Insurance contributions) were made to Torfaen CBC.
- Note 2: This post was established from 1 May 2025 and is a joint post across Torfaen CBC and Blaenau Gwent CBC. Costs are shared equally and for 2025/2026 £72,965 (inclusive of Employers National Insurance contributions) was paid to Torfaen CBC.
- Note 3: This post was established from 1 May 2025 and is a joint post across Torfaen CBC and Blaenau Gwent CBC, with costs shared equally between the two authorities. The postholder is also designated as the Deputy Chief Executive for Torfaen CBC. For the joint post, payments of £72,965 (inclusive of Employers National Insurance contributions) were made to Torfaen CBC in 2025/2026.
- Note 4: This post was established from 1 May 2025 and is a joint post across Torfaen CBC and Blaenau Gwent CBC. The post holder commenced on 16 June 2025 and left on 29 March 2026. For 2025/2026 reimbursement of £67,254 (inclusive of Employers National Insurance contributions) was made by Torfaen CBC and the Federation Transformation Fund.
- Note 5: This post was redesignated from Corporate Director Education to Strategic Director Children's, Young People & Families (Deputy Chief Executive) from 1 May 2025.
- Note 6: This post was redesignated from Corporate Director of Corporate Services to Strategic Director Corporate Resources on 1 May 2025.
- Note 7: This secondment of the Interim Corporate Director of Social Services ended on 30 April 2025 and this post was removed from the organisational structure.
- Note 8: This post became vacant and was removed from the organisational structure on 1 May 2025.
- Note 9: The Head of Legal & Corporate Compliance also received payment of £2,500 in their role as Returning Officer.

The following table sets out the remuneration in 2024/2025 for employees whose salary is £60,000 or more per year and falls within the categories specified in Part 4 of the Accounts and Audit (Wales) Regulations 2014. There were no senior employees whose salary exceeded £150,000.

2024/2025 Post Title	Notes	Salary (including fees & allowances) £	Expense Allowances £	Compensation for Loss of Office £	Benefits in Kind £	Total Remuneration (excluding Pension Contributions) £	Employers Pension Contributions £	Total Remuneration (including Pension Contributions) £
Joint Chief Executive - Stephen Vickers (from 01/07/2024)	Note 1	153,937	0	0	0	153,937	37,539	191,476
Interim Chief Executive (to 30/06/2024)	Note 1	29,143	0	7,154	0	36,297	7,723	44,020
Corporate Director of Education (Acting Deputy Chief Executive)	Note 2	93,268	0	0	0	93,268	24,802	118,070
Chief Officer (Resources) (to 15/09/2024)	Note 3	40,640	0	0	0	40,640	10,770	51,410
Corporate Director - Corporate Services (from 16/09/2024)	Note 3	49,078	0	0	0	49,078	13,006	62,084
Interim Corporate Director of Social Services (to 31/08/2024)	Note 4	39,598	0	3,645	0	43,243	10,494	53,737
Interim Corporate Director of Social Services (from 01/09/2024)	Note 4	52,853	0	0	0	52,853	14,006	66,859
Chief Officer (Commercial & Customer) (to 15/09/2024)	Note 5	40,640	0	0	0	40,640	10,770	51,410
Head of Governance & Partnerships (to 30/09/2024)	Note 6	38,771	0	0	0	38,771	10,274	49,045
Head of Legal & Corporate Compliance (Monitoring Officer)	Note 7	77,541	0	0	0	77,541	20,548	98,089
Corporate Director of Regeneration & Community Services		95,036	0	0	0	95,036	25,185	120,221
Total		710,505	0	10,799	0	721,304	185,117	906,421

- Note 1: The Interim Chief Executive ceased employment on 30 June 2024. On 12 June 2024, the Council approved a temporary shared Chief Executive role between Torfaen County Borough Council and the Council, effective from 1 July 2024. The postholder is remunerated via Torfaen County Borough Council, with the costs being shared equally. The full annualised salary was £156,235 rising to £160,141 from 1 November 2024. For 2024/2025 £83,373.97 was paid by Blaenau Gwent CBC.
- Note 2: The Director of Education, previously serving in an interim capacity, was appointed permanently from 26 August 2024, with the postholder also assuming the role of Acting Deputy Chief Executive from 1 February 2025.
- Note 3: The Chief Officer (Resources) post was removed from the organisational structure from 15 September 2024. A new post, Corporate Director – Corporate Services, was established from that date.
- Note 4: The Interim Corporate Director of Social Services ceased employment on 31 August 2024. The Head of Adult Services was appointed as Interim Corporate Director from 1 September 2024.
- Note 5: Effective 16 September 2024, the reporting line for the Chief Officer (Commercial & Customer) was amended. The post now reports directly to the Corporate Director – Corporate Services.
- Note 6: The Head of Governance & Partnerships ceased employment on 30 September 2024. The post remained vacant for the remainder of the financial year.
- Note 7: The Head of Legal & Corporate Compliance also received payment of £3,433 in their role as Returning Officer. In addition, Employers Pension Contributions for this amounted to £910.

15. Termination Benefits and Exit Packages - Costs to Authority

The number and value of exit packages agreed by the Authority during the year were as follows:

Exit Package Cost Band	2025/2026		Exit Package Cost Band	2024/2025	
	Exit Packages Nº	Total Cost of Exit Packages £000		Exit Packages Nº	Total Cost of Exit Packages £000
£0-£19,999	29	146	£0-£19,999	41	317
£20,000-£39,999	3	69	£20,000-£39,999	8	226
£40,000-£99,999	2	141	£40,000 - £59,999	6	300
			£60,000 - £99,999	5	379
			£100,000 - £159,999	2	260
Total	34	356	Total	62	1,482

Note: Value bands have been combined where necessary to ensure that individual exit packages cannot be identified.

Employment contracts may be terminated for a variety of reasons, including redundancy and retirement. On termination, the Authority incurs a range of liabilities including redundancy payments, pension lump sum payments and enhancements (e.g. added years). In 2025/2026, the contracts of 34 employees were terminated, incurring total liabilities of £0.356m (2024/2025: 62 employees, incurring liabilities of £1.482m). These payments can be disaggregated as follows:

Termination Benefits & Exit Packages	2025/2026 £000	2024/2025 £000
Pay in Lieu of Notice	193	274
Pension Costs	69	610
Redundancy Costs	42	511
Other Payments	52	87
Total	356	1,482

16. Termination Benefits and Exit Packages - Causes

The following were the significant causes of the termination benefits and exit packages:

Termination Benefits	2025/2026		2024/2025	
	No	£000	No	£000
Closure of Facilities / Cessation of Services	0	0	3	66
Financial Efficiency Project	0	0	7	370
School Downsizing Restructuring & Reorganisation	0	0	13	692
Termination benefits arising for other reasons	34	356	39	354
Total	34	356	62	1,482

17. External Audit Fees

The Authority's appointed external auditors for the 2025/2026 financial year were Audit Wales (AW).

The following fees were incurred in relation to external audit and inspection:

External Audit Fees	2025/2026	2024/2025	CIES Service Line
	£000	£000	
Fees payable in respect of:			
External audit services relating to audit of the accounts	369	255	<i>Corporate Resources Portfolio</i>
External audit services relating to Local Government Measures	113	94	<i>Corporate Resources Portfolio</i>
Certification of grant claims and returns	44	52	<i>Portfolio responsible for the specific grant claim or return</i>
Total Audit Fees	526	401	

18. 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 is 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 information for the year is as follows:

- The total non-domestic rateable value at 31 March 2026 was £41,498,263 (31 March 2025: £34,721,215).
- The national non-domestic rate multiplier for the year 2025/2026 was 0.568 (2024/2025: 0.562).
- The contribution received from the NNDR pool in 2025/2026 was £24,120,453 (2024/2025: £24,380,558).

19. 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.

19.1 The following transactions occurred during the financial year related to Council Tax:

Council Tax Transactions	2025/2026 £000	2024/2025 £000
Council Tax Collected	(53,560)	(50,136)
Less: Impairment of bad & doubtful debts	645	565
Net Total Proceeds from Council Tax	(52,915)	(49,571)
Less: Police & Crime Commissioner for Gwent	7,998	7,318
Community Council Precepts:		
Abertillery & Llanhilleth Community Council	434	381
Brynmawr Town Council	50	45
Nantyglo & Blaina Town Council	105	105
Tredegar Town Council	179	171
Total Precepts:	8,766	8,020
Council Tax attributable to this Authority:	(44,149)	(41,551)

19.2 Council Tax Base

The Council Tax base is calculated with reference to the number of effective properties (i.e. properties net of specific exemptions, reliefs and discounts) in each of 10 property valuation bands, multiplied by a ratio related to that valuation band. For 2025/2026 the tax base, expressed as equivalent band D properties, has been calculated as follows:

	Band										Total
	A*	A	B	C	D	E	F	G	H	I	
Properties	60.00	18,562.00	7,933.00	2,659.00	1,773.00	878.00	334.00	59.00	16.00	5.00	32,279.00
Exemptions, Reliefs & Discounts	(8.00)	(2,030.50)	(632.75)	(190.00)	(105.00)	(43.75)	(12.25)	(2.75)	(6.00)	(1.50)	(3,032.50)
Effective Properties	52.00	16,531.50	7,300.25	2,469.00	1,668.00	834.25	321.75	56.25	10.00	3.50	29,246.50
Ratio	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	21/9	-
Band D Equivalents	28.89	11,021.00	5,677.97	2,194.67	1,668.00	1,019.64	464.75	93.75	20.00	8.17	22,196.84
Impairment											(998.86)
Council Tax Base											21,197.98

20. Precepts & Demands

20.1 Precepting Authorities

Details of precepting bodies and amounts are included in note 19.1.

20.2 Levies & Demands by Joint Committees and Other Bodies

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	2025/2026	2024/2025
	£000	£000
Bannau Brycheiniog National Park Authority	34	32
Coroners' Courts	214	268
South Wales Fire Authority	4,375	4,108
Total:	4,623	4,408

21. 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 (Charged to Services)	Awarding Body	Grant Purpose	2025/2026 £000	2024/2025 £000
Coal Tip Safety	Welsh Government	Surveys and remedial works on ensuring Coal Tip safety within the County Borough	(2,481)	(767)
Town Centre Grants	Welsh Government	Grants available to owners for development of commercial property	(1,045)	(212)
Flood Management Strategy	Welsh Government	Remedial Works to damaged infrastructure following flooding in 2025	(814)	0
Housing Grants	Welsh Government	Grants available for adaptations to private homes to support Independent Living	(771)	(858)
Tredegar Townscape Heritage Initiative	Welsh Government	Refurbishment of buildings within the Tredegar ward linked with the heritage of the town	(558)	(498)
Sustainable Communities for Learning	Welsh Government	Childcare Offer Small Grants Scheme	(457)	(348)
Disabled Equipment	Welsh Government	Purchase of equipment for use by Social Services clients	(280)	(280)
Tech Valleys	Welsh Government	Funding provided for development of the Lime Avenue Business Units (Joint Operation between BGCBC and Welsh Government).	0	(9,036)
Other Grants	Various	Various Outcomes	(562)	(876)
Total:			(6,968)	(12,875)

In 2024/2025, the capital grant element of the loan provided by Welsh Government for delivery of the Ebbw Valley Railway Infrastructure project was recalculated on conclusion of the scheme and repayment of unspent amounts. This resulted in a reduction of £3.677m in taxation and non-specific capital grants recognised in the accounts in that year.

Capital Grants (Taxation and Non-Specific Grants)	Awarding Body	Grant Purpose	2025/2026 £000	2024/2025 £000
Sustainable Communities for Learning	Welsh Government	School estate development and construction of new schools	(14,034)	(10,588)
Transforming Towns	Welsh Government	Funding towards Transforming Town Centres	(3,233)	0
General Capital Grant	Welsh Government	Funding towards the Council's own Capital Programme	(2,455)	(1,400)
Cardiff Capital Region City Deal	HM Treasury	Capital works carried out by the CCRCDC	(2,236)	(2,296)
Local Transport Grants	Welsh Government	Highways infrastructure development, Road Safety and Active Travel	(1,705)	(1,486)
Shared Prosperity Fund	Ministry of Housing Communities and Local Government	Support UK-wide levelling up via community enhancement, business growth, and skills development to boost jobs, safety & productivity.	(1,312)	(6,919)
Levelling Up Fund	Ministry of Housing Communities and Local Government	Funding for construction of the Hi Value Engineering Centre	(267)	(4,391)
Other Grants	Various	Various Outcomes	(2,257)	(3,149)
Total:			(27,499)	(30,229)

The Authority has received a number of capital 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 of these grants at the year-end, analysed by awarding body, are as follows:

Capital Grants (Receipts in Advance)	Awarding Body	Grant Purpose	2025/2026 £000	2024/2025 £000
Sustainable Communities for Learning	Welsh Government	School estate development and construction of new schools.	(1,822)	(1,318)
Shared Prosperity Fund (SPF) & Pride in Place	Ministry of Housing Communities and Local Government	Communities programme which empowers local people to shape the future of their neighbourhood	(1,044)	0
Local Transport Grants	Welsh Government	Highways infrastructure development, Road Safety and Active Travel.	(829)	(882)
Flying Start	Welsh Government	Construction and development of existing sites for Flying Start childcare.	(368)	(402)
Levelling Up Fund	Ministry of Housing Communities and Local Government	Funding for construction of the Hi Value Engineering Centre.	0	(267)
Other Grants	Various	Various Outcomes	(868)	(859)
Total:			(4,931)	(3,728)

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

Revenue Grants (Charged to Services)	Awarding Body	Grant Purpose	2025/2026 £000	2024/2025 £000
DWP - Housing Benefit Subsidy	Department for Work and Pensions	Reimburse local authorities for administering Housing Benefit and supporting eligible individuals with housing cost assistance.	(14,438)	(19,029)
Local Education Authority Grant	Welsh Government	Support school standards, equity in education, reform initiatives, and Cymraeg 2050 goals across Wales' schools and authorities.	(12,088)	(12,678)
Shared Prosperity Fund	Ministry of Housing Communities and Local Government	Support UK-wide levelling up via community enhancement, business growth, and skills development to boost jobs, safety & productivity.	(8,593)	(13,742)
Flying Start - Children & Communities Grant	Welsh Government	To mitigate the impact of poverty and improve life chances for children by providing a range of services and support mechanisms.	(5,141)	(3,865)
Housing Support Grant	Welsh Government	To support projects preventing homelessness and helping people to live in their own home or supported housing.	(4,234)	(3,821)
Additional National Insurance Contributions Funding	Welsh Government	To support additional National Insurance Contribution costs	(2,116)	0
Trailblazer	Welsh Government	To support people who are economically inactive move closer to, and into, employment	(2,060)	0
Other Grants & Contributions	Various	Various Outcomes.	(21,689)	(19,916)
Total:			(70,359)	(73,051)

No repayments of grant were made to awarding bodies during 2025/2026 (2024/2025: £0.029m).

The Council held £0.001m revenue grants in advance at 31 March 2026 (31 March 2025: £0.004m).

22. Related Parties

22.1 Central Government

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 grants and prescribes the terms of many of the transactions that the Authority has with other parties. Details of the general and specific grants received in 2025/2026 can be found in note 21; details of the amounts owed to or from central government are included in notes 34 and 33 respectively.

22.2 Local Government - Federated Model

During 2024/2025, Blaenau Gwent County Borough Council and Torfaen County Borough Council implemented a federated model of working, including the appointment of shared senior officers. These officers are designated as key management personnel of the Authority. The shared arrangements are governed by formal agreements between the two councils. Any costs associated with shared senior management and service arrangements are recharged on a cost-recovery basis and are approved through normal governance processes.

The following table summarises all transactions occurring between Blaenau Gwent CBC and Torfaen CBC during 2025/2026, including those specifically related to the implementation and operation of the federated model. The majority of these transactions related to service arrangements that existed prior to the federated model, including: Administration of Grants and Contributions (including amounts for Concessionary Fares, Childcare, GWICES and School Improvement); Out of County Placements; Waste & Recycling Fees; and Lease arrangements/Rentals relating to the County Archives service.

Related Party Transactions	Year Ended 31 March 2026				Year Ended 31 March 2025			
	Transactions		Balances		Transactions		Balances	
	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority
	£	£	£	£	£	£	£	£
Torfaen County Borough Council:	4,452,829	(1,243,299)	353,558	(198,605)	4,122,626	(1,322,766)	218,387	(148,733)
Total	4,452,829	(1,243,299)	353,558	(198,605)	4,122,626	(1,322,766)	218,387	(148,733)

22.3 Members

Related Party Disclosures for Members relate to all Councillors for the 2025/2026 financial year. For each related party, transactions reported are for the full 2025/2026 financial year.

The following transactions related to elected members took place during the year, with associated balances due to or from the Authority at the year end:

Related Party & Relationship	Transaction Details	Year Ended 31 March 2026				Year Ended 31 March 2025			
		Transactions		Balances		Transactions		Balances	
		Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority
		£	£	£	£	£	£	£	£
Blaenau Gwent & Caerphilly Care & Repair: A number of Members are trustees.	Payments for support for independent living, home adaptations and voluntary sector grants.	172,857	(6,513)	31,348	(28)	213,786	(6,128)	0	(578)
Cwm Institute: A Member of the Council is a Trustee of this organisation.	Member Grants, Presiding Member Appeal Contribution and Loneliness & Isolation Grant. Lease of land Income.	400	(20)	0	0	390	0	0	(10)
Brynmawr Market Hall Cinema: A Member of the Council is a Trustee of this organisation.	Cinema screenings, Kickstart Scheme.	38,728	(4,836)	830	(7,164)	2,807	(4,433)	0	(425)
Ebenezer Baptist Church: A Member of the Council is a Trustee of this organisation.	Member Grants, Room Hire	25,777	0	0	0	700	0	465	0
Hodge Municipal Services: A Member of the Council is the proprietor of this business.	Maintenance of public toilets in Brynmawr and other supplies.	8,975	(260)	0	0	5,210	(213)	3,000	0
JP Print & Signs: A member of the Council is the proprietor of this business.	Printing such as Leaflets, Posters & Flyers and Work Placement.	12,685	(151)	644	(57)	21,245	(89)	225	(85)
Phoenix DA Services: A Member of the Council is a Trustee of this organisation.	Youth Respect Project, training, assessments and refuse income.	61,050	(28)	0	0	41,925	(27)	1,300	0
Rassau Resource Community Centre: A Member of the Council is a Director of this organisation.	Room hire, Loneliness & Isolation Grant. Income from Insurance, Childcare Offer Payment and trade refuse.	38,750	(4,660)	0	0	2,958	(1,954)	596	(1,104)
Total:		359,222	(16,468)	32,822	(7,249)	289,021	(12,844)	5,586	(2,202)

The following transactions related to elected members took place during the year, for which there were no associated balances due to or from the Authority at the year end:

Related Party	Related Party Relationship	Year Ended 31 March 2026		Year Ended 31 March 2025		Notes
		Amounts Paid by Authority	Amounts Received by Authority	Amounts Paid by Authority	Amounts Received by Authority	
		£	£	£	£	
Abertillery Workmens Institute	A Member of the Council is a Trustee of this organisation.	100	0	490	0	Grants.
Brynmawr Museum	A Member of the Council is a Director of the organisation.	1,371	(318)	1,150	(306)	Member Grants, Welsh Church Fund Grant, Ground Rent and Insurance Income.
Beaufort Hill Ponds & Woodlands Preservation Society	A Member of the Council is a Director of the organisation.	340	0	310	0	Grants.
Chillax	A Member of the Council is a Trustee of this organisation.	9,400	0	11,245	0	Grant support
Ebbw Vale Childrens Contact Centre	A Member of the Council is a Trustee of this organisation.	100	0	100	0	Grants.
Ebbw Valley Brass	A Member of the Council is a Trustee of this organisation.	25,480	(200)	200	(192)	SPF Funding for Band Hall Refurbishment; Grants and Insurance Income.
Hermon Cemetery Trust	A Member of the Council is a Trustee of this organisation.	1,115	0	700	0	Grants.
Highfield Properties (Tredegar)	A Member of the Council is a Director of the organisation.	7,875	0	13,569	0	Tenants' Rent Allowances.
Made in Tredegar Film Company	A Member of the Council is a Director of the organisation.	200	0	0	0	Business Grant.
Sirhowy Community Centre	A Member of the Council is a Director of the organisation.	3,390	0	3,700	0	Grants.
Tryfan Group	A Member of the Council is a Director of the organisation.	0	0	4,245	0	Business Grant.
Total:		49,371	(518)	35,709	(498)	

In summary, transactions and balances related to elected members were as follows:

	Year Ended 31 March 2026				Year Ended 31 March 2025			
	Transactions		Balances		Transactions		Balances	
	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority
	£	£	£	£	£	£	£	£
Summary - Related Party Transactions and Balances								
Related Parties (with year end balances)	359,222	(16,468)	32,822	(7,249)	289,021	(12,844)	5,586	(2,202)
Related Parties (with no year end balances)	49,371	(518)	0	0	35,709	(498)	0	0
Total:	408,593	(16,986)	32,822	(7,249)	324,730	(13,342)	5,586	(2,202)

22.4 Bedwellty House & Park Charitable Trust

The Council is the sole trustee of the Bedwellty House and Park Charitable Trust. Services and facilities at the House and Park are provided by the Aneurin Leisure Trust, for which the Council provides a management fee. In 2025/2026, the portion of this fee related to the Bedwellty House and Park Charity was £104,400 (2024/2025: £104,400).

22.5 Education Achievement Service for South East Wales

The five local authorities of Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen have formed an Education Achievement Service (EAS) which is designed to raise education standards in South East Wales. The EAS is a separate legal entity, established as a company limited by guarantee, which is wholly owned by the five local authorities and operates on a not for profit basis. There is no lead authority, each being represented equally with a 20% interest and possessing equal voting rights. Services are commissioned from the EAS on behalf of the five local authorities.

The company board comprises the Director of the EAS and Elected Member representatives from the participating authorities.

In 2025/2026 total summarised transactions of the Service were as follows:

Education Achievement Service	2025/2026 £000	2024/2025 £000
Expenditure	7,954	7,721
Income	(7,938)	(7,584)
Net Expenditure	16	137

Related party transactions between the Authority and the EAS were:

Related Party Transactions	Year Ended 31 March 2026				Year Ended 31 March 2025			
	Transactions		Balances		Transactions		Balances	
	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority
	£	£	£	£	£	£	£	£
Education Achievement Service:								
Partner contribution	283,537	0	0	0	283,537	0	0	0
Reimbursement of Clerks to Governors Fees	0	0	0	(9,756)	0	(10,524)	0	0
Total (Education Achievement Service):	283,537	0	0	(9,756)	283,537	(10,524)	0	0

22.6 Cardiff Capital Region City Deal

The Cardiff Capital Region City Deal is a joint arrangement involving the UK Government, the Welsh Government and the 10 constituent Councils in South East Wales, including Blaenau Gwent. The Authority's share of assets, liabilities, reserves, income, expenditure and cashflows relating to the Cardiff Capital Region City Deal Group have been included as a joint arrangement in the single entity accounting statements and disclosures. Related party transactions between the Authority and the City Deal are as follows:

Related Party Transactions	Year Ended 31 March 2026				Year Ended 31 March 2025			
	Transactions		Balances		Transactions		Balances	
	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority
	£	£	£	£	£	£	£	£
Cardiff Capital Region City Deal:								
Partner contribution to support the work of the Joint Cabinet	59,085	0	0	0	59,085	0	0	0
Contributions towards Capital Expenditure	0	0	0	0	0	0	0	0
Total (Cardiff Capital Region City Deal):	59,085	0	0	0	59,085	0	0	0

Movements in Reserves Notes

23. Other Comprehensive Income & Expenditure

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

Other Comprehensive Income & Expenditure	2025/2026 £000	2024/2025 £000
(Surplus)/Deficit arising on the revaluation of non-current assets	(9,610)	(14,157)
Surplus on revaluation of available for sale financial assets	135	762
Remeasurement of the net defined benefit pension liability	(22,898)	(88,811)
Effect of the asset ceiling on the net defined pension liability	33,745	77,791
Other Comprehensive Income & Expenditure	1,372	(24,415)

24. Adjustments Between Accounting Basis and Funding Basis Under Statutory Provisions

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure. These adjustments include transactions relating to depreciation and impairment, pensions provision, employee accruals, unequal pay and capital grants. The following transactions were made in 2025/2026:

	2025/2026			2024/2025		
	Council Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Council Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000
Adjustments between Accounting Basis and Funding Basis under Statutory Provisions						
Transactions between Funds & Usable Reserves:						
Capital grants & contributions unapplied credited to the Comprehensive Income & Expenditure Statement	3,357	0	(3,357)	2,644	0	(2,644)
Transfer of cash sale proceeds credited as part of the loss on disposal to the Comprehensive Income & Expenditure Statement	985	(985)	0	676	(676)	0
Contribution from the Capital Receipts Reserve towards funding of prudential borrowing schemes	(82)	82	0	(78)	78	0
Total: Transactions between Funds & Usable Reserves:	4,260	(903)	(3,357)	3,242	(598)	(2,644)

	2025/2026		2024/2025	
	Council Fund Balance £000	Movement in Unusable Reserves £000	Council Fund Balance £000	Movement in Unusable Reserves £000
Adjustments between Accounting Basis and Funding Basis under Statutory Provisions				
Transactions involving Unusable Reserves:				
Adjustments to/from the Financial Instruments Adjustment Account:				
Amount by which finance costs charged to the Comprehensive Income & Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	272	(272)	104	(104)
Adjustments to/from the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income & Expenditure Statement	(13,162)	13,162	(16,849)	16,849
Employer's pensions contributions and direct payments to pensioners payable in the year	20,240	(20,240)	19,804	(19,804)

	2025/2026		2024/2025	
	Council Fund Balance £000	Movement in Unusable Reserves £000	Council Fund Balance £000	Movement in Unusable Reserves £000
Adjustments between Accounting Basis and Funding Basis under Statutory Provisions				
Adjustments to/from Capital Adjustment Account:				
Reversal of items debited or credited to the Comprehensive Income & Expenditure Statement:				
Charges for depreciation	(14,251)	14,251	(14,546)	14,546
Impairment of non-current assets	0	0	0	0
Revaluation gains on Property, Plant & Equipment	(16,093)	16,093	(6,135)	6,135
Change in the fair value of Investment Property	(1,372)	1,372	(63)	63
Capital grants & contributions applied	31,109	(31,109)	36,295	(36,295)
Revenue expenditure funded from capital under statute	(7,604)	7,604	(4,707)	4,707
Write Out of Infrastructure Loan Discount	(1,070)	1,070	(1,903)	1,903
Amounts of non-current assets written off on disposal or sale as part of the gain on disposal to the Comprehensive Income & Expenditure Statement	(534)	534	(1,150)	1,150
Adjustments to/from Deferred Capital Receipts Account:				
Transfer of New Deferred Capital Receipts to Reserve	1,172	(1,172)	1,408	(1,408)
Items not debited or credited to the Comprehensive Income & Expenditure Statement:				
Statutory provision for the financing of capital investment	2,980	(2,980)	2,423	(2,423)
Capital expenditure charged against the Council Fund	1,330	(1,330)	1,175	(1,175)
Adjustment to/from the Accumulated Absences Account:				
Amount by which officer remuneration charged to the Comprehensive Income & Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(354)	354	(528)	528
Total: Transactions between Funds & Unusable Reserves:	2,663	(2,663)	15,328	(15,328)

	2025/2026			2024/2025		
	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments between Accounting Basis and Funding Basis under Statutory Provisions						
Transactions involving Other Capital Reserves:						
Adjustments to/from the Deferred Capital Receipts Reserve:						
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	(154)	0	154	(227)	0	227
Items involving Usable Capital Reserves:						
Application of grants to capital financing transferred to the Capital Adjustment Account	0	6,914	(6,914)	0	2,562	(2,562)
Use of the Capital Receipts Reserve to finance new capital expenditure	72	0	(72)	(5)	0	5
City Deal: Transfer to Capital Receipts on Repayment of Loans Made	(334)	0	334	(227)	0	227
Total: Other Capital Reserve Transactions:	(416)	6,914	(6,498)	(459)	2,562	(2,103)

Summary of adjustments between accounting basis and funding basis under statutory provisions:

	2025/2026				2024/2025			
	Council Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000	Council Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments between Accounting Basis and Funding Basis under Statutory Provisions								
Total: Transactions between Funds & Usable Reserves:	4,260	(903)	(3,357)	0	3,242	(598)	(2,644)	0
Total: Transactions involving Unusable Reserves:	2,663	0	0	(2,663)	15,328	0	0	(15,328)
Total: Other Capital Reserve Transactions:	0	(416)	6,914	(6,498)	0	(459)	2,562	(2,103)
Total Adjustments:	6,923	(1,319)	3,557	(9,161)	18,570	(1,057)	(82)	(17,431)

Balance Sheet Notes

25. Property Plant & Equipment

25.1 Carrying Amount of Non-Current Assets

The Carrying Amount of Non-Current Assets in the Balance Sheet can be divided between Infrastructure and 'Other PPE' Assets as follows:

Property, Plant & Equipment	31 March 2026	31 March 2025
	£000	£000
Infrastructure Assets	90,422	88,114
Other PPE Assets	300,109	293,547
Net Book Value	390,531	381,661

25.2 Carrying Amount of Infrastructure Assets

CIPFA has issued an adjustment to the Accounting Code of Practice in relation to the disclosure of Infrastructure Assets. This requires that local authorities are not required to report gross book value and accumulated depreciation for Infrastructure Assets.

The movement in the Net Book Value of Infrastructure Assets is as follows:

Infrastructure Assets	2025/2026	2024/2025
	£000	£000
Net Book Value at 1 April	88,114	88,508
Additions & Appropriations	6,044	3,221
Depreciation Charge	(3,736)	(3,615)
Net Book Value at 31 March	90,422	88,114

In accordance with provision 24L of The Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2022, where works have been undertaken to existing Infrastructure Assets, the carrying amount of any component that has been replaced has been determined as being nil.

25.3 Carrying Amount of 'Other' Property, Plant & Equipment Assets

The gross carrying amount and accumulated depreciation relating to Property, Plant and Equipment (excluding Infrastructure Assets) was:

Property, Plant & Equipment (Excluding Infrastructure)	31 March 2026	31 March 2025
	£000	£000
Gross Carrying Amount	313,734	306,343
Accumulated Depreciation	(13,625)	(12,796)
Net Book Value	300,109	293,547

Details of the transactions relating to the carrying amounts and depreciation of non-current assets (excluding Infrastructure Assets) are set out on the following pages.

Movements in 2025/2026:

Property, Plant & Equipment (Excluding Infrastructure)						Total Property, Plant & Equipment
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	£000
Cost or Valuation as at 1 April 2025	242,158	19,020	351	6,213	38,601	306,343
Appropriations	33,895	3,749	0	0	(38,076)	(432)
Additions	11,133	1,754	198	0	12,163	25,248
Revaluation increases/(decreases) recognised in the Revaluation Reserve	1,425	0	0	(72)	0	1,353
Revaluation increases/(decreases) recognised in the Provision of Services	(17,219)	0	0	(33)	0	(17,252)
Derecognition - disposals	(1,735)	0	0	0	0	(1,735)
Other movements in cost or valuation	(37)	246	0	0	0	209
Cost or Valuation as at 31 March 2026	269,620	24,769	549	6,108	12,688	313,734

Property, Plant & Equipment (Excluding Infrastructure): Depreciation & Impairment						Total Property, Plant & Equipment
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	£000
Accumulated Depreciation & Impairment as at 1 April 2025	(2,874)	(9,907)	(14)	(1)	0	(12,796)
Depreciation Charge & Appropriations	(8,094)	(2,390)	0	(12)	0	(10,496)
Depreciation written out to the Revaluation Reserve	8,151	0	0	12	0	8,163
Depreciation written out to the Surplus/Deficit on the Provision of Services	1,158	0	0	1	0	1,159
Derecognition - disposals	345	0	0	0	0	345
Accumulated Depreciation & Impairment as at 31 March 2026	(1,314)	(12,297)	(14)	0	0	(13,625)

Movements in 2024/2025:

Property, Plant & Equipment (Excluding Infrastructure)						Total Property, Plant & Equipment £000
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	
Cost or Valuation as at 1 April 2024	222,702	22,374	106	5,453	35,709	286,344
Adjustment to Balances Brought Forward	1,130	0	0	0	0	1,130
Revised Cost or Valuation as at 1 April 2024	223,832	22,374	106	5,453	35,709	287,474
Appropriations	17,580	17	0	0	(17,597)	0
Additions	6,408	2,459	245	0	20,489	29,601
Revaluation increases/(decreases) recognised in the Revaluation Reserve	3,132	0	0	350	0	3,482
Revaluation increases/(decreases) recognised in the Provision of Services	(7,635)	0	0	410	0	(7,225)
Derecognition - disposals	(1,240)	(5,830)	0	0	0	(7,070)
Other movements in cost or valuation	81	0	0	0	0	81
Cost or Valuation as at 31 March 2025	242,158	19,020	351	6,213	38,601	306,343

Property, Plant & Equipment (Excluding Infrastructure): Depreciation & Impairment						Total Property, Plant & Equipment £000
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	
Accumulated Depreciation & Impairment as at 1 April 2024	(4,555)	(13,877)	(14)	(1)	0	(18,447)
Adjustment to Balances Brought Forward	(1,107)	0	0	0	0	(1,107)
Revised Cost or Valuation as at 1 April 2024	(5,662)	(13,877)	(14)	(1)	0	(19,554)
Depreciation Charge & Appropriations	(9,117)	(1,813)	0	(1)	0	(10,931)
Depreciation written out to the Revaluation Reserve	10,673	0	0	1	0	10,674
Depreciation written out to the Surplus/Deficit on the Provision of Services	1,095	0	0	0	0	1,095
Derecognition - disposals	137	5,783	0	0	0	5,920
Accumulated Depreciation & Impairment as at 31 March 2025	(2,874)	(9,907)	(14)	(1)	0	(12,796)

Note: Balances Brought Forward were adjusted to include assets related to Silent Valley Waste Services Ltd., transferred in 2023/2024.

25.4 Intangible Assets

The following transactions relating to software were included in the accounts as Intangible Assets:

Intangible Assets	2025/2026 £000	2024/2025 £000
Gross carrying amounts Brought Forward	94	0
Accumulated Amortisation Brought Forward	0	0
Net Carrying Amount at Start of Year	94	0
Additions (Purchases)	0	94
Amortisation for the period	(18)	0
Net Carrying Amount at End of Year	76	94
Comprising:		
Gross carrying amounts	94	94
Accumulated amortisation	(18)	0
Balance Sheet Total	76	94

25.5 Investment Properties

The following items of income and expense have been accounted for in the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement:

Investment Property Income and Expenditure	2025/2026 £000	2024/2025 £000
Rental Income from Investment Property	(399)	(405)
Direct Operating Expenses Arising from Investment Property	17	0
Net Gain/(Loss)	(382)	(405)

The following table summarises the movement in the fair value of investment properties over the year:

Investment Properties	2025/2026 £000	2024/2025 £000
Balance at Start of Year	7,147	2,888
Additions	0	0
Purchases	3,067	4,326
Construction	0	0
Subsequent Expenditure	0	0
Disposals	0	0
Net Gains/(Losses) From Fair Value Adjustments	(1,372)	(67)
Transfers:		
(To)/From Inventories	0	0
(To)/From Property, Plant and Equipment	0	0
Other Changes	0	0
Balance at End of Year	8,842	7,147

The Balance Sheet totals for Investment Properties includes the Authority's share of relevant assets held by the Cardiff Capital Region City Deal. The following table shows the split between Blaenau Gwent and City Deal Investment Properties:

Investment Properties	2025/2026 £000	2024/2025 £000
Blaenau Gwent CBC Investment Properties	6,148	4,250
Cardiff Capital Region City Deal	2,694	2,897
Balance at End of Year	8,842	7,147

25.6 Fair Value Measurement of Investment Properties

Fair Value Hierarchy

Details of the Authority's Investment Properties and information about the fair value hierarchy (excluding assets held by the Cardiff Capital Region City Deal) are as follows:

Recurring fair value measurements (Investment Properties):	31 March 2026	31 March 2025
	£000	£000
Using significant observable inputs (Level 2)	6,148	4,250
Fair Value	6,148	4,250

Transfers between Levels of the Fair Value Hierarchy

There were no transfers between levels of the fair value hierarchy during the year.

Valuation Techniques used to Determine Level 2 Fair Values for Surplus Assets

Significant Observable Inputs – Level 2

Commercial or Industrial Properties are measured at fair value using valuation techniques based on observable market inputs, and are therefore categorised as Level 2 in the fair value hierarchy.

For Investment Properties of this type held by Blaenau Gwent (i.e. Commercial or Industrial Properties), there has been no change in the valuation techniques used for the industrial property purchased during 2024/2025.

The Ebbw Vale Multi-Storey Car Park and Shopping Precinct was purchased during the 2025/2026 financial year. The Car Park has been included in the accounts as an operational asset, with the retail element classified as an investment property. This has been measured at fair value using a market-based valuation technique, based on the latest available independent Knight Frank valuation dated 30 January 2024. The retail element was therefore valued at £0.635m, which management concluded remained the best estimate of fair value at 31 March 2026. No new external valuation was commissioned at the reporting date, and there was no change in the valuation technique used.

Highest and Best Use

In estimating the fair value of the Authority's Investment Property, the highest and best use of the asset is its current use.

Valuation Process

For 2025/2026, the Authority has engaged the services of Savills (UK) Limited to provide valuations and estimated useful lives for those assets requiring revaluation or re-lifing by 31 March 2026.

All valuations are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

25.7 Fair Value Measurement of Surplus Assets and Assets Held for Sale

Fair Value Hierarchy

Details of the Authority's surplus assets and assets held for sale and information about the fair value hierarchy are as follows:

	31 March 2026			31 March 2025		
	Surplus Assets £000	Assets Held for Sale £000	Total £000	Surplus Assets £000	Assets Held for Sale £000	Total £000
Recurring fair value measurements:						
Using significant unobservable inputs (Level 3)	6,108	0	6,108	6,212	0	6,212
Fair Value	6,108	0	6,108	6,212	0	6,212

Transfers between Levels of the Fair Value Hierarchy

There were no transfers between levels of the fair value hierarchy during the year.

Valuation Techniques used to Determine Level 3 Fair Values for Surplus Assets

Significant Unobservable Inputs – Level 3

A combination of available market data derived from a mixture of transactions on both Authority-owned and third party assets is analysed to take into account yields, rates per square metre, build costs, etc. in order to measure the fair value of its Surplus Assets and Assets Held for Sale under IFRS13 *Fair Value Measurement*, depending on which technique is considered most appropriate.

For long-term obligations like landfill aftercare, IFRS 13 requires the use of a present value technique to estimate fair value. This includes consideration of expected future cash flows, inflation adjustments and discounting using a rate that reflects the time value of money. This approach was adopted from 1 April 2023 on recognition of the Silent Valley Waste Site asset.

There has been no other change in the valuation techniques used during the year.

Highest and Best Use

In estimating the fair value of the Authority's surplus assets, the highest and best use of some of the assets is their current use. However for some assets, in considering alternative highest and best uses for the asset being valued, consideration has been given to value for the asset that may not necessarily be reflected in the existing configuration or use of the asset. In the consideration of alternatives the physical, legal and financial feasibility of that alternative has been taken into account.

Valuation Process

For 2025/2026, the Authority has engaged the services of Savills (UK) Limited to provide valuations and estimated useful lives for those assets requiring revaluation or re-living by 31 March 2026.

All valuations are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

Reconciliation of Fair Value Measurements (using Significant Unobservable Inputs) Categorised with Level 3 of the Fair Value Hierarchy

Reconciliation of Fair Value Measurements (using Significant Unobservable Inputs) Categorised with Level 3 of the Fair Value Hierarchy	2025/2026			2024/2025		
	Surplus Assets	Assets Held For Sale	Total	Surplus Assets	Assets Held For Sale	Total
	£000	£000	£000	£000	£000	£000
Balance at 1 April:	6,212	0	6,212	5,452	0	5,452
Appropriations (to)/from Property, Plant & Equipment Operational Assets	0	0	0	0	0	0
Appropriations (to)/from Assets Held for Sale	0	0	0	0	0	0
Appropriations (to)/from Surplus Assets	0	0	0	0	0	0
Total Gains/(Losses) for the period included in the Surplus or Deficit on the Provision of Services, resulting from changes in the fair value	(32)	0	(32)	410	0	410
Total Gains/(Losses) for the period on unwinding of discount, included as finance costs in the Comprehensive Income and Expenditure Statement	0	0	0	0	0	0
Total Gains/(Losses) for the period included in the Revaluation Reserve resulting from changes in the fair value	(60)	0	(60)	351	0	351
Disposals	0	0	0	0	0	0
In-Year Depreciation	(12)	0	(12)	(1)	0	(1)
Balance at 31 March:	6,108	0	6,108	6,212	0	6,212

Reconciliation of Assets measured at Fair Value to the Balance Sheet

Where the carrying value of assets held for sale is lower than (or equal to) the fair value of those assets, these would be included on the Balance Sheet at carrying amount in accordance with the requirements of the Accounting Code of Practice and consequently are not included in the disclosures for assets held at fair value. There are currently no assets held for sale where this is the case.

25.8 Capital Commitments

Within the Authority's 2025/2026 capital programme, £6.649m relates to schemes that were contractually committed as at 31 March 2026 (£11.474m contractually committed as at 31 March 2025):

Capital Commitments	Commitment	Estimated	Commitment	Estimated
	Value	Timescale for	Value	Timescale for
	2025/2026	Completion	2024/2025	Completion
	£000	No of Years	£000	No of Years
21st Century Schools - Band B Projects	5,015	1	9,605	1
Abertillery Library Remodelling	708	1	0	0
Glyncoed Primary School and Child Care Facility	608	1	0	0
Leisure Projects	76	1	0	0
HiVE - Hi Value Engineering Centre	45	1	773	1
Trinity Chapel Refurbishment	41	1	41	1
Regain 2 †	0	0	315	1
Other*	156	0	740	1
Total	6,649		11,474	

Regain 2 †: The Regain 2 development forms part of the Lime Avenue Joint Venture Agreement, with expenditure incurred and assets/liabilities arising being divided between the partner organisations in accordance with the terms of the agreement.

Other: Includes outstanding retentions on infrastructure & regeneration projects and various other scheme commitments.*

25.9 Revaluations

The 2025/2026 CIPFA Code of Practice introduced revised requirements for the revaluation of Property, Plant and Equipment. Under the revised Code, the Authority has opted to operate a five-year rolling programme of revaluations, supplemented by annual indexation of assets not formally valued during the year to ensure that carrying values are not materially different from the current value at the balance sheet date.

The freehold and leasehold interests in the properties held by the Council were independently valued as at 1 April 2026 by Savills (UK) Limited, acting in the capacity of External Valuers as defined in the RICS Red Book (but not, for the avoidance of doubt, as an External Valuer of the Fund as defined by the Alternative Investment Fund Managers Regulations 2013). The valuations accord with the requirements of IFRS 13, SSAP 19 and the RICS Valuation – Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2022 together, where applicable, with the UK National Supplement effective 14 January 2019, (together the “Red Book”).

The Valuers reported that the aggregate valuation of each of the properties held by the Council (valued during 2025/2026) amounted to £51.647m.

The valuations were arrived at predominantly by reference to market evidence for comparable property.

Property, Plant and Equipment that does not provide service potential for the Authority (that is those assets classified as surplus assets) are not measured for their service potential but for the economic benefits inherent in the assets. Therefore the current value measurement base for these assets is at Fair Value in accordance with the definitions and measurement requirements in IFRS13.

All assets subject to revaluation during 2025/2026 have been assessed for material components. The revaluations of those components, where considered to be material, are included in the figures below.

The effective date of revaluation is 31 March 2026.

The External Valuers were commissioned to provide a report indicating appropriate indices that the Authority could consider applying to various classifications of asset. At 31 March 2026, indexation was applied to 1,207 assets with a carrying value of £225.572m, resulting in a net increase in value of £4.468m.

25.10 Capital Expenditure and Financing

Of the £41.609m capital investment made in 2025/2026, £36.831m was financed in-year through government grants and revenue contributions. The remaining £4.778m capital financing requirement has been funded through borrowing and leases, as indicated below:

Capital Expenditure & Financing		2025/2026	2024/2025
		£000	£000
Capital Investment:	Property, Plant & Equipment	34,292	36,392
	REFCUS	7,317	4,707
		41,609	41,099
Sources of Finance:			
Revenue Provision		(1,330)	(1,151)
Capital Receipts		0	(3)
Government Grants & Other Contributions		(35,501)	(31,690)
		(36,831)	(32,844)
Increase in capital financing requirement:		4,778	8,255
Explanation of in-year movements:			
Borrowing Supported by Government Financial Assistance		2,215	4,047
Borrowing Unsupported by Government Financial Assistance		2,068	1,706
Lease Liabilities		495	2,502
Total Borrowing:		4,778	8,255

26. Heritage Assets

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

Heritage Assets (On Balance Sheet)	Estimated Cost/Valuation £000
<i>The Guardian, Six Bells</i> 'Guardian' is the largest mining memorial in Wales and commemorates the 1960 Six Bells mining disaster in which 45 men and boys lost their lives in an underground gas and coal dust explosion. The memorial is a 12.6 meter high statue of a miner, constructed from over 20,000 individual slices of 10mm thick steel and stands on a 7.4 meter high sandstone plinth.	438
<i>Ebbw Vale War Memorial</i> Unveiled September 24th 1924 by Sir Frederick Mills. Listed as an unusually elaborate war memorial, in a prominent setting.	260
<i>Civic Regalia</i> Comprising the Mayoral Chain, Mayoress Chain and Civic Mace.	122
Total Value:	820

These monuments have been valued on an insurance replacement cost basis and are not depreciated as their useful life is deemed to be indefinite.

The following assets meet the definition of 'heritage assets', but have not been included on the Authority's Balance Sheet:

Heritage Assets (Not Reported on Balance Sheet)	Description	Valuation
Aneurin Bevan Stones	This monument commemorates Aneurin Bevan, born in Tredegar in 1897 and elected M.P. for the area in 1929. The central monolith represents Aneurin Bevan himself, whilst three satellite stones represents his constituents in Ebbw Vale, Tredegar and Rhymney.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Clydach Coal Level	A pair of well preserved and dated coal levels with a tramroad connection to the Clydach Railroad.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Ebbw Vale Furnace Bank (aka 45 Yard)	Listed as an extremely scarce survival of a vast furnace bank, begun in the late 18th century, preserved largely intact. In size, only the furnace bank at Cyfarthfa may be a larger contemporary survival nationally and internationally.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Gorsedd Stones, Ebbw Vale	Originally erected at Ebbw Vale Park in June 1957 for the National Eisteddfod of 1958, the stone circle was later moved to its present location adjacent to Cemetery Road.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Llandafal Colliery Ventilation Furnace	This ventilation furnace probably dates from mining developments in the 1840s or 1850s. Listed as an early air furnace colliery chimney, the only one of this typical form known to survive in South Wales.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
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.	No cost or valuation information is 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.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Sirhowy Ironworks Boundary Stone	Dated 1818 and erected as boundary stone for Sirhowy Ironworks. Listed as a rare survival of an early 19th century industrial boundary stone with unusual history.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Ty Mawr, Nantyglo House	Only the foundations remain of the Ty Mawr mansion house built by the Bailey family in 1816, close to the Roundhouse Towers in Nantyglo.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.

A number of other assets, including the Ebbw Vale Works General Offices, St. Illtyd's Church, Llanhilleth Miners' Institute and Newtown Bridge, are regarded as being operational in nature and have therefore not been included as heritage assets, but are included within appropriate Balance Sheet asset classifications.

27. Lease Arrangements

27.1 Adoption of IFRS16

The Council adopted IFRS 16 from 1 April 2024. Under this standard, most leases where the Council acts as lessee are recognised on the balance sheet as 'right of use' assets. Lessor accounting is effectively unchanged. Right of use assets and lease liabilities have been calculated as if IFRS 16 had always applied and recognised prospectively from 1 April 2024 with no adjustment to prior year figures.

27.2 Authority as Lessee - Recognition of Right of Use Assets

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

The main impact of the new requirements is that for arrangements previously accounted for as operating leases (i.e. without recognising the leased vehicles, plant, equipment, property and land as an asset and future rents as a liability), a right of use asset and a lease liability are included on the balance sheet at 1 April 2024. In accordance with the Council's accounting policy and critical judgements in application of that policy, leases for items of low value and leases on recognition or commencement with a term of 12 months or less are exempt from the new arrangements. The Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

The table below shows the class of assets within Property, Plant and Equipment that contain Right of Use Assets as per IFRS 16 and their respective Net Book Value and in-year movements.

Right of Use Assets	2025/2026			2024/2025		
	Vehicles, plant & equipment	Other land & buildings	Total	Vehicles, plant & equipment	Other land & buildings	Total
	£000	£000	£000	£000	£000	£000
Net Book Value at 1 April	802	954	1,756	1,052	974	2,026
Additions	495	0	495	210	600	810
Depreciation and amortisation	(688)	(581)	(1,269)	(460)	(620)	(1,080)
Disposals	0	(351)	(351)	0	0	0
Net Book Value at 31 March	609	22	631	802	954	1,756

In 2025/2026, transactions in relation to right of use assets and exempt leases (short term or low value) where the Authority is lessee were as follows:

	2025/2026			2024/2025		
	Vehicles, plant & equipment £000	Other land & buildings £000	Total £000	Vehicles, plant & equipment £000	Other land & buildings £000	Total £000
Transactions Under Leases						
Comprehensive Income & Expenditure Statement						
Interest Expense on Lease Liability	50	1	51	39	51	90
Expense related to short-term leases	494	15	509	355	0	355
Expense related to exempt (low-value) leases	310	7	317	212	0	212
Income from sub-letting ROU Assets	(72)	0	(72)	(71)	0	(71)
Total	782	23	805	535	51	586
Cash Flow Statement						
Minimum Lease Payments	703	617	1,320	571	657	1,228

27.3 Authority as Lessee - Right of Use Assets- Minimum Lease Payments

The Council is committed to making minimum payments under these leases, comprising settlement of the long-term liability for the interest in the asset acquired by the Council, and finance costs that will be payable by the Council in future years while the liability remains outstanding.

The Minimum Lease payments are made up of the following amounts:

Minimum Lease Payments	31 March 2026 £000	31 March 2025 £000
ROU Asset Liabilities (Net Present Value of minimum lease payments)	723	1,848
Finance costs payable in future years	18	587
Total	741	2,435

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

Minimum Lease Payments	31 March 2026		31 March 2025	
	Minimum Lease	Finance Lease	Minimum Lease	Finance Lease
	Payments	Liabilities	Payments	Liabilities
	£000	£000	£000	£000
Not later than one year	607	593	1,209	1,173
Later than 1 year and not later than 5 years	134	130	426	336
Later than 5 years	0	0	800	339
Total	741	723	2,435	1,848

27.4 Authority as Lessor - Finance Leases

The Authority has 2 finance lease arrangements as a lessor:

- In 2011/2012, the Authority entered into a 50 year arrangement to lease part of the General Offices building in Ebbw Vale to the Gwent Joint Records Committee hosted by Torfaen CBC, for housing of the Gwent County Archives facility.
- In 2021/2022, the Authority entered into a 7 year lease arrangement with Aneurin Leisure Trust in relation to equipment.

The Authority has a gross investment in the leases, made up of the minimum lease payments expected to be received over the remaining lease term.

The gross investment in the leases relating to these assets is made up as follows:

Finance Lease Debtor	31 March 2026		31 March 2025	
	Vehicles, plant	Other land	Vehicles, plant	Other land
	& equipment	& buildings	& equipment	& buildings
	£000	£000	£000	£000
Current	73	86	72	82
Non-Current	73	2,393	146	2,480
Unguaranteed Residual Value of Property	0	(450)	0	(450)
Total	146	2,029	218	2,112

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

	31 March 2026		31 March 2025	
	Vehicles, plant & equipment	Other land & buildings	Vehicles, plant & equipment	Other land & buildings
	£000	£000	£000	£000
Finance Leases - Lessor				
Not later than one year	73	86	72	82
Later than 1 year and not later than 5 years	73	393	146	374
Later than 5 years	0	1,550	0	1,656
Total	146	2,029	218	2,112

	31 March 2026		31 March 2025	
	Vehicles, plant & equipment	Other land & buildings	Vehicles, plant & equipment	Other land & buildings
	£000	£000	£000	£000
Finance Leases - Lessor				
Minimum Lease Payments				
Not later than one year	74	216	74	216
Later than 1 year and not later than 5 years	74	866	149	866
Later than 5 years	0	3,355	0	3,571
Total	148	4,437	223	4,653

27.5

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 £3.036m (2024/2025: £3.017m).

	31 March 2026	31 March 2025
	Other land & buildings	Other land & buildings
	£000	£000
Operating Lease Minimum Payments Receivable		
Not later than one year	1,114	989
Later than 1 year and not later than 5 years	1,577	1,586
Later than 5 years	345	442
Total Minimum Lease Payments Receivable	3,036	3,017

28. Non-Current Investments

Non-current investments consist of the Authority's proportion of the equity shareholdings made and bonds held by the Cardiff Capital Region City Deal. The value of these shareholdings included in the Authority's Balance Sheet at 31 March 2026 was £0.660m (*31 March 2025: £0.593m*).

28.1 City Deal - Equity Shareholdings

The Cardiff Capital Region City Deal (CCRCD) Equity holdings represent investments in:

- a healthcare data business for a 22.86% shareholding;
- a 21.68% shareholding of a digital manufacturing business;
- a 6.53% shareholding in a FinTech business; and
- a 9.40% shareholding in a BioTech business.

Blaenau Gwent's proportion, equating to £577,651 for 2025/2026 (*2024/2025: £516,671*), has been included on the Balance Sheet at fair value.

28.2 City Deal - Bonds

Long-term investments include the Authority's share of bonds included in the CCRCD Balance Sheet. The Authority's proportion equates to £82,601 at 31 March 2026 (*31 March 2025: £76,688*).

29. Non-Current Debtors

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

	31 March 2026				31 March 2025			
	Gross Debtors £000	Impairment £000	Prepayments £000	Total Net Non-Current Debtors £000	Gross Debtors £000	Impairment £000	Prepayments £000	Total Net Non-Current Debtors £000
Non-Current Debtors								
Local Authorities	2,393	0	0	2,393	2,480	0	0	2,480
Transport for Wales Rail	22,845	(2,509)	0	20,336	22,820	(2,387)	0	20,433
Other Entities & Individuals	3,662	(541)	0	3,121	3,109	(337)	8	2,780
Total	28,900	(3,050)	0	25,850	28,409	(2,724)	8	25,693

Impairment of Non-Current Debtors

Non-current debtor balances have been reduced to reflect sums that have not been written off but are considered to be potentially irrecoverable. Impairment allowance accounts have been established for the following debtors.

	31 March 2026			31 March 2025		
	Gross Debtor £000	Impairment £000	Net Debtor £000	Gross Debtor £000	Impairment £000	Net Debtor £000
Impairment of Non-Current Debtors						
Land & Property Charges	791	(541)	250	483	(337)	146
Transport for Wales Rail	22,845	(2,509)	20,336	22,556	(2,387)	20,169
Total	23,636	(3,050)	20,586	23,039	(2,724)	20,315

The calculated impairment of the Transport for Wales Rail debtor is the present value of the reduction in anticipated sums due over the 50 year contract period, with the total debt having been reduced by the amount of loan funding not spent on the Ebbw Valley Railway project and subsequently returned to Welsh Government.

30. Consolidation of Schools in Single Entity Accounts

The income, expenditure, assets, liabilities, reserves and cash flows of schools are accounted for in accordance with the prescribed treatment in the Accounting Code of Practice as set out in the Authority's accounting policies (*see policy 1.20*). The value of school assets included in the Balance Sheet is as follows:

Value of School Assets	31 March 2026				31 March 2025			
	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Land & Buildings	134,938	0	4,861	139,799	114,111	0	4,719	118,830

The net valuation of school non-current assets increased by £20.989m during 2025/2026, primarily due to the commissioning of the Welsh Medium Primary School, the extension at Ebbw Fawr 11–16 School, and the revaluation or indexation of specific school assets (under the revised Code provisions, all operational school buildings are now subject to indexation in every year in which there is no formal valuation).

The Authority has the following types of maintained schools under its control:

Analysis of School by Type	31 March 2026				31 March 2025			
	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total
Primary Schools	15	4	0	19	15	4	0	19
All Through Schools	2	0	0	2	2	0	0	2
Secondary Schools	1	0	1	2	1	0	1	2
Special Schools	2	0	0	2	2	0	0	2
Total	20	4	1	25	20	4	1	25

For those maintained schools not controlled by the Authority, any transactions made on their behalf have been included in the Comprehensive Income & Expenditure Statement and related notes under the appropriate Portfolio, or exceptionally as third party payments.

During the year, transactions in relation to school entities resulted in the following surpluses or deficits:

School Transactions - In-Year (Surplus)/Deficit	2025/2026				2024/2025			
	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Primary Schools	956	138	0	1,094	991	150	0	1,141
All Through Schools	116	0	0	116	581	0	0	581
Secondary Schools	211	0	9	220	298	0	(81)	217
Special Schools	265	0	0	265	542	0	0	542
Total In-Year (Surplus)/Deficit	1,548	138	9	1,695	2,412	150	(81)	2,481

The following balances were held by schools at the end of the financial year:

School Balances	31 March 2026				31 March 2025			
	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Primary Schools	641	(75)	0	566	(315)	(213)	0	(528)
All Through Schools	1,295	0	0	1,295	1,179	0	0	1,179
Secondary Schools	423	0	(25)	398	212	0	(33)	179
Special Schools	713	0	0	713	447	0	0	447
Total	3,072	(75)	(25)	2,972	1,523	(213)	(33)	1,277

Each school within the Authority operates under the direct governance of its own Board of Governors, which holds responsibility for managing the school's finances.

As at 31 March 2026, aggregate School Balances show a deficit of £2.972m, compared to a deficit of £1.277m at 31 March 2025, as shown in the table below:

School Balances	31 March 2026					31 March 2025				
	Schools in Surplus		Schools in Deficit		Net Balance	Schools in Surplus		Schools in Deficit		Net Balance
	Number	£000	Number	£000		Number	£000	Number	£000	
Primary Schools	9	(1,027)	10	1,593	566	13	(1,192)	6	664	(528)
All Through Schools	0	0	2	1,295	1,295	0	0	2	1,179	1,179
Secondary Schools	1	(25)	1	423	398	1	(33)	1	212	179
Special Schools	0	0	2	713	713	1	(17)	1	464	447
Total	10	(1,052)	15	4,024	2,972	15	(1,242)	10	2,519	1,277

In setting the budget for 2025/2026, the Council approved an uplift to the Individual School Budget (ISB) of 8.4% (£4.67m) to fund:

- All pay pressures, with a commitment to continue funding school pay pressures from 2026/2027 onwards; and
- £2.4m to provide targeted financial support and assist in rebalancing school budgets, with a further £2.4m committed for 2026/2027.

The Authority is providing ongoing financial guidance for Headteachers and Governors to develop medium term budget forecasts and Deficit Reduction Plans, aimed at helping schools achieve balanced budgets over the medium term.

31. Current Investments

At 31 March 2026, the Authority's share of City Deal investments that were not due to be repaid within 90 days totalled £2.066m (2024/2025: £3.119m). These have been classified as current investments. Investments due for repayment within 90 days are shown within cash and cash equivalents. At 31 March 2026, no such investments were held by the Authority (31 March 2025: £3.0m).

32. Inventories

The Authority held stock balances valued at £0.220m at 31 March 2026, comprised of General Stock Items and Personal Protective Equipment:

Inventories	Balance at 1 April 2024 £000	Donations & Purchases £000	Recognised as an expense in the year £000	Written Off £000	Balance at 31 March 2025 £000	Donations & Purchases £000	Recognised as an expense in the year £000	Written Off £000	Balance at 31 March 2026 £000
General Stock	322	1,120	(1,223)	0	219	1,408	(1,410)	0	217
Donated Stock: Personal Protective Equipment	73	0	(45)	0	28	0	(5)	(20)	3
Total	395	1,120	(1,268)	0	247	1,408	(1,415)	(20)	220

33. Current Debtors

Amounts owing to the Authority, net of impairment, were as follows:

Current Debtors	31 March 2026				31 March 2025			
	Gross Debtors £000	Impairment £000	Prepayments £000	Total Net Current Debtors £000	Gross Debtors £000	Impairment £000	Prepayments £000	Total Net Current Debtors £000
Welsh Government	28,044	0	0	28,044	27,234	0	0	27,234
Transport for Wales Rail	3,805	0	0	3,805	2,536	0	0	2,536
Other Central Government	7,562	0	0	7,562	11,887	0	0	11,887
Local Authorities	3,124	(163)	0	2,961	2,442	(138)	0	2,304
NHS	2,122	(410)	0	1,712	2,091	(319)	0	1,772
Council Tax Arrears	10,009	(4,644)	0	5,365	8,749	(4,121)	0	4,628
Trade	1,500	(448)	223	1,275	1,781	(819)	180	1,142
Other Entities and Individuals	8,042	(2,313)	543	6,272	4,879	(1,561)	445	3,763
Total	64,208	(7,978)	766	56,996	61,599	(6,958)	625	55,266

Impairment of Current Debtors

Current debtor balances have been reduced to account for sums that have not been written off but are potentially irrecoverable. For those debtors falling within the scope of IFRS9, the 'Simplified Approach' has been applied under which impairment losses are automatically based on lifetime expected credit losses.

The Authority has also established impairment allowances for debtors falling outside of the scope of IFRS9, notably council tax arrears and housing benefit overpayments.

	31 March 2026			31 March 2025		
	Gross Debtor £000	Impairment £000	Net Debtor £000	Gross Debtor £000	Impairment £000	Net Debtor £000
Impairment of Current Debtors						
<i>Impairment of Debtors within the scope of IFRS 9:</i>						
Land & Property Charges	308	(211)	97	302	(210)	92
Trade Debtors	513	(448)	65	897	(819)	78
Debtors related to Sales, Fees & charges	2,234	(1,093)	1,141	1,516	(789)	727
<i>Impairment of Debtors outside of the scope of IFRS 9:</i>						
Council Tax	10,009	(4,644)	5,365	8,749	(4,121)	4,628
Housing Benefits	936	(355)	581	890	(461)	429
Public Sector Bodies	2,287	(573)	1,714	1,737	(458)	1,279
Other Debtors	1,093	(654)	439	254	(100)	154
Total	17,380	(7,978)	9,402	14,345	(6,958)	7,387

Basis of Impairment of Current Debtors outside of the scope of IFRS9:

Council Tax

All Council Tax debts are considered to have fallen due by the 31 March in the financial year to which they relate. In determining whether these debts should be impaired, the Authority has taken into account any known specific circumstance in relation to individual debtors that would have a bearing on the ability or potential for settlement of the debt, e.g. bankruptcy, insolvency or absconding. In these specific cases, the debt is considered as unlikely to be recovered at that point in time and is impaired at 100% of the amount outstanding. For all other cases, an expected lifetime credit loss has been applied based on the estimated collection rate over a 6-year period.

Housing Benefits

The simplified approach has been adopted to impairment of Housing Benefit Overpayments, with expected lifetime losses calculated using a probability matrix based on the age of debt outstanding and an assessment of the possibility of default occurring.

Public Sector Bodies

Where identified, debtors in relation to other public sector bodies are not impaired on the assumption that recovery will be made in full. Exceptionally, impairment is provided in cases where specific information indicates that the debt may not be fully settled.

Other Debtors

The simplified approach has been adopted to impairment of Other Debtors, with expected lifetime losses calculated using a probability matrix based on the age of debt outstanding and an assessment of the possibility of default occurring.

Impairment of Debtors Outside of the Scope of IFRS9	31 March 2026						31 March 2025					
	Council Tax	Housing Benefit	Public Sector Bodies	Other Debtors	Total Debtors Outside Scope	Impairment	Council Tax	Housing Benefit	Public Sector Bodies	Other Debtors	Total Debtors Outside Scope	Impairment
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<i>Category of debtor:</i>												
General Arrears < 1 year old	2,675	32	437	527	3,671	(800)	2,374	31	393	127	2,925	(201)
General Arrears > 1 year <5 years old	4,481	256	958	239	5,934	(2,575)	4,646	243	824	41	5,754	(2,850)
General Arrears > 5 years old	1,702	650	50	317	2,719	(2,219)	1,273	613	7	35	1,928	(1,680)
Absconders	0	0	0	0	0	0	183	0	0	0	183	(183)
Bankruptcy/Liquidation/Insolvency	0	0	0	0	0	0	173	0	0	0	173	(173)
Other	600	3	0	29	632	(632)	50	3	0	3	56	(53)
Arrears not impaired	551	(5)	842	(19)	1,369	0	50	0	513	48	611	0
Total	10,009	936	2,287	1,093	14,325	(6,226)	8,749	890	1,737	254	11,630	(5,140)

34. Current Creditors

Amounts owed by the Authority were as follows:

Current Creditors	31 March 2026			31 March 2025		
	Creditors £000	Receipts in Advance £000	Total Current Creditors £000	Creditors £000	Receipts in Advance £000	Total Current Creditors £000
Welsh Government	(3,911)	0	(3,911)	(4,440)	0	(4,440)
Other Central Government	(4,825)	0	(4,825)	(514)	0	(514)
Local Authorities	(3,048)	0	(3,048)	(2,051)	0	(2,051)
NHS	(60)	0	(60)	(148)	(5)	(153)
Capital Creditors	(4,178)	0	(4,178)	(10,952)	0	(10,952)
Lease Liabilities	(593)	0	(593)	(1,173)	0	(1,173)
Council Tax Credits	(1,324)	0	(1,324)	(1,234)	0	(1,234)
Trade	(4,432)	0	(4,432)	(3,438)	0	(3,438)
Other Entities and Individuals	(9,902)	(267)	(10,169)	(9,878)	(320)	(10,198)
Total	(32,273)	(267)	(32,540)	(33,828)	(325)	(34,153)

35. Provisions, Contingent Liabilities and Contingent Assets

35.1 Employee Related Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. The purpose of each provision categorised as 'Employee related' is as follows:

Provision	Purpose	Timescale for Utilisation	Uncertainties, Assumptions and Potential Reimbursement
Equal Pay	To provide for liabilities in relation to equal pay and similar employee related claims across the Authority.	To be settled, subject to agreement (including by negotiation with Trade Unions and through tribunal), in the 2025/2026 and subsequent financial years.	The provision is based on a range of assumptions concerning the potential range of settlement outcomes for known claims at the balance sheet date. Actual settlement dates are not known in all cases, and may be subject to ongoing negotiation. It has been assumed that there will be no reimbursement for any payments made to settle these liabilities.

Movements in employee-related provisions during 2025/2026 were as follows:

Employee Provision Movements	Balance at 1 April 2025 £000	Amounts Used £000	Unused Amounts Reversed £000	Unwinding of Discount £000	Additional Provisions Made £000	Reclassification of Provision £000	Balance at 31 March 2026 £000
Current Provisions:							
Equal Pay	(1,032)	454	204	0	0	(119)	(493)
<i>Total Employee Current Provisions:</i>	(1,032)	454	204	0	0	(119)	(493)
Non-Current Provisions:							
Equal Pay	(562)	0	443	0	0	119	0
<i>Total Employee Non-Current Provisions:</i>	(562)	0	443	0	0	119	0
Total Employee Provisions:	(1,594)	454	647	0	0	0	(493)

35.2 Other (Non-Employee) Provisions

The purpose of each provision categorised as 'Other (Non-Employee related)' is as follows:

Provision	Purpose	Timescale for Utilisation	Uncertainties, Assumptions and Potential Reimbursement
Insurance	To provide for known insurance liabilities, including sums relating to the Municipal Mutual Insurance Scheme of Arrangement originally established in 1994 under section 425 of the Companies Act 1985 (now section 899 of the Companies Act 2006).	To be utilised from 2026/2027 on settlement of claims.	The amount and timing of settlement of insurance claims are inherently uncertain. It has been assumed that the timing and value of the settlement of future claims will be similar to known claims history. As the majority of known claims fall below the Authority's excess level(s) there is not expected to be any significant reimbursement by the Authority's insurers. In November 2012 the Directors and Board of Municipal Mutual Insurance agreed to the irrevocable triggering of the Scheme of Arrangement in order to avoid insolvent liquidation. As a result, the Authority has included £0.013m in the Insurance Provision, set at 25% of total known outstanding claims reserves relating to Blaenau Gwent and the former Gwent County Council.
Lease Dilapidation	To provide for works to three leased assets (Ebbw Vale Multi-Storey Car Park, and 20 Church Street) to return the assets to their condition as at the inception of the respective lease agreements.	Provisions for Anvil Court and Ebbw Vale Multi-Storey Car Park removed on termination of lease arrangements in 2025/2026. 20 Church Street: 2029.	Sums provided are for estimated costs to restore leased assets to original condition. No allowance has been made for improvement works undertaken that may be retained by the lessor.
Reservoir Safety Works	To provide for safety works identified in recent inspections undertaken under the Section 10, 12(2) and 12(2A) of the Reservoirs Act 1975. Implementation of these works is a statutory requirement enforced by Natural Resources Wales.	To be utilised from 2026/2027 on completion of identified works.	Sums provided are for estimated costs to implement the required safety works identified in recent inspections. Failure to address these requirements could result in a prosecution against the Authority.
Silent Valley Aftercare	To provide for a range of aftercare costs related to the former Silent Valley Waste Site, including Environmental Monitoring, Surface Water, Landfill Gas and Groundwater Management.	To be utilised over a 60 year period after the site closure, commencing in 2016 and ending in 2076.	A detailed assessment of potential aftercare costs has been provided by external consultants (WSP). There is a degree of uncertainty over the level of costs that will actually be incurred, given the extended period over which the Council is required to meet liabilities arising. Estimates are therefore based on current cost levels and will be subject to regular review.
Silent Valley Leachate	To provide for leachate management costs related to the former Silent Valley Waste Site, including treatment, monitoring and disposal.	To be utilised over a 60 year period after the site closure, commencing in 2016 and ending in 2076.	A detailed assessment of potential aftercare costs has been provided by external consultants (WSP). There is a degree of uncertainty over the level of costs that will actually be incurred, given the extended period over which the Council is required to meet liabilities arising. Estimates are therefore based on current cost levels and will be subject to regular review. Given the material level of costs involved, amounts in future periods have been discounted to current values.

Movements in other (non-employee) provisions during 2025/2026 were as follows:

Other (Non-Employee) Provision Movements	Balance at 1 April 2025 £000	Amounts Used £000	Unused Amounts Reversed £000	Unwinding of Discount £000	Additional Provisions Made £000	Reclassification of Provision £000	Balance at 31 March 2026 £000
Current Provisions:							
Insurance	(568)	109	497	0	(590)	0	(552)
Lease Dilapidation - 20 Church Street	(2)	0	0	0	0	0	(2)
Lease Dilapidation - Anvil Court	(307)	0	307	0	0	0	0
Reservoir Safety Works	(80)	0	0	0	0	0	(80)
Silent Valley Aftercare	(42)	42	0	0	0	(37)	(37)
Silent Valley Leachate	(182)	204	10	0	0	(189)	(157)
<i>Total Other (Non-Employee) Current Provisions:</i>	<i>(1,181)</i>	<i>355</i>	<i>814</i>	<i>0</i>	<i>(590)</i>	<i>(226)</i>	<i>(828)</i>
Non-Current Provisions:							
Insurance	(740)	134	289	0	(403)	0	(720)
Lease Dilapidation - Ebbw Vale Multi Storey Car Park	(549)	0	549	0	0	0	0
Silent Valley Aftercare	(1,691)	0	0	0	(51)	37	(1,705)
Silent Valley Leachate	(2,978)	0	0	(177)	0	189	(2,966)
<i>Total Other (Non-Employee) Non-Current Provisions:</i>	<i>(5,958)</i>	<i>134</i>	<i>838</i>	<i>(177)</i>	<i>(454)</i>	<i>226</i>	<i>(5,391)</i>
Total Other (Non-Employee) Provisions:	(7,139)	489	1,652	(177)	(1,044)	0	(6,219)

35.3 Provisions - Summary

Summary transactions and balances for all provisions were as follows::

Summary Provision Movements	Balance at 1 April 2025 £000	Amounts Used £000	Unused Amounts Reversed £000	Unwinding of Discount £000	Additional Provisions Made £000	Reclassification of Provision £000	Balance at 31 March 2026 £000
Current Provisions:							
Employee Provisions	(1,032)	454	204	0	0	(119)	(493)
Other (Non-Employee) Provisions)	(1,181)	355	814	0	(590)	(226)	(828)
Total Current Provisions:	(2,213)	809	1,018	0	(590)	(345)	(1,321)
Non-Current Provisions:							
Employee Provisions	(562)	0	443	0	0	119	0
Other (Non-Employee) Provisions)	(5,958)	134	838	(177)	(454)	226	(5,391)
Total Non-Current Provisions:	(6,520)	134	1,281	(177)	(454)	345	(5,391)
Total Provisions:	(8,733)	943	2,299	(177)	(1,044)	0	(6,712)

35.4 Contingent Liabilities

- 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 (July 2010), 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), with the exception of warranties for environmental pollution and asbestos, where the limits are £125m (environmental pollution and asbestos – works indemnity) and without limit (asbestos – personal injury and death). Claims are subject to an excess level below which the Authority is not liable to reimburse Tai Calon, these being £5,000 generally and £4.7625m for Asbestos works. Potential liabilities that could arise in respect of environmental pollution have been mitigated by means of insurance policies. At this stage, there have been no definite claims associated with the warranties provided and it is not possible to determine the extent and value of claims that may arise in the future.
- On formation of Aneurin Leisure Trust in October 2014, pension assets and liabilities assessed on an actuarial basis were transferred from Blaenau Gwent CBC, such that the Trust's pension obligations were deemed to be fully funded. The funding deficit accruing to 30 September 2014 in respect of employees relocating to Aneurin Leisure Trust was not transferred, but was retained by Blaenau Gwent CBC. The Trust is therefore only responsible for any increase in liabilities (on an actuarial valuation basis) occurring after the transfer date, with the Authority acting as a guarantor for the previously accrued net deficit. In addition, the Authority agreed to act as guarantor of last resort in order that the Leisure Trust could enter the Greater Gwent (Torfaen) Pension Fund as an admitted body and has therefore agreed to underwrite any costs arising in the event that the admitted body defaults on any or all of its payments in relation to its pension obligations. Further details of the liability on transfer are included in note 40. However it is not possible to place an estimate on the level of other potential liabilities for which the Authority is acting as guarantor which are dependent on the occurrence of future events.
- 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. Due to the nature of these claims it is not practicable to disclose an estimate of the potential sums payable.
- The Authority has received a number of Part 1 claims arising under the 1973 Land Compensation Act in relation to a number of public works projects. It is not possible to determine the final number and value of these claims in compliance with the Act and the full extent to which settlement will be made.
- As a result of decisions of the courts allowing the release of documentation in relation to specific past actions of the Authority, it is possible that obligations may arise to settle specific liabilities. Given the inherent complexity of these liabilities it has not been possible to provide an estimate of the settlement costs.
- The Authority may in due course be obligated to discharge liabilities for which no claims have yet been presented. However, in the absence of such claims, it is not possible to ascertain with precision the nature or magnitude of these potential obligations.

36. Other Long-Term Liabilities

The Authority holds the following balances as long-term liabilities.

Other Long-Term Liabilities	31 March 2026	31 March 2025
	£000	£000
Cardiff Capital Region City Deal Non-Current Creditor	(1,815)	(2,261)
Deferred Liabilities	(99)	(644)
Net Pensions Liability	(91,117)	(86,971)
Total	(93,031)	(89,876)

- Long-Term Liabilities for Cardiff Capital Region City Deal represent the Authority's share of HMT grant received by the joint arrangement but not yet utilised.
- Deferred Liabilities represent amounts outstanding for finance leases in relation to vehicles, plant and equipment leased by the Authority.
- The Net Pensions Liability represents the amount by which pension liabilities attributable to the Authority exceed pension assets held in order to settle current and future obligations.

37. Financial Instruments

Fair Value of Assets and Liabilities carried at Amortised Cost

Financial liabilities and financial assets represented by loans and receivables are carried in the Balance Sheet at amortised cost. Their fair value has been assessed by calculating the present value of the cash flows that take place over the remaining term of the instruments as at the balance sheet date.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g. interest rates or yields for similar instruments
- Level 3 – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness

Financial Liabilities	Fair Value Level	31 March 2026		31 March 2025	
		Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Public Works Loan Board	2	(60,966)	(54,178)	(53,999)	(48,172)
Market Loans	2	0	0	(12,000)	(12,111)
Temporary Loans	n/a	(75,550)	(75,550)	(58,550)	(58,550)
Rail Infrastructure Loan	n/a	(24,140)	(3,759)	(22,904)	(5,086)
Town Centre Loan	n/a	(2,063)	(1,445)	(2,019)	(1,393)
Salix Loan	n/a	(2,315)	(1,739)	(2,725)	(2,177)
Transforming Towns Loan	n/a	(1,413)	(1,366)	(2,580)	(2,386)
Cardiff Capital Region Borrowing	n/a	(294)	(294)	(462)	(462)
Total		(166,741)	(138,331)	(155,239)	(130,337)

The fair value of liabilities is less than the carrying amount because the Authority's portfolio of loans includes a number of fixed rate loans, namely PWLB annuity and interest free loans from the Welsh Government, where the interest rate payable is lower than the rates available for similar loans at the Balance Sheet date. This commitment to pay interest below current market rates decreases the amount the Authority would have to pay if the lender requested or agreed to early repayment of loans.

Fair value disclosures have not been calculated for short term financial liabilities or short term financial assets, including payables (creditors), receivables (debtors) and temporary investments as the carrying amount is a reasonable approximation of fair value.

Financial Instrument Balances

The borrowings and investments disclosed in the Balance Sheet are made up of the following categories of financial instruments:

Financial Instruments	31 March 2026			31 March 2025		
	Non-Current £000	Current £000	Total £000	Non-Current £000	Current £000	Total £000
Financial Liabilities						
Financial liabilities at amortised cost	(74,338)	(92,403)	(166,741)	(79,878)	(75,361)	(155,239)
Total Borrowings	(74,338)	(92,403)	(166,741)	(79,878)	(75,361)	(155,239)
Financial Assets						
Long term investments - Equity and Bonds	660	0	660	593	0	593
Total Investments	660	0	660	593	0	593

Financial Instrument Gains/Losses

The gains and losses recognised in the Comprehensive Income & Expenditure Statement (note 10) in relation to financial instruments are made up as follows:

Financial Instrument Gains/Losses	2025/2026			2024/2025		
	Financial Liabilities measured at amortised cost £000	Financial Assets: Loans & Receivables £000	Total 2025/2026 £000	Financial Liabilities measured at amortised cost £000	Financial Assets: Loans & Receivables £000	Total 2024/2025 £000
Interest payable and similar charges:						
Interest expense	6,794	0	6,794	8,898	0	8,898
Interest and investment income:						
Interest income	0	(1,418)	(1,418)	0	(1,807)	(1,807)
Net (gain)/loss for the year:	6,794	(1,418)	5,376	8,898	(1,807)	7,091

Soft Loans

Car loans are classified as soft loans and should be included in the Balance Sheet at fair value. However, car loans have been included at their carrying amount as the difference between the fair value and carrying amount is considered to be immaterial. As at 31 March 2026, car loans with a total value of £0.445m were outstanding (31 March 2025: £0.435m).

In response to the cost of living crisis, in 2022/2023 a bridging loan was advanced to eligible employees who claimed business mileage. This was to be repaid by staff when the cost of fuel reduced or on implementation of the agreed pay award. A total of £0.016m was advanced of which £0.015m had been repaid to 31 March 2026. As the difference between fair value and carrying amount is considered to be immaterial, the outstanding balance of £0.001m has been included in the Balance Sheet at cost.

Soft Loans - Welsh Government

In 2020/2021, the Authority received a £70.000m interest free loan from Welsh Government in relation to the Ebbw Valley Railway Infrastructure project. Following completion of the scheme in 2024, the unspent amount of £6.590m was repaid leaving a balance at 31 March 2025 of £63.410m. No repayments of this loan have yet been made, pending receipt of contractual Asset Development Fee income from Transport for Wales (Rai).

The Authority received an interest-free Town Centre Loan for Local Authority Use of £2.570m from Welsh Government in 2020/2021. In addition, Welsh Government loans totalling £3.400m were received in 2021/2022 and 2022/2023 in respect of the Transforming Towns programme.

As these loan agreements have interest rates below market rate, each has been treated as a soft loan in the Authority's accounts and have been included in the Balance Sheet at Fair Value.

38. Disclosure of Nature and Extent of Risks Arising from Financial Instruments

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

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

Overall Procedures for Managing Risk

During 2025/2026, financial markets and institutions continued to operate in an environment characterised by geopolitical uncertainty, persistent inflationary pressures and interest rates that remained elevated relative to historical norms. Whilst inflation continued to moderate during the year, ongoing global conflicts, energy market volatility and wider economic uncertainty continued to influence investment returns, borrowing costs and financial market sentiment. The Council therefore continued to monitor treasury counterparties and market conditions closely to ensure that investments remained secure and sufficiently liquid.

The main issues for the Council are credit risk; its ability to raise finance; and to a limited degree the interest rate payable and receivable on new loans and investments. However, these risks are mitigated as described below.

The Authority's overall risk management procedures focus on the unpredictability of financial markets, and are structured to implement suitable controls to minimise these risks. The procedures for risk management are defined through a legal framework set out in the Local Government Act 2003 and associated regulations and are managed by the Authority's Accountancy Division. These require compliance with the CIPFA Prudential Code of Practice, the CIPFA Treasury Management Code of Practice and investment guidance issued under the Local Government Act 2003.

Overall, these procedures require the Authority to manage risk in the following ways:

- by formally adopting the requirements of the CIPFA Treasury Management Code of Practice;
- by the adoption of a Treasury Policy Statement and treasury management clauses within its financial regulations/standing orders/constitution;
- by approving an Investment Strategy for the forthcoming year, setting out its criteria for both investing and selecting investment counterparties in compliance with government guidance; and
- by approving annually in advance Prudential and Treasury Indicators for the following three years limiting:
 - the Authority's overall borrowing;
 - its maximum and minimum exposures to fixed and variable rates;
 - its maximum and minimum exposures to the maturity structure of its debt; and
 - its maximum annual exposures to investments maturing beyond a year.

The above are required to be reported and approved at or before the Authority's annual Council Tax setting meeting or before the start of the year to which they relate. These items are reported with the annual Treasury Management Strategy which outlines the detailed approach to managing risk in relation to the Authority's financial instrument exposure. Actual performance is also reported after each year, with quarterly and mid-year updates.

The annual Treasury Management Strategy, Investment Strategy and MRP Policy statement, which incorporates the Prudential Indicators, were approved by Council on 27 March 2025 and are available on the Authority's website.

Credit Risk

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

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch and Moody's Credit Rating Services. The Annual Investment Strategy also considers maximum amounts and time limits in respect of each financial institution. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above. Additional selection criteria are also applied after this initial criteria is applied by using Credit Default Swap (CDS) spread data and credit rating alerts.

The full Investment Strategy for 2025/2026 was approved by Council on 27 March 2025.

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

However, all investments held by the Authority during the period are considered to be of low risk. No breaches of the Authority's counterparty criteria occurred during the reporting period and the Authority does not expect any losses from non-performance of any of its counterparties in relation to deposits.

Liquidity Risk

The Authority manages its liquidity position through the risk management procedures outlined above (*the setting and approval of Prudential Indicators and the approval of the Treasury and Investment Strategy reports*), as well as through a comprehensive cash flow management system. This seeks to ensure that cash is available when needed.

The Authority has ready access to borrowings from the money markets to cover any day to day cash flow need, and the Public Works Loan Board (PWLb) and money markets for longer term funds. The Authority is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The source analysis of financial liabilities is as follows:

Financial Instruments	31 March 2026		31 March 2025	
	£000	%	£000	%
Source of Loan				
Public Works Loan Board	(61,254)	29.53	(54,331)	27.52
Market Loans	0	0.00	(12,000)	6.08
Temporary Loans	(75,550)	36.42	(58,550)	29.65
Rail Infrastructure Loan	(63,410)	30.57	(63,410)	32.11
Town Centre Loan	(2,570)	1.24	(2,570)	1.30
Transforming Towns Loan	(1,875)	0.90	(3,400)	1.72
Salix Loan	(2,315)	1.12	(2,725)	1.38
Cardiff Capital Region Borrowing	(462)	0.22	(462)	0.23
Total:	(207,436)	100.00	(197,448)	100.00

The maturity analysis of financial liabilities is as follows:

Maturity of Loan	31 March 2026		31 March 2025	
	£000	%	£000	%
Maturing in less than 1 year	(92,403)	44.55	(75,625)	38.30
Maturing in 1-2 years	(11,545)	5.57	(13,019)	6.59
Maturing in 2-5 years	(20,737)	10.00	(17,663)	8.95
Maturing in 5-10 years	(11,506)	5.55	(17,492)	8.86
Maturing in more than 10 years	(71,245)	34.35	(73,649)	37.30
Total:	(207,436)	100.00	(197,448)	100.00

Market Risk

Interest Rate Risk

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

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income & Expenditure Statement will rise.
- Borrowings at fixed rates – the fair value of the liabilities will fall.
- Investments at variable rates – the interest income credited to the Comprehensive Income & Expenditure Statement will rise.
- Investments at fixed rates – the fair value of the assets will fall.

Borrowings are not carried at fair value on the Balance Sheet, so nominal gains and losses on fixed rate borrowings would not impact upon the Comprehensive Income & Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Comprehensive Income & Expenditure Statement and will affect the Council Fund Balance.

The Authority has a number of strategies for managing interest rate risk. The Treasury Management Strategy sets an upper limit on variable rate exposures at 30% of its net outstanding sums. During periods of falling interest rates, long term fixed rate borrowings will be postponed and potential rescheduling from fixed rate funding into short term funding will be considered, where economic circumstances make it favourable to do so. The risk of loss is partly ameliorated by the fact that the debt financing element of the Standard Spending Assessment, which determines the amount of Revenue Support Grant receivable for non-current debt financing costs, is based on Authorities' average borrowing costs for existing debt and statistical forecasts of future interest rates for in-year debt. Hence a proportion of any higher costs arising on non-current debt from increased interest rates would be met from the Revenue Support Grant in future years.

In setting the annual revenue budget, the Authority takes a prudent view when assessing interest rate exposure, so as to mitigate as far as possible any adverse implications upon the Comprehensive Income & Expenditure Statement.

Of the Authority's non-current debt, 100% is currently at fixed rates. The effect of a 1% increase in interest rates would therefore only affect the interest receivable and payable on its current investments and borrowings.

If interest rates had been 1% higher, with all other variables held constant, the financial effect would have been:

Interest Rate Risk	2025/2026 £000	2024/2025 £000
Increase in interest payable on current variable rate borrowings	635	471
Increase in interest receivable on current variable rate investments	(120)	(145)
Net impact upon Comprehensive Income & Expenditure Statement:	515	326

The impact of a 1% fall in interest rates would have been as above but with the movements being reversed.

Price Risk

The Authority does not invest in equity shares.

Included on the Balance Sheet is the Authority's proportion of minor equity investments made by the Cardiff Capital Region City Deal in a Healthcare Data Business, Digital Manufacturing Business, FinTech Business and a BioTech Business. As the investments are unquoted the CCRCD is not exposed to losses arising from movements in the prices in the shares. The Authority's proportion, equating to £577.651, has been classified as unquoted investments at cost.

Foreign Exchange Risk

The Authority has no financial assets or liabilities denominated in foreign currencies and therefore has no exposure to losses arising from movements in exchange rates.

39. Post-Employment Benefits – Defined Contribution Plans (Teachers)

Teachers' Pension Scheme

Teachers employed by the Authority are members of the Teachers' Pension Scheme (TPS), which is an unfunded, multi-employer defined benefit pension scheme administered by the Department for Education. The Scheme is governed by statutory regulations and benefits are paid from public funds provided by Parliament.

Although the Teachers' Pension Scheme is a defined benefit scheme, it is accounted for as a defined contribution scheme in these accounts. This is because the Authority is unable to identify its share of the underlying assets and liabilities of the Scheme on a consistent and reliable basis. Consequently, the Authority accounts for contributions payable to the Scheme as an expense in the year in which they are incurred, with no liability recognised for future benefits.

Actuarial Valuation

The Teachers' Pension Scheme is subject to a full actuarial valuation every four years. The most recent completed valuation was carried out as at 31 March 2024, the results of which determined that an employers contribution rate of 17.6% will apply from 1 April 2027.

Contribution Rates

For the year ended 31 March 2026, employers paid contributions at a rate of 28.6% of pensionable pay (2024/2025: 28.6%). Employees' contribution rates are tiered based on pensionable salary. In addition, employers pay an administration levy of 0.08% of pensionable pay.

Cash Flow Exposure

The Teachers' Pension Scheme operates on a "pay-as-you-go" basis, with employer and employee contributions used to meet pension payments as they fall due. Any shortfall between contributions and benefit payments is met by the Exchequer.

During 2025/2026, the net cash requirement of the Scheme was £0.854 billion (2024/2025: £1.15 billion). The reduction compared with the prior year primarily reflects lower pension benefit payments and timing differences in cash flows, including those associated with the implementation of the Public Service Pensions Remedy.

As the Scheme is unfunded, the Authority is not exposed to investment risk; however, it remains exposed to changes in contribution rates arising from future actuarial valuations.

The Authority is liable for other entities' obligations only to the extent that any deficit arising on the Teachers' Pension Scheme that is being recovered through the supplementary contribution element of the Employer Contribution rate may not have resulted from employees or former employees of the Authority.

Employer Contributions

The Teachers' Pension Scheme is managed by the Department for Education and administered under contract by Capita Business Services Ltd., who are in the process of transitioning the administration of the Scheme to Tata Consultancy Services (TCS).

In March 2026, the Scheme announced that the transfer of the administration of the TPS would take place in late 2026, recognising that additional time was required to complete the transition effectively and maintain service continuity for members and employers. TCS will assume full responsibility following completion of the transition and administer the Scheme under contract until September 2035.

The Authority contributes towards the costs of retirement benefits by making contributions based on a percentage of employees' pensionable salaries.

In 2025/2026, the Authority paid employers contributions of £7.561m to the Teachers' Pensions Scheme in respect of teachers' pension costs, representing 28.6% of teachers' pensionable pay (2024/2025: £7.097m, representing 28.6% of pensionable pay). At 31 March 2026, £0.645m remained payable to the Teachers' Pension Scheme relating to employers contributions arising in the March payroll (31 March 2025: £0.603m).

The total employers contributions to be made by the Authority to the Teachers' Pension Scheme in the year to 31 March 2027 is estimated at £7.716m.

The Authority made total contributions (employees and employers) to the TPS amounting to £10.174m in 2025/2026, which would have represented approximately 0.08% of the total contributions receivable by the TPS in that year.

The Authority is responsible for the costs of any additional benefits awarded upon early retirement that fall outside of the terms of the Teachers' Scheme. These costs are accounted for on a defined benefit basis and are detailed in note 40.

40. Post-Employment Benefits – Defined Benefit Plans

Retirement benefits are offered to the Authority's employees which, although not actually payable until employees retire, represent a commitment by the Authority that needs to be disclosed in the Accounts in the financial period in which the entitlement to benefits arises (i.e. when earned by employees through service provided).

The Authority participates in two formal schemes, the Local Government Pension Scheme (the Greater Gwent (Torfaen) Pension Fund), which is administered by Torfaen CBC, and the Teachers' Pensions Scheme administered in 2025/2026 by Capita Teachers' Pensions on behalf of the Department for Education. Although technically a defined benefit scheme, the Teachers' Pensions Scheme is accounted for as a defined contribution scheme (*note 39*).

With effect from 1 April 2014, the Local Government Scheme is a funded defined benefit Career Average Revalued Earnings (CARE) scheme, in which the Authority and employees make contributions calculated at a level intended to balance pension liabilities arising with investment assets. The contribution rate is determined by the Fund's Actuary based on triennial valuations, the last completed review being 31 March 2025.

Pension benefits under the LGPS are summarised below:

	Service pre 1 April 2008
Pension	Each year worked is worth 1/80th of final pensionable salary.
Lump Sum	Automatic lump sum of 3x annual pension. In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.
	Service between 1 April 2008 and 31 March 2014
Pension	Each year worked is worth 1/60th of final pensionable salary.
Lump Sum	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

	Service after 31 March 2014
Pension	Each year worked is worth 1/49th of career average revalued earnings.
Lump Sum	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

The Scheme is governed by the Public Service Pensions Act 2013 and administered in accordance with the following secondary legislation:-

- the LGPS Regulations 2013 (as amended);
- the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended); and
- the LGPS (Management and Investment of Funds) Regulations 2016.

As administering authority, Torfaen County Borough Council is responsible for interpreting all pension laws, keeping accurate records, calculating and paying benefits, and providing information to employees, employers and other relevant bodies. Torfaen County Borough Council has established within its Constitution a Pensions Committee to discharge its duties as administering authority of the Fund. As required by the Public Services Pension Act 2013 and LGPS (Amendment) (Governance) Regulations 2015, a Pension Fund Board has been established to assist the Scheme manager with securing compliance with regulations, legislation and the Pension Regulator's Codes of Practice relating to administration and governance of the Local Government Pension Scheme.

The Fund's primary long term risk is that its assets will fall short of its liabilities (i.e. its promised benefits payable to members). Investment risk management across the Fund is therefore aimed to minimise the risk of an overall reduction in the value of the Fund whilst maximising the opportunity for gains across the whole portfolio. Within its investment strategy the Fund aims to manage this primary overall risk by:-

- asset diversification to reduce exposure to market risk (asset price risk, interest rate risk and currency risk);
- managing credit risk via appropriate selection, diversification and monitoring of its counterparties; and
- managing liquidity risk by ensuring there are sufficient liquid funds to meet member benefit commitments as they fall due.

The Greater Gwent Pension Fund's funding strategy aims to ensure the long-term solvency of the Fund by maintaining sufficient assets to meet pension liabilities as they fall due. It seeks to achieve this through a prudent and transparent funding approach, supported by a balanced investment strategy that promotes long-term cost efficiency and helps minimise employers' contribution requirements. The strategy also aims to provide stability in contribution rates where appropriate, reflect the differing circumstances and risk profiles of participating employers when setting contributions, and take reasonable steps to reduce the risk of employers failing to meet their pension obligations.

The 2022 Actuarial Valuation reported the level of total fund assets compared to liabilities (the funding level) as 97% (2019 Valuation: 86%). As a result, employer contribution levels have been calculated for implementation from 1 April 2023 that will, subject to future revaluations, eliminate this deficit in 20 years. Scheme changes implemented under the Public Pensions Service Act 2013, including calculating pension and other benefits on the basis of career average re-valued earnings, will also need to be considered in meeting the future funding objectives.

Adjustments to contribution levels resulting from the 2025 Actuarial Valuation will take effect from 1 April 2026.

As an indication of the level of the Authority's participation in the Greater Gwent (Torfaen) Pension Fund compared with other participating entities, Blaenau Gwent contributed £22.068m or 11.7% of the total employee and employer contributions receivable by the Fund (£188.111m), as disclosed in the most recently available annual accounts (2025/2026 Draft).

More detailed information regarding the nature of benefits provided, regulatory framework, governance arrangements, investment principles, funding strategy, actuarial valuation and pension fund performance can be obtained from the Strategic Director Resources, Torfaen County Borough Council, Civic Centre, Pontypool, NP4 6YB, or from the Greater Gwent Pensions Fund website:

<https://www.gwentpensionfund.co.uk>

Welsh Pension Partnership (WPP)

The Greater Gwent Pension Fund is one of eight Local Government Pension Scheme (LGPS) funds in Wales that have collaborated since 2017 through the Wales Pension Partnership (WPP) to pool investment assets in order to achieve economies of scale, reduce investment management and administrative costs, and strengthen governance arrangements.

A Joint Governance Committee formed from Elected Member representatives of the eight participating Constituent Authorities governs the WPP and a regulated third-party operator, Waystone, has been appointed to administer the pooling arrangements.

As the Host Authority, Carmarthenshire County Council has overall responsibility for the financial administration of the WPP, provides administrative and secretarial support, and liaises day to day with the Operator on behalf of all of the LGPS funds in Wales.

Each Fund retains responsibility for its own funding requirements and investment strategy but uses the WPP to implement its investment requirements, thereby aiming to achieve economies of scale in fees. The costs of running the WPP are shared by the eight partners.

As at 31 March 2026, approximately 82% of the Constituent Authorities' pension fund assets were pooled (2024/2025: 75%), with the remaining assets held outside the pool pending transition or for legacy and practical reasons.

Discretionary Benefits

The Authority is responsible for all discretionary pension payments relating to added years awarded, together with related increases for both Local Government Scheme employees and teachers. This is an unfunded defined benefit arrangement under which liabilities are recognised when awards are made but for which there are no investment assets built up to meet these pensions liabilities. Cash has to be generated to meet actual pensions payments as they fall due. For Local Government Scheme employees, liabilities are discharged within 1 year of awarding the discretionary payments; for Teachers' Scheme employees the liability is not discharged until the employee is deceased.

Accounting Treatment of Defined Benefit Transactions

The cost of retirement benefits are recognised in the 'Net Cost of Services' section of the Comprehensive Income & Expenditure Statement when those benefits are earned by employees, rather than when the benefits are actually paid as pensions. However, legislation requires that the pensions charge that falls for payment by Council Taxpayers is equal to the amounts payable for the year of account. Consequently adjustments are made in the Movement in Reserves Statement (Adjustments between accounting basis and funding basis under statutory provisions) to ensure that the notional cost of retirement benefits is reversed out of the accounts and replaced with the amounts paid.

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

Pension Scheme Transactions - Comprehensive Income & Expenditure Statement	2025/2026			2024/2025 (Restated)		
	Local Government Pension Scheme £000	Unfunded Obligations £000	Total £000	Local Government Pension Scheme £000	Unfunded Obligations £000	Total £000
Cost of Services:						
Current Service Costs	8,062	0	8,062	10,825	0	10,825
Past Service Costs and Curtailments	71	0	71	1,001	0	1,001
Administration Expenses	333	0	333	317	0	317
Total Service Cost:	8,466	0	8,466	12,143	0	12,143
Financing and Investment Income and Expenditure:						
Interest on plan assets	(31,663)	0	(31,663)	(25,081)	0	(25,081)
Effect of the asset ceiling on 'interest on plan assets'	5,985	0	5,985	539	0	539
Interest on defined benefit liabilities	25,408	1,506	26,914	24,418	1,432	25,850
Effect of the asset ceiling on 'Interest on defined benefit liabilities'	3,460	0	3,460	3,398	0	3,398
Net Interest:	3,190	1,506	4,696	3,274	1,432	4,706
Total Charged to the Surplus/Deficit on Provision of Services:	11,656	1,506	13,162	15,417	1,432	16,849
Remeasurement of the Net Defined Liability, comprising:						
Return on plan assets (excluding amounts included in Net Interest)	(45,441)	0	(45,441)	(1,562)	0	(1,562)
Actuarial (Gains)/Losses arising from changes in demographic assumptions	(10,050)	(286)	(10,336)	(884)	(59)	(943)
Actuarial (Gains)/Losses arising from changes in financial assumptions	(9,815)	(362)	(10,177)	(79,482)	(1,474)	(80,956)
Experience (Gains)/Losses on defined benefit liabilities	42,611	445	43,056	(4,426)	(924)	(5,350)
Effect of the asset ceiling on plan assets	32,224	0	32,224	91,608	0	91,608
Effect of the asset ceiling on defined benefit liabilities	1,521	0	1,521	(13,817)	0	(13,817)
Total remeasurements recognised in Other Comprehensive Income & Expenditure:	11,050	(203)	10,847	(8,563)	(2,457)	(11,020)
Total Charged to the Comprehensive Income & Expenditure Statement:	22,706	1,303	24,009	6,854	(1,025)	5,829

Note: Comparative figures for 2024/2025 have been restated to reflect the Funded/Unfunded split applied in 2025/2026. Totals are unaffected.

At 31 March 2026, £1.413m remained payable to the LGPS relating to contributions arising in the March payroll (31 March 2025: £1.374m). This amount has been excluded from the Pensions Asset in the Balance Sheet.

The following transactions have been made in the Movement in Reserves Statement during the year:

Pension Scheme Transactions - Movement in Reserves Statement	2025/2026			2024/2025 (Restated)		
	Local Government Pension Scheme	Unfunded Obligations	Total	Local Government Pension Scheme	Unfunded Obligations	Total
	£000	£000	£000	£000	£000	£000
Reversal of net charges for post employment benefits included in <i>'Total Charged to the Surplus/Deficit on Provision of Services'</i>	(11,656)	(1,506)	(13,162)	(15,417)	(1,432)	(16,849)
Actual Amount Charged Against Council Tax for Pensions in year:						
Employers' Contributions Payable to Scheme	17,721	0	17,721	17,251	0	17,251
Retirement Benefits Payable to Pensioners	0	2,519	2,519	0	2,553	2,553
Total amounts charged against Council Tax:	17,721	2,519	20,240	17,251	2,553	19,804
Net adjustment between accounting basis and funding basis for pension transactions:	6,065	1,013	7,078	1,834	1,121	2,955

Note: Comparative figures for 2024/2025 have been restated to reflect the Funded/Unfunded split applied in 2025/2026. Totals are unaffected.

Assets and Liabilities in Relation to Post-Employment Benefits

The net liability arising from defined benefit scheme obligations can be analysed as follows:

Pension Assets & Liabilities Recognised in the Balance Sheet	2025/2026			2024/2025 (Restated)		
	Local Government Pension Scheme	Unfunded Obligations	Total	Local Government Pension Scheme	Unfunded Obligations	Total
	£000	£000	£000	£000	£000	£000
Fair Value of Scheme Assets	608,614	0	608,614	544,935	0	544,935
Cumulative effect of the asset ceiling on plan assets - Interest	(6,524)	0	(6,524)	(539)	0	(539)
Cumulative effect of the asset ceiling on plan assets - Remeasurements	(134,949)	0	(134,949)	(102,725)	0	(102,725)
Sub-Total: Pension Assets	467,141	0	467,141	441,671	0	441,671
Present Value of Scheme Liabilities	(467,227)	(25,909)	(493,136)	(441,743)	(27,200)	(468,943)
Cumulative effect of the asset ceiling on scheme liabilities - Interest	(6,858)	0	(6,858)	(3,398)	0	(3,398)
Cumulative effect of the asset ceiling on scheme liabilities - Remeasurements	(57,822)	0	(57,822)	(56,301)	0	(56,301)
Sub-Total: Scheme Liabilities	(531,907)	(25,909)	(557,816)	(501,442)	(27,200)	(528,642)
Net Liability:	(64,766)	(25,909)	(90,675)	(59,771)	(27,200)	(86,971)

Note: Comparative figures for 2024/2025 have been restated to reflect the Funded/Unfunded split applied in 2025/2026. Totals are unaffected.

There are no assets to cover the discretionary benefits awarded to Teachers (Unfunded Teachers' Discretionary Pensions).

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

Reconciliation of the Movements in Fair Value of Scheme Assets	2025/2026			2024/2025 (Restated)		
	Local Government Pension Scheme	Unfunded Obligations	Total	Local Government Pension Scheme	Unfunded Obligations	Total
	£000	£000	£000	£000	£000	£000
Balance at 1 April:	441,671	0	441,671	505,419	0	505,419
Employer Contributions	17,711	2,519	20,230	17,293	2,553	19,846
Member Contributions	4,166	0	4,166	3,923	0	3,923
Benefits Paid	(19,994)	(2,519)	(22,513)	(19,460)	(2,553)	(22,013)
Interest on Plan Assets	31,663	0	31,663	25,081	0	25,081
Effect of the asset ceiling on 'interest on plan assets'	(5,985)	0	(5,985)	(539)	0	(539)
Remeasurement Gains/(Losses):						
Return on Plan Assets (excluding amounts included in Interest)	45,441	0	45,441	1,562	0	1,562
Other Experience	(15,308)	0	(15,308)	0	0	0
Effect of the asset ceiling on plan assets	(32,224)	0	(32,224)	(91,608)	0	(91,608)
Balance at 31 March:	467,141	0	467,141	441,671	0	441,671

Note: Comparative figures for 2024/2025 have been restated to reflect the Funded/Unfunded split applied in 2025/2026. Totals are unaffected.

Transactions in respect of the present value of pension scheme liabilities are as follows:

Reconciliation of the Movements in Present Value of Scheme Liabilities	2025/2026			2024/2025 (Restated)		
	Local Government Pension Scheme	Unfunded Obligations	Total	Local Government Pension Scheme	Unfunded Obligations	Total
	£000	£000	£000	£000	£000	£000
Balance at 1 April:	(501,442)	(27,200)	(528,642)	(575,629)	(30,778)	(606,407)
Current Service Cost	(8,062)	0	(8,062)	(10,825)	0	(10,825)
Past Service Cost and Curtailments	(71)	0	(71)	(1,001)	0	(1,001)
Administration Expenses	(333)	0	(333)	(317)	0	(317)
Interest Cost	(25,408)	(1,506)	(26,914)	(24,418)	(1,432)	(25,850)
Effect of the asset ceiling on 'Interest on defined benefit liabilities'	(3,460)	0	(3,460)	(3,398)	0	(3,398)
Member Contributions	(4,166)	0	(4,166)	(3,923)	0	(3,923)
Benefits Paid	19,994	2,594	22,588	19,460	2,553	22,013
Remeasurement Gains/(Losses):						
Experience Gains/(Losses)	(27,303)	(445)	(27,748)	4,426	924	5,350
Actuarial Gains/(Losses) arising from changes in demographic assumptions	10,050	286	10,336	884	59	943
Actuarial Gains/(Losses) arising from changes in financial assumptions	9,815	362	10,177	79,482	1,474	80,956
Effect of Asset Ceiling (Recognition of agreed past service contributions)	(1,521)	0	(1,521)	13,817	0	13,817
Balance at 31 March:	(531,907)	(25,909)	(557,816)	(501,442)	(27,200)	(528,642)

Note: Comparative figures for 2024/2025 have been restated to reflect the Funded/Unfunded split applied in 2025/2026. Totals are unaffected.

Assets held by the Local Government Pension Scheme can be categorised as follows:

Local Government Pension Scheme Asset Categorisation	31 March 2026				31 March 2025 (Restated)			
	Quoted Prices in Active Markets	Quoted Prices not in Active Markets	Total		Quoted Prices in Active Markets	Quoted Prices not in Active Markets	Total	
	£000	£000	£000	%	£000	£000	£000	%
Quoted Equity Securities:	0	0	0	0.00	0	0	0	0.00
Investment Funds and Unit Trusts:								
Equities	0	441,124	441,124	72.48	0	395,941	395,941	72.66
Bonds	0	65,537	65,537	10.77	0	62,908	62,908	11.54
Infrastructure	0	53,260	53,260	8.75	0	39,757	39,757	7.30
Other	0	38,512	38,512	6.32	0	35,559	35,559	6.52
Real Estate:								
UK Property Funds	0	7,280	7,280	1.20	0	8,703	8,703	1.60
Overseas Property	0	0	0	0.00	0	0	0	0.00
Cash and Cash Equivalents:	0	2,901	2,901	0.48	0	2,067	2,067	0.38
Total:	0	608,614	608,614	100.00	0	544,935	544,935	100.00

Note: Comparative figures for 2024/2025 have been restated to reflect the additional asset analysis provided by the fund actuary in 2025/2026.

The Authority holds no investments in the Greater Gwent (Torfaen) Pension Scheme and does not occupy or otherwise utilise assets held by the Scheme.

Sensitivity Analysis

The impact of changes in the key actuarial assumptions has been calculated as follows:

Sensitivity Analysis: Impact of Change in Assumptions	31 March 2026		31 March 2025 (Restated)	
	Increase in Employer Liabilities		Increase in Employer Liabilities	
	£000	%	£000	%
0.1% decrease in Real Discount Rate	7,312	1.48	8,104	1.73
0.1% increase in the Salary Increase Rate	418	0.08	419	0.09
0.1% increase in the Pension Increase Rate	6,886	1.40	7,909	1.69
1 year increase in Member Life Expectancy	19,726	4.00	18,758	4.00

Note: Comparative figures for 2024/2025 have been restated for consistency with information provided by the fund actuary (specifically to reflect the impact of 0.1% variations, compared with 0.5% previously reported).

The impact of these changes on assets and liabilities at year end would be as follows:

Sensitivity Analysis	31 March 2026				
		Discount	Salary	Pension	Life
	Base	Rate:	Increase:	Increase:	Expectancy:
	£000	-0.1% p.a.	+0.1% p.a.	+0.1% p.a.	+1 Year
	£000	£000	£000	£000	£000
Liabilities	(493,136)	(500,448)	(493,554)	(500,022)	(512,862)
Assets	608,614	608,614	608,614	608,614	608,614
Net Deficit	115,478	108,166	115,060	108,592	95,752

31 March 2025 (Restated)					
		Discount	Salary	Pension	Life
	Base	Rate:	Increase:	Increase:	Expectancy:
	£000	-0.1% p.a.	+0.1% p.a.	+0.1% p.a.	+1 Year
	£000	£000	£000	£000	£000
Liabilities	(468,948)	(477,052)	(469,367)	(476,857)	(487,706)
Assets	544,935	544,935	544,935	544,935	544,935
Net Deficit	75,987	67,883	75,568	68,078	57,229

Note: Comparative figures for 2024/2025 have been restated for consistency with information provided by the fund actuary (specifically to reflect the impact of 0.1% variations, compared with 0.5% previously reported).

The sensitivity analysis figures provided by the Actuary are approximate only. It has been assumed that there have been no changes in accounting policies, scheme benefits, the age/sex/service profile of employees, levels of pay and contributions made. The Actuary has also indicated that the impact of a one year increase in member life expectancy would be in the range of 3-5%, subject to varying factors. These figures should not therefore be construed as providing accurate outturn figures for future accounting periods. The accounting assumptions used at 31 March 2026 are based on market expectations which are shaped by global events.

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on financial and demographic assumptions. Hymans Robertson LLP are the appointed actuary for the Greater Gwent Local Government Pension Scheme, and have calculated attributable assets and liabilities (including those for Unfunded Teachers' Discretionary Pensions) using the following principal assumptions:

Principal Assumptions	31 March 2026	31 March 2025
Financial Assumptions:		
Rate of Increase in Salaries	3.70%	3.25%
Rate of Increase in Pensions	3.00%	2.75%
Discount Rate	6.20%	5.80%
Mortality Assumptions:		
Current and Future Pensioners:	'VitaCurves with improvements in line with the CMI 2025 model, with core parameterisation, initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.	Vita Curves with improvements in line with the CMI 2023 model, with a 15% weighting of 2023 (and 2022) data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term improvement rate of 1.5% p.a.
Life Expectancy:		
Longevity of current pensioners (aged 65):		
Males	20.5	20.0
Females	23.0	22.7
Longevity of future pensioners (aged 65 in 20 years' time):		
Males	21.1	20.7
Females	24.7	24.4

The actuarial assumptions used in the calculation of year end Balance Sheet liabilities are based on the assumptions used in the last full valuation, other than those identified above. Liabilities for Teachers' Unfunded Discretionary Benefits are calculated on the same basis as the Local Government Scheme, except for those above.

For the purpose of calculating fund assets and liabilities, the date of the last full actuarial valuation was 31 March 2025.

Impact on future cash flows

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 included. Disclosed liabilities show the underlying commitment that the Authority has in the long term to pay retirement benefits.

The scheme is financed by contributions paid by the employees, their employers and earnings from the investment of the Fund's money. The type of investment is decided by legislation and not by the local authorities. Contributions are made by active members of the Fund in accordance with the LGPS Regulations 2013. Contributions are additionally made by Fund employers which are set by the Fund's triennial actuarial valuations. In relation to employer contributions, the last such formal valuation was at 31 March 2022, with the valuation at 31 March 2025 impacting contributions from 1 April 2026.

In terms of funding via investment earnings, the Fund's assets are invested in accordance with its investment strategy, which is set out within the Fund's Funding Strategy Statement. Investment management policy, principles and arrangements are detailed within its Statement of Investment Principles.

The Greater Gwent Pension Fund's funding strategy aims to ensure the long-term solvency of the Fund by maintaining sufficient assets to meet pension liabilities as they fall due. It seeks to achieve this through a prudent and transparent funding approach, supported by a balanced investment strategy that promotes long-term cost efficiency and helps minimise employers' contribution requirements. The strategy also aims to provide stability in contribution rates where appropriate, reflect the differing circumstances and risk profiles of participating employers when setting contributions, and take reasonable steps to reduce the risk of employers failing to meet their pension obligations.

The 2022 Actuarial Valuation reported the level of total fund assets compared to liabilities (the funding level) as 97% (2019 Valuation: 86%). As a result, employer contribution levels have been calculated for implementation from 1 April 2023 that will, subject to future revaluations, eliminate this deficit in the next 20 years. The total contributions expected to be made by the Authority to the Local Government Pension Scheme in the year to 31 March 2027 are estimated by the Fund Actuary as £16.989m.

The Authority holds total usable reserves of £57.763m at 31 March 2026 (£61.966m at 31 March 2025). The effect of applying the net superannuation fund deficit of £90.675m to the Authority's usable reserves would be a deficit of £32.912m (2024/2025: the superannuation deficit of £86.971m exceeded usable reserves by £25.005m).

However, this deficit is dependent on a number of factors such as investment performance and retirement benefits payable. The long-term under-funding of the Local Government Scheme is currently being addressed over a number of years by staged increases to employer contributions. Consequently, the total liability would not arise in one financial year. The overall financial standing of the Superannuation Fund is regularly reviewed by Actuaries on behalf of the administering Authority (Torfaen CBC).

In the event that a contributing fund member became unable to pay contributions or make good future deficits, the level of Pension Scheme assets would be lower than expected and this would have a negative impact on the Funding Level. At that time, the Administering Authority (Torfaen) would seek to recover any debt outstanding from the employer. This type of risk can be mitigated by the use of guarantees and/or covenants. However, if an employer defaults on payment and these sums cannot be recovered, the shortfall would then become the responsibility of any guarantor or all other employers in the Fund. This could increase the level of employer contribution rates required to recover the overall Fund deficit.

Potential Liabilities Arising From the McCloud/Sargeant Ruling

When the Local Government Pension Scheme (LGPS) benefit structure was reformed in 2014, transitional protections were applied to certain members close to normal retirement age. Benefits accrued from 1 April 2015 by these members were subject to an 'underpin', ensuring that benefits under the reformed scheme would not be less than those that would have been accrued under the previous final salary arrangements.

In December 2018, the Court of Appeal ruled in the McCloud and Sargeant cases that similar transitional protections in the Judges' and Firefighters' Pension Schemes were unlawful on the grounds of age discrimination. The UK Government subsequently confirmed that the ruling applied to all public service pension schemes, including the LGPS.

Legislative changes introduced under the Public Service Pensions and Judicial Offices Act 2022 established a statutory remedy. Under this remedy, eligible LGPS members will receive the better of the legacy (final salary) or reformed (career average) benefits for the remedy period between 1 April 2015 and 31 March 2022, with the choice being applied at the point benefits are taken.

The Fund Actuary previously included an allowance for the impact of the McCloud/Sargeant ruling within the Fund's liabilities, based on estimates provided by the Government Actuary's Department (GAD) and adjusted where appropriate to reflect local assumptions. This resulted in an increase in liabilities of £1.227 million, which was recognised as a past service cost in the 2019/2020 accounts. The Actuary has confirmed that this allowance continues to be reflected within the Fund's actuarial assumptions and that no further material adjustment to Fund liabilities has been required in the 2025/2026 accounts as a result of the McCloud/Sargeant remedy.

Potential Liabilities Arising From the Virgin Media-NTL Case Ruling

In July 2024, the Court of Appeal upheld a High Court ruling that certain amendments made to contracted-out defined benefit pension schemes between 1997 and 2016 may be deemed void where the required actuarial confirmation under section 37 of the Pension Schemes Act 1993 could not be evidenced.

The Pension Schemes Act 2026 now allows schemes potentially affected by the Virgin Media judgment to obtain retrospective actuarial confirmation validating historic amendments, with the intention of reducing or eliminating the risk of additional liabilities arising solely from missing Section 37 certificates.

Based on actuarial advice received, no additional pension liability has therefore been recognised at 31 March 2026 in relation to this matter.

Contingent Liabilities (see also note 35.3)

Aneurin Leisure Trust

On creation of Aneurin Leisure Trust in October 2014, pension assets and liabilities assessed on an actuarial basis were transferred from Blaenau Gwent CBC, such that the Trust's pension obligations were deemed to be fully funded. The funding deficit accruing to 30 September 2014 in respect of employees relocating to Aneurin Leisure Trust was not transferred, but was retained by Blaenau Gwent CBC. The Trust is therefore only responsible for any increase in liabilities (on an actuarial valuation basis) occurring after the transfer date, with the Authority acting as a guarantor for the previously accrued net deficit. In addition, the Authority agreed to act as guarantor of last resort in order that the Leisure Trust could enter the Greater Gwent (Torfaen) Pension Fund as an admitted body and has therefore agreed to underwrite any costs arising in the event that the admitted body defaults on any or all of its payments in relation to its pension obligations.

However, in the Statement of Accounts the transferred pension assets and liabilities have been accounted for in accordance with the requirements of IAS19 *Employee Benefits*, the assumptions for which differ from those used in the actuarial valuation approach on which the funding position at inception of the Trust was based. Consequently, those elements of the settlement figures disclosed in 2014/2015 that related to Aneurin Leisure Trust did not reflect a fully funded position, but indicated the transfer of a net liability of up to £2.7m. Nevertheless, the Authority is still liable for the sums relating to the accrued net deficit on transfer and these amounts will be properly reflected in its accounts over time as they fall due in compliance with IAS19.

Guaranteed Minimum Pension (GMP) Equalisation/Indexation

In October 2018, the High Court ruled that UK defined benefit pension schemes are required to equalise benefits for the effect of Guaranteed Minimum Pensions (GMPs) between male and female members (*Lloyds Banking Group Pensions Trustees Limited v Lloyds Bank PLC and Others*). GMP represents the minimum pension that an occupational pension scheme must provide in respect of service between 6 April 1978 and 5 April 1997, when schemes were contracted out of the State Earnings Related Pension Scheme (SERPS).

Responsibility for paying pension increases on GMP benefits depends on the period of accrual and the member's State Pension Age (SPA). Historically, part of the indexation cost was met by the State through the State Pension. In March 2021, HM Treasury confirmed that full indexation of GMPs for members reaching SPA on or after 6 April 2016 would be met permanently by public service pension schemes, including the LGPS, rather than by the State.

This change results in higher pension scheme liabilities, as LGPS funds are now responsible for paying full pension increases on GMP benefits for affected members. The Fund Actuary has confirmed that an allowance for GMP equalisation and full GMP indexation was included within the 2019 actuarial valuation and continues to be reflected in subsequent actuarial assessments.

Accordingly, the costs associated with GMP equalisation and indexation are already included in the Fund's liabilities and employer contribution rates, and no additional adjustment has been required in the 2025/2026 accounts.

41. Reserves

41.1 Usable Reserves

41.1.1 Fund Balances

Fund balances 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.
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Movements on fund balances were as follows:

Fund Balances	2025/2026	2024/2025
	£000	£000
Council Fund		
Balance at 1 April	(13,969)	(13,072)
Transfers to Fund	0	(897)
Transfers from Fund	0	0
Balance at 31 March	(13,969)	(13,969)

41.1.2 Earmarked Revenue Reserves

Earmarked Revenue Reserves are held by the Authority for the following purposes:

Usable Earmarked Revenue Reserves:

Building Control Fees	To hold surpluses generated for future re-investment to improve the quality and performance of the Building Control Service.
Cardiff Capital Region City Deal (CCRCD)	The Authority's apportioned share of surpluses or deficits arising on the Cardiff Capital Region City Deal joint arrangement.
Children's Services Transitional Funding	To support the service in addressing cost pressures arising from increasing demand through service reviews and demand management in line with the delivery of the Deal and Missions.
Community Approach	To support the delivery of the Blaenau Gwent Deal, allowing the Authority to commission the community to deliver universal preventative services and support the delivery of the Missions.
Corporate Resources Portfolio	To provide for a variety of specific costs falling to the Corporate Services Portfolio, including: Additional future costs of elections; providing support through Discretionary Housing Payments; holding deposits & bonds; and meeting taxation liabilities.
Covid-19 Response & Recovery	To address additional costs arising from the impact of recovering from the Covid-19 global pandemic.
Downsizing, Redundancy & Transitional Costs	To fund specific identified salary, pension strain and redundancy costs arising from the Authority's service transformation and downsizing projects, on a short-term (transitional) basis.
Economy and Place Portfolio	To provide match funding for Regeneration Projects.
Education Services	To provide for costs falling within Education Services, including: Continued funding of the Communities for Work scheme and school based staff redundancy costs.

Usable Earmarked Revenue Reserves (Continued):

Environment Services	To provide for a variety of specific costs falling within Environment Services including: Highways network clearance work in adverse winter weather; Corporate Landlord building rationalisation; and Re:Fit project loan repayments.
Financial Planning / Resilience	To improve the financial resilience of the Authority and support medium term financial planning, specifically for the later years of the MTFs.
Future Interest Rate	To provide protection against cost pressures arising from forecast rises in interest rates on the replacement of maturing debt and new borrowings to fund capital expenditure.
ICT	To meet the anticipated increase in capacity required for ICT in relation to staffing resources, licenses, equipment and training required to future-proof the service.
Individual Schools Budget (ISB)	To fund cost pressures relating to school expenditure including insurance and school reorganisation.
Inflation & Service Cost Pressure	To support budgets against inflationary and service pressures, the ending of the Hardship Fund and continuing to decarbonise services.
Insurance Liabilities	To protect against liabilities incurred but not settled. Such liabilities include insurance claims where an excess remains to be borne by the Authority and claims where no insurance cover exists.
Invest to Save	To provide "one off" funding for initiatives that would generate financial and efficiency savings in the medium to long term, or support commercial and investment opportunities.
Land & Property Charges (Social Services)	To mitigate the impact of establishing Land & Property charge debtors for adult residential care, the actual income for which will not be received until indeterminate points in the future.
LMS Balances	The aggregate amount of balances held by individual schools.

Usable Earmarked Revenue Reserves (Continued):

Local/Strategic Development Plan	To fund the review of the Local Development Plan.
Members Local Grants	To hold unallocated grant monies prior to distribution by Members.
Pay and National Insurance Contingency	To mitigate the risk of an in year cost pressure should pay increases be higher than the assumptions within the Medium Term Financial Strategy and applied to the budget as part of budget setting.
Planning Committee	To provide for a variety of specific costs falling to the Planning Committee, including delivery of affordable housing, infrastructure and other community benefits through the planning process.
Rail Loan Interest	To hold interest received on investing the railway infrastructure loan before application to fund project expenditure.
Revenue Grants & Contributions Unapplied	To hold earmarked sums relating to a range of revenue grants and contributions received for which no accounting liability exists (i.e. do not have to be repaid), until applied to match specific service expenditure.
Silent Valley Waste Services	To provide for aftercare and maintenance costs relating to the Silent Valley site, in conjunction with in-year budgets.
Social Services	To provide for a variety of specific costs relating to Social Services including Gwent Supporting People Regional Development; funding future costs of SEW Adoption and Workforce Development Collaborations; and fees related to Children's Services.
Superannuation	To fund specific liabilities arising in respect of the Greater Gwent (Torfaen) Pension Fund falling outside of the normal contributions made by the Authority, including potential costs arising from guarantees provided to allow admission of entities to the Fund (e.g. Aneurin Leisure Trust).
Supporting Additional Capacity	To support additional capacity within services where required including providing transitional funding to support staff costs with changes to grant funding schemes.
Waste Services	To fund any potential financial penalties arising from a failure to meet the statutory recycling recovery target in 2024/2025 and future years.

Movements on earmarked revenue reserves were as follows:

Usable Earmarked Revenue Reserves	Balance at 1 April 2024	Transfers to Reserves	Transfers from Reserves	Balance at 31 March 2025	Transfers to Reserves	Transfers from Reserves	Balance at 31 March 2026
	£000	£000	£000	£000	£000	£000	£000
Building Control Fees	(89)	(17)	89	(17)	0	0	(17)
Cardiff Capital Region City Deal	(1,283)	(287)	578	(992)	(306)	0	(1,298)
Children's Services Transitional Funding	0	0	0	0	(2,250)	0	(2,250)
Community Approach	0	(200)	0	(200)	(350)	0	(550)
Corporate Resources Portfolio	(600)	(313)	208	(705)	0	68	(637)
Covid-19 Response & Recovery	(1,474)	0	1,474	0	0	0	0
Downsizing, Redundancy & Transitional Costs	(477)	(623)	0	(1,100)	0	0	(1,100)
Economy and Place Portfolio	(455)	(298)	80	(673)	(1)	0	(674)
Education Services	(340)	(4)	6	(338)	(106)	0	(444)
Environment Services	(702)	(4)	154	(552)	0	371	(181)
Financial Planning/Resilience	(5,054)	0	0	(5,054)	0	2,139	(2,915)
Future Interest Rate	(1,929)	(602)	0	(2,531)	(342)	0	(2,873)
I.C.T.	(1,123)	(20)	329	(814)	0	23	(791)
Individual Schools Budget (ISB)	(271)	(71)	164	(178)	0	110	(68)
Inflation & Service Cost Pressure	(911)	0	0	(911)	0	911	0
Insurance Liabilities	(3,515)	0	113	(3,402)	(35)	0	(3,437)
Invest to Save	(1,960)	(40)	0	(2,000)	0	345	(1,655)
Land & Property Charges (Social Services)	(183)	(54)	0	(237)	0	0	(237)
LMS (Schools) Balances	(1,205)	0	2,481	1,276	(356)	2,051	2,971
Local/Strategic Development Plan	(143)	0	0	(143)	0	0	(143)
Members Local Grants	(44)	(3)	0	(47)	0	0	(47)
Pay and National Insurance Contingency	0	(1,300)	0	(1,300)	0	0	(1,300)
Planning Committee	(492)	(10)	18	(484)	(196)	104	(576)
Rail Loan Interest	(1,617)	0	1,617	0	0	0	0
Revenue Grants & Contributions Unapplied	(4,239)	(788)	586	(4,441)	(144)	652	(3,933)
Silent Valley Waste Services	(1,504)	(104)	565	(1,043)	(104)	0	(1,147)
Social Services	(1,645)	(128)	722	(1,051)	(88)	122	(1,017)
Superannuation	(601)	0	0	(601)	0	0	(601)
Supporting Additional Capacity	(26)	(200)	0	(226)	0	11	(215)
Waste Services	(120)	0	120	0	0	0	0
Total: Usable Earmarked Revenue Reserves	(32,002)	(5,066)	9,304	(27,764)	(4,278)	6,907	(25,135)

41.1.3 Revenue Reserves held for Capital Purposes

Revenue reserves earmarked for capital purposes comprise amounts set aside from revenue resources that the authority has formally designated to support the financing of future capital expenditure. These reserves form part of usable revenue reserves and are held within the Council Fund, but are not available for general revenue spending as they have been earmarked for a specific capital-related purpose. Unusable Reserves

The creation of such reserves reflects the authority's medium- and long-term financial planning and supports the delivery of the approved capital programme. Earmarking revenue resources for capital purposes enables the authority to plan for the funding of capital investment over more than one financial year and provides flexibility in managing the timing and affordability of capital expenditure.

Although these reserves are intended for capital use, they remain revenue reserves until they are applied.

Earmarked Revenue Reserves for Capital Purposes are held by the Authority for the following purposes:

Usable Reserves Earmarked for Capital Purposes:

Asset Decommissioning	To fund capital expenditure incurred in the decommissioning of Council Property.
Capital Inflation & Service Cost Pressures	To support the capital programme with the increased cost pressures being experienced when awarding capital contracts in the current market place.
Corporate Landlord	To fund various identified cost pressures impacting the corporate landlord function.
Deminimis Capital Works	Receipts from minor land-related transactions to be utilised to fund associated land disposal fees that cannot be capitalised or off-set by regulation.
Energy Centre	Provision for future repairs and maintenance of equipment in the Energy Centre.
Facilities	To fund renovations in relation to the schools programme of works and other buildings.
Highways Plant	To fund the purchase of specialist equipment to support the repairs and maintenance of the public highway,
Industrial Units	To fund identified works required to the Industrial Unit portfolio.
IT Infrastructure	To fund capital expenditure in relation to the upgrade of IT infrastructure to support workplace transformation.
Land Drainage Emergency Funding	To fund capital expenditure incurred in relation to flood prevention works throughout the County Borough.
New Operating Model	To support works required as part of the new operating model going forward.
The Hive	To fund capital expenditure incurred on the development of the High Value Engineering Centre (Hive).
Waste and Recycling	To fund capital expenditure in relation to upgrades and replacement of waste and recycling infrastructure and vehicles.
Waun Y Pound Site	To provide a sink fund to support future investment in the site and to provide financial support to the Authority with its duties as landlord.
WRAP Regional Vehicles	To fund the future replacement of Waste & Recycling Vehicles through the All-Wales Waste and Resources Action Programme (WRAP).

Movements on Revenue Reserves Earmarked for Capital Purposes are as follows:

Usable Revenue Reserves Earmarked for Capital Purposes	Balance at 1 April 2024	Transfers to Reserves	Transfers from Reserves	Balance at 31 March 2025	Transfers to Reserves	Transfers from Reserves	Balance at 31 March 2026
	£000	£000	£000	£000	£000	£000	£000
Asset De-Commissioning	0	(715)	0	(715)	0	0	(715)
Capital Inflation & Service Cost Pressure	(1,000)	(245)	0	(1,245)	0	0	(1,245)
Corporate Landlord	(150)	0	0	(150)	0	0	(150)
Deminimis Capital Works	(139)	(8)	0	(147)	0	0	(147)
Energy Centre	(483)	(166)	97	(552)	(208)	0	(760)
Facilities	(119)	0	0	(119)	0	0	(119)
Highways Plant	0	(80)	0	(80)	0	80	0
Industrial Units	(240)	0	0	(240)	0	0	(240)
IT Infrastructure	(227)	0	0	(227)	0	0	(227)
Land Drainage Emergency Funding	0	(100)	0	(100)	0	100	0
New Operating Model	(492)	0	0	(492)	0	0	(492)
The Hive	(420)	0	246	(174)	0	143	(31)
Waste and Recycling	0	0	0	0	(696)	0	(696)
Waun Y Pound Site	0	(300)	0	(300)	(67)	0	(367)
WRAP Regional Vehicles	(338)	(37)	4	(371)	(17)	0	(388)
Total: Usable Reserves Earmarked for Capital Purposes	(3,608)	(1,651)	347	(4,912)	(988)	323	(5,577)

41.1.4 Usable Capital Reserves

Usable capital reserves comprise resources that are available to support the financing of capital expenditure or to manage the accounting consequences of capital transactions. These reserves arise from capital-related activity and are subject to statutory controls governing their creation and use.

The Authority holds the following Usable Capital Reserves:

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	The proceeds of fixed asset sales available to meet future capital investment.

Movements on Usable Capital Reserves were as follows:

Usable Capital Reserves	Balance at 1 April 2024	Transfers to Reserves	Transfers from Reserves	Balance at 31 March 2025	Transfers to Reserves	Transfers from Reserves	Balance at 31 March 2026
	£000	£000	£000	£000	£000	£000	£000
Capital Grants Unapplied	(5,083)	(2,644)	2,562	(5,165)	(371)	3,928	(1,608)
Usable Capital Receipts	(9,099)	(1,131)	74	(10,156)	(1,473)	154	(11,475)
Total: Usable Capital Reserves	(14,182)	(3,775)	2,636	(15,321)	(1,844)	4,082	(13,083)

41.1.5 Summary: Usable Funds and Reserves

Summary: Usable Reserves	Balance at 1 April 2024	Transfers to Funds & Reserves	Transfers from Funds & Reserves	Balance at 31 March 2025	Transfers to Funds & Reserves	Transfers from Funds & Reserves	Balance at 31 March 2026
	£000	£000	£000	£000	£000	£000	£000
Fund Balances	(13,072)	(897)	0	(13,969)	0	0	(13,969)
Earmarked Revenue Reserves	(32,002)	(5,066)	9,304	(27,764)	(4,278)	6,907	(25,135)
Revenue Reserves Earmarked for Capital Purposes	(3,608)	(1,651)	347	(4,912)	(988)	323	(5,577)
Capital Reserves	(14,182)	(3,775)	2,636	(15,321)	(1,844)	4,082	(13,083)
Total: Usable Reserves	(62,864)	(11,389)	12,287	(61,966)	(7,110)	11,312	(57,764)

41.2 Unusable Reserves

Unusable reserves are balances that arise from accounting adjustments required by proper accounting practices and statutory provisions. These reserves are not available to support the provision of services or to finance capital expenditure. Instead, they are used to manage the timing differences between accounting recognition and statutory charges to the Council Fund.

41.2.1 Summary of Unusable Reserves

The Authority holds the following reserve balances that are classed as unusable:

Unusable Reserves	2025/2026	2024/2025
	£000	£000
Capital Adjustment Account	(116,582)	(112,780)
Revaluation Reserve	(83,455)	(76,500)
Financial Instruments Adjustment Account	2,838	3,110
Financial Instruments Revaluation Reserve	600	465
Deferred Capital Receipts Reserve	(26,766)	(25,748)
Pensions Reserve	89,009	85,240
Accumulated Absences Account	3,060	2,706
Total Unusable Reserves:	(131,296)	(123,507)

41.2.2 Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to an historical cost basis).

The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement. The Account contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Capital Adjustment Account	2025/2026 £000	2024/2025 £000
Balance at 1 April	(112,780)	(95,674)
Reversal of items relating to capital expenditure debited or credited to the CIES:		
Charges for depreciation	14,251	14,546
Revaluation (gains)/losses on Property, Plant & Equipment	16,093	6,135
Revenue expenditure funded from capital under statute	7,604	4,707
Non-current assets written off on disposal or sale as part of the gain/loss on disposal	534	1,150
Sub-Total: Capital Adjustment Transactions included in the CIES:	38,482	26,538
Adjusting Amounts written out of the Revaluation Reserve:		
Difference between fair value depreciation and historical cost depreciation	(2,367)	(3,387)
Non-current assets written off on disposal or sale as part of the gain/loss on disposal	(288)	0
Net written out amount of the cost of non-current assets consumed in the year:	35,827	23,151
Capital financing applied in the year:		
Use of the Capital Receipts Reserve to finance new capital expenditure	(72)	5
Capital grants and contributions applied to capital financing	(31,109)	(36,295)
Application of grants to capital financing from Capital Grants Unapplied	(6,914)	(2,562)
Statutory provision for the financing of capital investment charged against the Council Fund	(2,980)	(2,423)
Capital expenditure charged against the Council Fund	(1,330)	(1,175)
Soft loan adjustments relating to capital borrowing	1,070	1,903
City Deal Loans Repaid and Credited to Capital Receipts	334	227
Sub-Total: Capital Financing Applied:	(41,001)	(40,320)
Movements in the market value of investment properties debited or credited to the CIES	1,372	63
Balance at 31 March	(116,582)	(112,780)

41.2.3 Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment.

The 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. The balance on the reserve 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.

Revaluation Reserve	2025/2026 £000	2024/2025 £000
Balance at 1 April	(76,500)	(66,027)
Adjustment to balance brought forward	0	297
Revised balance at 1 April	(76,500)	(65,730)
Upward revaluation of assets	(4,556)	(12,369)
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	3,109	8,886
Depreciation - write back revaluation reserve	(8,163)	(10,674)
Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	(9,610)	(14,157)
Difference between fair value depreciation and historical cost depreciation	2,367	3,387
Accumulated gains on assets sold or scrapped	288	0
Amount written off to the Capital Adjustment Account	2,655	3,387
Balance at 31 March	(83,455)	(76,500)

41.2.4 Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

Financial Instruments Adjustment Account	2025/2026 £000	2024/2025 £000
Balance at 1 April	3,110	3,214
Proportion of premiums incurred in previous financial years to be charged against the Council Fund Balance in accordance with statutory requirements	(272)	(104)
Amount by which finance costs charged to the Comprehensive Income & Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(272)	(104)
Balance at 31 March	2,838	3,110

41.2.5 Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve holds the cumulative unrealised gains and losses arising from changes in the fair value of financial instruments measured through other comprehensive income. All transactions/balances relate to the Blaenau Gwent share of City Deal activities.

Financial Instruments Revaluation Reserve	2025/2026	2024/2025
	£000	£000
Balance at 1 April	465	0
Adjustment to balance brought forward	0	(297)
Revised balance at 1 April	465	(297)
Upward revaluation of investments	0	0
Downward revaluation of investments	135	762
	135	762
Accumulated gains or losses on assets sold and maturing assets written out to the Comprehensive Income and Expenditure Statement as part of other investment income	0	0
Accumulated gains or losses on assets sold and maturing assets written out to the General Fund balances for financial assets designated to fair value through other comprehensive income	0	0
Balance at 31 March	600	465

41.2.6 Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets for which cash settlement has yet to take place. Under statutory arrangements, the Authority does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

Deferred Capital Receipts Reserve	2025/2026	2024/2025
	£000	£000
Balance at 1 April	(25,748)	(24,567)
New Deferred Receipts	(1,172)	(1,408)
Transfer to the Capital Receipts Reserve upon receipt of cash	154	227
Balance at 31 March	(26,766)	(25,748)

41.2.7 Pensions Reserve

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

Pensions Reserve	2025/2026	2024/2025
	£000	£000
Balance at 1 April	85,240	99,215
Remeasurement of pensions assets & liabilities	10,847	(11,020)
Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the Comprehensive Income & Expenditure Statement	13,162	16,849
Employer's pensions contributions and direct payments to pensioners payable in the year	(20,240)	(19,804)
Balance at 31 March	89,009	85,240

41.2.8 Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the Council Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the Council Fund Balance is neutralised by transfers to or from this Account. In 2025/2026, £2.706m of accruals for the preceding year were settled or cancelled and £3.059m was accrued at 31 March 2025 (2024/2025: £2.178m of accruals for the preceding year were settled or cancelled and £2.706m was accrued at year end).

Cash Flow Notes

42. Reconciliation of the Deficit on the Provision of Services to Net Cash Flows from Operating Activities

The following tables provide details of the adjustments made between the deficit on provision of services to arrive at a figure for operating activities cashflows.

42.1 Non-Cash Movements

Cash Flow - Adjustments for Non-Cash Movements	2025/2026 £000	2024/2025 £000
Depreciation, Revaluation & Impairment	30,344	20,681
REFCUS (deferred charges)	7,604	4,707
Change in the Fair Value of Investment Properties	1,372	63
Effective interest adjustment	44	51
Soft Loan Adjustment	903	1,903
Unwinding of Discounts	(1,172)	(1,408)
Net IAS19 charges made for Retirement Benefits	13,162	16,849
IAS19 Employers Contributions Paid to Pension Fund	(20,240)	(19,804)
Write Down of Donated Assets Account	(26)	(45)
	31,991	22,997
Increase/(Decrease) in Provisions	(2,021)	374
(Increase)/Decrease in Inventories	27	148
(Increase)/Decrease in Revenue Debtors	(46)	(7,329)
Increase/(Decrease) in Revenue Creditors	5,694	2,065
Total	35,645	18,255

42.2 Investing or Financing Activities Included in the Deficit on Provision of Services

Cash Flow - Adjustments for Investing & Financing Activities	2025/2026 £000	2024/2025 £000
(Gain)/Loss on Disposal of fixed assets	75	792
Capital Grants credited to CIES	(34,466)	(39,427)
Total	(34,391)	(38,635)

42.3 Receipts or Payments of Interest included in Operating Activities

Cash Flow - Interest included in Operating Activities	2025/2026 £000	2024/2025 £000
Interest Received	(1,415)	(1,693)
Interest Paid	5,717	6,964
Dividends Received	0	0
Net Total	4,302	5,271

43. Analysis of the Amounts of Major Classes of Gross Cash Receipts and Gross Cash Payments

43.1 Investing Activities

The cash flows for investing activities consist of the following:

Cash Flow - Investing Activities	2025/2026 £000	2024/2025 £000
Cash Outflows		
Purchase of Non-Current Assets	(48,144)	(31,244)
Other Capital Cash Payments	(1,612)	(4,417)
	(49,756)	(35,661)
Cash Inflows		
Sale of Non-Current Assets	985	358
Capital Grants Received	34,773	25,082
Proceeds from Short and Long Term Investments	1,387	227
	37,145	25,667
Total	(12,611)	(9,994)

43.2 Financing Activities

The cash flows for financing activities consist of the following:

Cash Flow - Financing Activities	2025/2026 £000	2024/2025 £000
Cash Outflows		
Repayments of Amounts Borrowed	(141,787)	(79,039)
Capital Element of Finance Lease Rental Payments	(1,269)	(1,138)
Agency and Other Non-BGC Activities	(311)	(1,327)
	(143,367)	(81,504)
Cash Inflows		
New Loans Raised	8,800	601
New Short-Term Loans	144,500	78,100
Agency and Other Non-BGC Activities	602	1,227
	153,902	79,928
Total	10,535	(1,576)

43.3 Liabilities arising from Financing Activities

Movement in liabilities arising from financing activities are as follows:

Cash Flow - Liabilities arising from Financing Activities	2025/2026 £000	2024/2025 £000
Opening Liabilities arising from Financing Activities	198,932	197,855
Cash inflows relating to borrowing and investments	153,300	78,701
Repayments of Amounts Borrowed	(143,311)	(79,039)
Capital Element of Lease Rental Payments	(1,269)	(1,138)
Net Cash Flows from Financing Activities	8,720	(1,476)
Adjustments for Non-Cash and Other Financing Activities		
Effective Interest Adjustment	44	51
Lease Additions	495	2,502
Leases Written Off	(351)	0
	188	2,553
Closing Liabilities arising from Financing Activities	207,840	198,932

44. Cash and Cash Equivalents

Cash and Cash Equivalents	2025/2026 £000	2024/2025 £000
Cash Held by the Authority	56	55
Bank Accounts	6,654	(482)
Short Term Investments	0	3,000
Total Cash & Cash Equivalents	6,710	2,573

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



Cyngor Bwrdeistref Sirol

Blaenau Gwent

County Borough Council



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Other Notes

45. Joint Operations - Lime Avenue Joint Venture Agreement

In September 2019, the Council entered into a Joint Venture Agreement (JVA) with Welsh Government for the provision of modular units on land at Lime Avenue, Ebbw Vale. Funding for this development was provided by Welsh Government, WEFO and the Council, with the calculated 'Capital Share' in the assets being calculated on the basis of contributions made (excluding WEFO grants).

Under the original agreement, the majority of funding was provided by Welsh Government and therefore the initial Capital Shares were calculated as:

- Blaenau Gwent CBC: 20.60%
- Welsh Government: 79.40%

As a result, the majority of the financial benefits arising from the development fall to Welsh Government, being the apportionment of the surplus of letting income over reasonable expenses, and capital receipts arising on the disposal of the assets.

The JVA was subsequently amended in August 2021, and further amended in July 2023. Under these supplemental agreements, Welsh Government provided 100% of the funding required for the adjacent Regain 2 development, which from that point was also covered by the terms of the original agreement. Consequently, the Capital Shares were recalculated as follows:

- Blaenau Gwent CBC: 7.60%
- Welsh Government: 92.40%

Following review of the terms of the original contract (and supplemental agreements), it was determined that this JVA should be treated as a Joint Operation, with the Council's accounts including only its proportion of transactions and balances.

Capital Expenditure incurred in the development of the Lime Avenue and Regain 2 Units is as follows:

Lime Avenue Joint Venture Agreement: Capital Expenditure & Financing	Cumulative to 31 March 2026 £000	Cumulative to 31 March 2025 £000
Capital Expenditure: Lime Avenue	6,504	6,504
Regain 2	6,693	6,693
Total Capital Expenditure:	13,197	13,197
Sources of Finance: Welsh Government	9,797	9,797
WEFO	2,402	2,402
Blaenau Gwent CBC	989	989
Other	9	9
Total Financing:	13,197	13,197

The Council is responsible for administration, maintenance and rental of the business units. The JVA allows the Council to deduct all reasonable costs incurred in connection with letting, insuring, repairing and maintaining the units from rental income due, with any surplus being divided between Welsh Government and the Council on the basis of the calculated Capital Shares.

Letting income and expenses were as follows:

Lime Avenue Joint Venture Agreement - Lettings Account	2025/2026 £000	2024/2025 £000
Income & Expenditure:		
Rental Income Due	(133)	(93)
Letting Expenditure	30	55
Insurance	9	9
Repairs & Maintenance	1	2
(Surplus)/Deficit Rental Income	(93)	(27)
Share of Surplus Rental Income:		
Blaenau Gwent CBC	(7)	(2)
Welsh Government	(86)	(25)
Total	(93)	(27)

To 31 March 2026, there have been no disposals of business units covered by the Lime Avenue Joint Venture Agreement, There are therefore no capital receipts arising from disposals.

The Authority's share of assets, liabilities, reserves, income, expenditure and cashflows relating to the Lime Avenue JVA have been included where appropriate in the single entity accounting statements and disclosures. Summary accounting statements for the Lime Avenue JVA are as follows:

45.1 Lime Avenue JVA - Summary Comprehensive Income & Expenditure Statement

Lime Avenue Joint Venture Agreement: Comprehensive Income & Expenditure Statement	2025/2026			2024/2025		
	Lime Avenue JVA	Blaenau Gwent Apportionment	Welsh Government Apportionment	Lime Avenue JVA	Blaenau Gwent Apportionment	Welsh Government Apportionment
	£000	£000	£000	£000	£000	£000
Cost of Services						
Operating Expenditure	(75)	(5)	(70)	42	3	39
Operating Income	0	0	0	0	0	0
Net Cost of Services	(75)	(5)	(70)	42	3	39
Taxation & Non-Specific Grant Income	0	0	0	0	0	0
(Surplus)/Deficit on Provision of Services	(75)	(5)	(70)	42	3	39

45.2 Lime Avenue JVA - Summary Movement in Reserves Statement

Lime Avenue Joint Venture Agreement: Movement in Reserves Statement	Lime Avenue JVA			Blaenau Gwent Apportionment			Welsh Government Apportionment		
	Usable Reserves	Unusable Reserves	Total Reserves	Usable Reserves	Unusable Reserves	Total Reserves	Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2024	0	(8,452)	(8,452)	0	(643)	(643)	0	(7,809)	(7,809)
(Surplus)/Deficit on Provision of Services	42	0	42	3	0	3	39	0	39
Adjustments between accounting basis & funding basis	(42)	42	0	(3)	3	0	(39)	39	0
Net(Increase)/Decrease	0	42	42	0	3	3	0	39	39
Balance at 31 March 2025	0	(8,410)	(8,410)	0	(640)	(640)	0	(7,770)	(7,770)
Balance at 1 April 2025	0	(8,410)	(8,410)	0	(640)	(640)	0	(7,770)	(7,770)
Adjustment to Opening Balance	0	0	0	0	0	0	0	0	0
Revised Balance at 1 April 2024	0	(8,410)	(8,410)	0	(640)	(640)	0	(7,770)	(7,770)
(Surplus)/Deficit on Provision of Services	0	0	0	0	0	0	0	0	0
Adjustments between accounting basis & funding basis	75	(75)	0	5	(5)	0	70	(70)	0
Net(Increase)/Decrease	75	(75)	0	5	(5)	0	70	(70)	0
Balance at 31 March 2026	75	(8,485)	(8,410)	5	(645)	(640)	70	(7,840)	(7,770)

45.3 Lime Avenue JVA - Summary Balance Sheet

Lime Avenue Joint Venture Agreement: Summary Balance Sheet	2025/2026			2024/2025		
	Lime Avenue JVA £000	Blaenau Gwent Apportionment £000	Welsh Government Apportionment £000	Lime Avenue JVA £000	Blaenau Gwent Apportionment £000	Welsh Government Apportionment £000
Non-Current Assets	8,485	645	7,840	8,410	640	7,770
Current Assets	0	0	0	0	0	0
Current Liabilities	0	0	0	0	0	0
Non-Current Liabilities	0	0	0	0	0	0
Total Net Assets	8,485	645	7,840	8,410	640	7,770
Usable Reserves	0	0	0	0	0	0
Unusable Reserves	(8,485)	(645)	(7,840)	(8,410)	(640)	(7,770)
Total Reserves	(8,485)	(645)	(7,840)	(8,410)	(640)	(7,770)

45.4 Lime Avenue JVA - Summary Cash Flow Statement

Lime Avenue Joint Venture Agreement: Cash Flow Statement	2025/2026			2024/2025		
	Lime Avenue JVA £000	Blaenau Gwent Apportionment £000	Welsh Government Apportionment £000	Lime Avenue JVA £000	Blaenau Gwent Apportionment £000	Welsh Government Apportionment £000
Net Surplus/(Deficit) on the provision of services	75	5	70	(42)	(3)	(39)
Adjustments to the provision of Services for non-cash movements	(75)	(5)	(70)	42	3	39
Adjustments for items included in the provision of services that are investing and financing activities	0	0	0	0	0	0
Net Cash Inflows/(Outflows) from Operating Activities	0	0	0	0	0	0
Investing Activities	0	0	0	0	0	0
Net increase or (decrease) in cash and cash equivalents	0	0	0	0	0	0
Cash and Cash equivalents at the beginning of the reporting period	(761)	(58)	(703)	(761)	(58)	(703)
Cash and cash equivalents at the end of the reporting period	(761)	(58)	(703)	(761)	(58)	(703)

46. Joint Arrangements - Cardiff Capital Region City Deal (CCRCD)

On 1 March 2017, the Cardiff Capital Region City Deal between the UK Government, the Welsh Government and the 10 constituent Councils in South East Wales, including Blaenau Gwent, was formally ratified. The City Deal offers the opportunity to deliver an investment package of £1.2 billion into the City Region economy between now and 2036. Whilst much of this is already earmarked for certain activities, particularly investment in the South East Wales Metro, there are funds available as part of the £1.2 billion to leverage wider economic benefits. The City Deal has a number of key targets. Notably, these include the creation of 25,000 new jobs by 2036, leveraging £4 billion of private sector investment and securing economic growth.

Of the £120m Local Authority funding commitment to the Wider Investment Fund, Blaenau Gwent's share is £5.544m (4.62%). This will be paid by the Authority over a period of up to 20 years, subject to the requirement to fund schemes as and when they are approved.

Since inception, the City Deal has evolved from a single funding programme into a broader set of regional functions and accountabilities. The South East Wales Corporate Joint Committee (CJC) was established under the South East Wales Corporate Joint Committee Regulations 2021 and came into effect on 1 April 2021.

A phased transition to the CJC operating as the accountable body for the City Deal was undertaken to ensure business continuity. While the CJC initially operated on a limited basis, a number of technical and legal issues delayed full operational delivery. During 2024/2025, these issues were resolved and the CJC assumed full responsibility for the delivery and governance of the City Deal programme, with the previous 'twin-track' arrangements coming to an end.

The Authority continues to recognise its funding commitment to the City Deal and to monitor associated financial risks and obligations as part of its medium-term financial planning.

The Authority's share of assets, liabilities, reserves, income, expenditure and cashflows relating to the Cardiff Capital Region City Deal Group have been included as a joint arrangement in the single entity accounting statements and disclosures. Summary accounting statements for the CCRCD Group are as follows:

46.1 CCRCD - Summary Group Comprehensive Income & Expenditure Statement

Summary CCRCD Group Comprehensive Income & Expenditure Statement	2025/2026		2024/2025	
	CCRCD Group £000	Blaenau Gwent Apportionment £000	CCRCD Group £000	Blaenau Gwent Apportionment £000
Cost of Services				
Operating Expenditure	22,301	1,030	26,295	1,215
Operating Income	(9,148)	(422)	(6,344)	(293)
Net Cost of Services	13,153	608	19,951	922
Other Operating Expenditure	0	0	1,011	47
Financing and Investment Income & Expenditure	(4,453)	(206)	(3,414)	(158)
Taxation & Non-Specific Grant Income	(61,539)	(2,843)	(59,747)	(2,760)
Tax Expenses	308	14	(2,202)	(102)
(Surplus)/Deficit on Provision of Services	(52,531)	(2,427)	(44,401)	(2,051)
Other Comprehensive Income & Expenditure	3,173	147	12,269	567
Total Comprehensive Income & Expenditure	(49,358)	(2,280)	(32,132)	(1,484)

Summary CCRCD Group Movement in Reserves Statement	CCRCD Group			Blaenau Gwent Apportionment		
	Usable Reserves £000	Unusable Reserves £000	Total Reserves £000	Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 1 April 2024	(24,591)	(77,524)	(102,115)	(1,136)	(3,582)	(4,718)
Adjustment to Opening Balance	0	0	0	0	0	0
Revised Balance at 1 April 2024	(24,591)	(77,524)	(102,115)	(1,136)	(3,582)	(4,718)
Total Comprehensive Income and Expenditure	(44,401)	12,269	(32,132)	(2,051)	567	(1,484)
Adjustments between accounting basis & funding basis	34,035	(34,035)	0	1,572	(1,572)	0
Transfers to/(from) earmarked reserves	0	0	0	0	0	0
Net(Increase)/Decrease	(10,366)	(21,766)	(32,132)	(479)	(1,005)	(1,484)
Balance at 31 March 2025	(34,957)	(99,290)	(134,247)	(1,615)	(4,587)	(6,202)
Balance at 1 April 2024	(34,957)	(99,290)	(134,247)	(1,615)	(4,587)	(6,202)
Adjustment to Opening Balance	(87)	0	(87)	(4)	0	(4)
Revised Balance at 1 April 2025	(35,044)	(99,290)	(134,334)	(1,619)	(4,587)	(6,206)
Total Comprehensive Income and Expenditure	(52,531)	3,173	(49,358)	(2,427)	147	(2,280)
Adjustments between accounting basis & funding basis	41,983	(41,983)	0	1,940	(1,940)	0
Transfers to/(from) earmarked reserves	0	0	0	0	0	0
Net(Increase)/Decrease	(10,548)	(38,810)	(49,358)	(487)	(1,793)	(2,280)
Balance at 31 March 2026	(45,592)	(138,100)	(183,692)	(2,106)	(6,380)	(8,486)

46.3 Cardiff Capital Region City Deal - Summary Group Balance Sheet

Summary CCRCD Group Balance Sheet	2025/2026		2024/2025	
	CCRCD Group £000	Blaenau Gwent Apportionment £000	CCRCD Group £000	Blaenau Gwent Apportionment £000
Non-Current Assets	135,960	6,281	129,319	5,974
Current Assets	100,596	4,647	78,154	3,611
Current Liabilities	(7,205)	(333)	(15,635)	(722)
Non-Current Liabilities	(45,659)	(2,109)	(57,591)	(2,661)
Total Net Assets	183,692	8,486	134,247	6,202
Usable Reserve	(45,592)	(2,106)	(34,957)	(1,615)
Unusable Reserve	(138,100)	(6,380)	(99,290)	(4,587)
Total Reserves	(183,692)	(8,486)	(134,247)	(6,202)

46.4 Cardiff Capital Region City Deal - Summary Group Cash Flow Statement

Summary CCRCD Group Cash Flow Statement	2025/2026		2024/2025	
	CCRCD Group £000	Blaenau Gwent Apportionment £000	CCRCD Group £000	Blaenau Gwent Apportionment £000
Net Surplus/(Deficit) on the provision of services	52,531	2,427	44,401	2,051
Adjustments to the provision of Services for non-cash movements	(39,292)	(1,815)	(17,042)	(788)
Adjustments for items included in the provision of services that are investing and financing activities	22,800	1,053	(67,525)	(3,119)
Net Cash Inflows/(Outflows) from Operating Activities	36,039	1,665	(40,166)	(1,856)
Investing Activities	(33,747)	(1,559)	(28,596)	(1,321)
Financing Activities	0	0	10,000	462
Net increase or (decrease) in cash and cash equivalents	2,292	106	(58,762)	(2,715)
Cash and Cash equivalents at the beginning of the reporting period	5,628	260	63,903	2,952
Adjustment to Cash and Cash equivalents opening balance	0	0	487	23
Cash and cash equivalents at the end of the reporting period	7,920	366	5,628	260

47. Joint Arrangements - Other

The Authority participates in a number of joint arrangements as a means of delivering services in a more efficient and cost-effective manner. In assessing the joint arrangements in which Blaenau Gwent participates, it has been concluded in each case that no separate legal entity exists and that the Authority does not have control (as defined by the Accounting Code and IFRS10). Consequently, the accounts of these arrangements have not been consolidated in the group accounting statements. In each case, the relevant service line of the Comprehensive Income and Expenditure Account reflects the following transactions occurring between the Authority and the joint arrangement:

Joint Arrangements	2025/2026		
	Gross Expenditure	Gross Income	Net Expenditure
	£000	£000	£000
Greater Gwent Cremation Joint Committee	0	(49)	(49)
Gwent Joint Records Committee	168	0	168
Gwent Transport Unit	2,370	0	2,370
South East Wales Strategic Planning Group	2	0	2
Total	2,540	(49)	2,491

Joint Arrangements	2024/2025		
	Gross Expenditure	Gross Income	Net Expenditure
	£000	£000	£000
Greater Gwent Cremation Joint Committee	0	(63)	(63)
Gwent Joint Records Committee	161	0	161
Gwent Transport Unit	1,757	0	1,757
South East Wales Strategic Planning Group	2	0	2
Total	1,920	(63)	1,857

47.1 Greater Gwent Cremation Joint Committee (GGCJC)

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.

47.2 Gwent Joint Records Committee (JRC)

The Gwent Record Office provides the statutory archive service for 5 Local Authorities in the Greater Gwent area. It was founded as the Monmouthshire Record Office in 1938 and moved to Cwmbran in the 1970s. In 2010 a new Gwent Archives Joint Agreement was signed providing for the joint service for the next quarter century and for the construction of a new facility at the General Offices site in Ebbw 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.

47.3 Gwent Transport Unit (GTU)

The GTU is responsible for passenger transport co-ordination in Blaenau Gwent and Torfaen. The principal activities are procurement and monitoring of local bus services; provision of timetables, transport guides and leaflets; and administration of the concessionary fares scheme. Blaenau Gwent CBC was the lead Authority for the GTU, with responsibility transferring to Torfaen CBC on 1 May 2016.

The majority of transactions administered by the unit are associated with concessionary fares, bus subsidies, local transport services grant and 'section 106', the costs of which are allocated based on direct spend relative to the use of each service within the relevant local authority area. Administration costs of the joint arrangement are apportioned between the two Authorities, with Blaenau Gwent being charged 49.54% of these costs. The share of balances apportioned to Blaenau Gwent CBC for the GTU is also 49.54%.

47.4 South East Wales Strategic Planning Group (SEWSPG)

The South East Wales Strategic Planning Group (SEWSPG) produces regional planning guidance for South East Wales in partnership with 10 other local planning authorities in the region, and the Brecon Beacons National Park Authority.

The financial arrangements for the group are provided by the participating authorities on a rota basis - for 2025/2026, Blaenau Gwent was the host Authority, overseeing the following transactions:

South East Wales Strategic Planning Group	2025/2026 £000	2024/2025 £000
Balance at 1 April	(15)	(119)
Receipts (Member Subscriptions)	(17)	(50)
Payments	0	154
Balance at 31 March	(32)	(15)

48. Joint Venture Agreement - Ebbw Valley Railway

In March 2021 the Council agreed to accept a £70million interest free loan from Welsh Government to progress infrastructure works on the Ebbw Valley Railway project. The acceptance of the loan was subject to the development and acceptance of a quadripartite agreement between Blaenau Gwent Council, Welsh Government, Transport for Wales and Transport for Wales (Rail). This agreement was signed by all parties by September 2021, with the loan to be repaid over a 50-year period after the scheduled conclusion of the infrastructure works. In order to meet the loan repayments the Council will receive a guaranteed sum on an annual basis, generated from the projected increase in income resulting from increased train frequency.

Expenditure totalling £62.735m had been incurred on the project to the end of the 2023/2024 financial year and the asset (at cost) was transferred from the Council's Balance Sheet on commencement of rail operations (effectively in January 2024). Additional expenditure of £0.606m was incurred during 2024/2025, giving a total spend on the project to 31 March 2025 of £63.341m. As a result of practical completion in January 2024, the Council was due to receive the Asset Development Fee payments from Transport for Wales (Rail) with effect from the first Quarter of 2025 and was also due to make loan repayment to Welsh Government from that time. To date, subject to ongoing negotiations, the Council has received no Asset Development Fee payments and has consequently made no matching loan repayments to Welsh Government. The Accounts properly reflect the Fee income due to date and the loan payments 'overdue'.

The project loan has been discounted to its current (fair) value. The Authority is required to account for the difference between the current value and the actual loan amount as capital grant. As interest rates have not changed significantly since 31 March 2025, no reassessment of the current value of the loan has been made in the 2025/2026 Accounts.

The discount on these amounts has been unwound for five years and as a result the present value of loan liabilities recognised at 31 March 2026 is £24.14m (31 March 2025: £22.968m), with £39.269m recognised as capital grants (31 March 2025: £40.507m), applied to the Capital Adjustment Account to match expenditure incurred over the duration of the project.

Debtors have also been included in the accounts to record the sums due from Transport for Wales (Rail) over the next 50 years. This sum has also been discounted to present value, and reduced to reflect the balance of loan funding that was not utilised on the scheme and repaid to Welsh Government in 2025.

The following balances are recorded in the Council's Balance Sheet (and relevant disclosures):

Summary: Joint Venture (Ebbw Valley Railway)		Balance at 31 March 2026	Balance at 31 March 2025
		£000	£000
TfW Rail Debtor:	Current	3,805	2,536
	Non-Current	22,845	22,820
	Impairment	(2,509)	(2,387)
Rail Loan:	Current	(3,805)	(2,536)
	Non-Current	(20,336)	(20,367)
Unspent Loan Funding (Bank/Investments)		68	68
Deferred Capital Receipts		(24,140)	(22,968)
Capital Adjustment Account:	Capital Grant	(39,269)	(40,507)
	Expenditure Written Down on Disposal	62,735	62,735
	REFCUS	606	606
Balance Sheet Total		0	0

49. Charitable Trusts

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 is a public open access space available for events such as weddings, art exhibitions and displays.

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

The summarised transactions for these charitable trusts are as follows:

Summary Statement of Financial Activities	2025/2026					2024/2025				
	Bedwellty House & Park £000	Cwm Recreation Ground £000	Ebbw Vale Recreation Ground £000	Tredegar Recreation Ground £000	Total £000	Bedwellty House & Park £000	Cwm Recreation Ground £000	Ebbw Vale Recreation Ground £000	Tredegar Recreation Ground £000	Total £000
Income										
Donations & Legacies	(104)	(2)	(14)	(11)	(131)	(104)	(3)	0	(4)	(111)
Other	(73)	(4)	(3)	0	(80)	(94)	(3)	(39)	(3)	(139)
Total Income	(177)	(6)	(17)	(11)	(211)	(198)	(6)	(39)	(7)	(250)
Expenditure										
Charitable Activities	186	6	17	11	220	186	6	33	7	232
Other	177	0	0	0	177	198	0	6	0	204
Total Resources Expended	363	6	17	11	397	384	6	39	7	436
Net Expenditure	186	0	0	0	186	186	0	0	0	186
(Gains) and Losses on Revaluation of Fixed Assets	0	0	0	0	0	0	0	0	0	0
Net Movement in Funds	186	0	0	0	186	186	0	0	0	186

Property, Plant and Equipment assets held by the charitable trusts are as follows:

Charitable Trusts - Property, Plant & Equipment	2025/2026			2024/2025		
	Gross Book Value	Accumulated Depreciation	Net Book Value	Gross Book Value	Accumulated Depreciation	Net Book Value
	£000	£000	£000	£000	£000	£000
Bedwellty House and Park	7,996	(617)	7,379	7,996	(431)	7,565
Cwm Recreation Ground	15	(15)	0	15	(15)	0
Ebbw Vale Recreation Ground	298	(147)	151	298	(134)	164
Tredegar Recreation Ground	86	(76)	10	86	(76)	10
Total	8,395	(855)	7,540	8,395	(656)	7,739

The Authority also acts as sole trustee for 30 education trust funds, the main purpose of which is the provision of prizes to pupils based on examination success. At year-end, balances held were as follows:

Education Trust Funds	2025/2026	2024/2025
	£000	£000
Cash	65	62
Balance at 31 March	65	62



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...the Statement of Group Accounts comprise the group financial statements and notes, including the summary of significant group accounting policies...



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Group Comprehensive Income and Expenditure Statement

The Group Comprehensive Income and Expenditure Statement (GCIES) shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation.

Amounts relating to expenditure are disclosed as positive and amounts relating to income are disclosed as negative (i.e. enclosed in brackets). Consequently, total figures disclosed in brackets are surpluses, representing net income to the Group, whilst those not in brackets are deficits, where expenditure exceeds income.

Group Comprehensive Income & Expenditure Statement	2025/2026			2024/2025 (Restated)			Note:
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	
	£000	£000	£000	£000	£000	£000	
Continuing Operations							
Corporate Resources	26,274	(1,530)	24,744	26,467	(1,768)	24,699	G4
Children, Young People & Families	56,251	(25,025)	31,226	50,202	(23,013)	27,189	
Schools Spending	77,719	(3,906)	73,813	72,761	(6,395)	66,366	
Adults & Communities	83,486	(37,094)	46,392	82,300	(40,151)	42,149	
Economy and Place	24,545	(17,427)	7,118	26,074	(28,879)	(2,805)	
Neighbourhood and Environment Services	36,090	(13,193)	22,897	30,548	(8,958)	21,590	
Cardiff Capital Region City Deal	1,009	(1,002)	7	1,468	(733)	735	
Total Deficit on Continuing Services	305,374	(99,177)	206,197	289,820	(109,897)	179,923	G3
Other Operating Expenditure	14,449	(985)	13,464	13,578	(358)	13,220	
Financing and Investment Income and Expenditure	39,718	(29,145)	10,573	38,746	(28,085)	10,661	
Taxation and Non-Specific Grant Income	0	(235,021)	(235,021)	0	(220,167)	(220,167)	
(Surplus)/Deficit on Provision of Services	359,541	(364,328)	(4,787)	342,144	(358,507)	(16,363)	G3
Tax Expenses			14			16	46
Group (Surplus)/Deficit			(4,773)			(16,347)	G3
(Surplus)/Deficit Arising on the Revaluation of Non-Current Assets			(9,610)			(14,157)	
(Surplus)/Deficit from investments in equity instruments designated at fair value			135			762	
Remeasurement of the net defined benefit pension liability			(22,898)			(88,811)	
Effect of the asset ceiling on the net defined pension liability			33,745			77,791	
Other Comprehensive Income & Expenditure			1,372			(24,415)	G5
Total Group Comprehensive Income & Expenditure			(3,401)			(40,762)	GMiRS

Note: Gross Expenditure, Income and Net Expenditure figures for Continuing Operations have been restated for 2024/2025 to reflect the Portfolio arrangements adopted for the 2025/2026 financial year. Totals for Continuing Services are unaffected.

Group Movement in Reserves Statement

The Group Movement in Reserves Statement (GMiRS) shows the in-year movement on the reserves held by the Group.

Group Movement in Reserves Statement	2025/2026			2024/2025			Note
	Total Authority Reserves	Charity & Subsidiary Reserves	Total Group Reserves	Total Authority Reserves	Charity & Subsidiary Reserves	Total Group Reserves	
	£000	£000	£000	£000	£000	£000	
Opening balance at 1 April	(185,775)	(7,263)	(193,038)	(144,629)	(7,647)	(152,276)	
Total Group Comprehensive Income & Expenditure	(3,587)	186	(3,401)	(40,948)	186	(40,762)	GCIES
Adjustments between accounting basis & funding basis under statutory provisions	0	0	0	0	0	0	G6
Adjustments between Group Accounts and Authority Accounts	(177)	177	0	(198)	198	0	
Transfers(to)/ from Earmarked Reserves	0	0	0	0	0	0	
(Increase)/Decrease in year	(3,764)	363	(3,401)	(41,146)	384	(40,762)	
Balance at 31 March	(189,539)	(6,900)	(196,439)	(185,775)	(7,263)	(193,038)	GBS

Group Balance Sheet

The Group Balance Sheet (GBS) shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Group.

The net assets of the Group (assets less liabilities) are matched by reserves held, reported in two categories:

- Usable reserves are those reserves that the Group 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 Group 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 would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Group Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations' (e.g. the Capital Adjustment Account, Pensions Reserve and Accumulated Absences Account).

Group Balance Sheet	31 March 2026		31 March 2025		Note:
	£000	£000	£000	£000	
Property, Plant & Equipment	397,910		389,226		G7
Investment Properties	8,842		7,147		G7.3
Heritage Assets	820		726		
Intangible Assets	76		94		
Non-Current Investments	660		593		
Non-Current Debtors	25,850		25,693		
Non-Current Deferred Tax Asset	247		115		G10
Sub Total: Long Term Assets		434,405		423,594	
Current Investments	2,066		3,119		
Inventories	220		247		
Current Debtors	56,996		55,266		
Deferred Tax Asset	0		0		
Cash and Cash Equivalents	6,710		2,573		
Sub Total: Current Assets		65,992		61,205	
Current Borrowing	(92,403)		(75,361)		
Current Creditors	(32,540)		(34,153)		
Current Grants Receipts in Advance	(4,932)		(3,732)		
Current Donated Assets	(2)		(28)		
Current Provisions	(1,321)		(2,213)		
Sub Total: Current Liabilities		(131,198)		(115,487)	
Non-Current Borrowing	(74,338)		(79,878)		
Non-Current Provisions	(5,391)		(6,520)		
Other Long-Term Liabilities	(93,031)		(89,876)		
Sub Total: Long-Term Liabilities		(172,760)		(176,274)	
Total Net Assets/(Liabilities)		196,439		193,038	G8
Usable Reserves	(57,764)		(61,966)		
Unusable Reserves	(138,675)		(131,072)		
Total Reserves		(196,439)		(193,038)	

Group Cash Flow Statement

The Group Cash Flow Statement summarises the cash and cash equivalent transactions of the Group during the reporting period. The statement shows how the Group generates and uses cash and cash equivalents by classifying cash inflows and (outflows) as operating, investing and financing activities.

Group Cash Flow Statement	2025/2026		2024/2025		Note:
	£000	£000	£000	£000	
Net surplus/(deficit) on the provision of services <i>less</i> tax expenses	4,773		16,347		GCIES
Adjustments to the provision of services for non-cash movements	35,831		18,441		G9.1
Adjustments for items included in the provision of services that are investing and financing activities	(34,391)		(38,635)		
Interest received	0		0		
Net Cash Inflows from Operating Activities		6,213		(3,847)	
Investing activities		(12,611)		(9,994)	
Financing activities		10,535		(1,576)	
Net increase or (decrease) in cash and cash equivalents		4,137		(15,417)	
Cash and cash equivalents at the beginning of the reporting period		2,573		17,990	GBS, G10
Cash and cash equivalents at the end of the reporting period		6,710		2,573	GBS, G10

- The amount of net cashflows arising from operating activities is a key indicator of the extent to which the operations of the Group are funded by way of taxation and grant income or from the recipients of services provided.
- Investing activities represent cashflows relating to the acquisition, disposal and funding via capital grant of resources which are intended to contribute to the Group's future service delivery, i.e. non-current assets.
- Cashflows arising from financing activities represent the extent to which borrowing and similar charges have increased/decreased during the year and are useful in predicting claims on future cash flows by providers of capital to the Group.



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Cyngor Bwrdeistref Sirol

Blaenau Gwent

County Borough Council

G1. Group Accounting Policies

G1.1 Group Boundary

The Blaenau Gwent County Borough Council Group comprises:

- Blaenau Gwent County Borough Council; and
- Bedwellty House and Park Charitable Trust, of which Blaenau Gwent CBC is the sole trustee and with whom the assets of the trust formally vest.

G1.2 General Principles

The Group Accounts summarise the transactions of the Authority and the Charitable Trust for the 2025/2026 financial year. The Accounts have been prepared in accordance with proper accounting practices as required by the Accounts and Audit (Wales) Regulations 2014.

The Group Accounts only include those statements and disclosures where consolidation has resulted in a difference to the Blaenau Gwent CBC single entity equivalent. Therefore, with the exception of those notes included in the group statements, all single entity notes are applicable to the Group.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2025/2026 and the Service Reporting Code of Practice 2025/2026, supported by International Financial Reporting Standards (IFRS). Where there is no relevant IFRS or International Accounting Standard (IAS), reference is made to International Public Sector Accounting Standards (IPSASs); if there is no relevant IPSAS, domestic Financial Reporting Standards (FRSs) are applied.

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

In preparing a set of Accounts for the Blaenau Gwent Group, it has been necessary to align the Accounting Policies adopted by the constituent entities. The Group Policies are largely the same as those used in preparing the Accounts for the Parent Authority, as recorded on pages 24-33. However, where Policies differ, the Group Policy is included in this section.

Accounts for the 2025/2026 financial year have been completed by the Bedwellty House and Park Charitable Trust for submission to the Charity Commission. These have been prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, being the appropriate accounting standard for charitable trusts.

Further details in relation to the submissions made to the Charity Commission for the Bedwellty House and Park Charitable Trust can be obtained from:

Head of Legal & Corporate Compliance,
Blaenau Gwent County Borough Council,
The General Offices,
Steelworks Road,
Ebbw Vale,
NP23 6DN

G1.3 Intra Group Transactions and Balances

To the extent that balances and transactions have been identified and agreed between the entities that comprise the Blaenau Gwent County Borough Council Group, these have been eliminated as part of the consolidation process. However, there are no significant or material transactions to consider between the Group parties.

G1.4 Acquisitions and Discontinued Operations

Bedwellty House and Park is an historic, Grade II listed Regency residence set in the heart of Tredegar, held in trust for the benefit of the residents of the town.

All operations were classified as continuing in 2025/2026 and there were no acquisitions or discontinuations of service during the financial year.

G1.5 Employee Benefits

G1.5.1 Post Employment Benefits

Bedwellty House and Park is operated by the Aneurin Leisure Trust, which is an admitted body to the Greater Gwent Local Government Pension Scheme. There are no direct employees of the Bedwellty House and Park Charitable Trust and therefore no group disclosures are required for post employment benefits.

G1.6 Property, Plant and Equipment

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

G1.6.1 Recognition

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

For 2025/2026, only expenditure in excess of £10,000 has been capitalised by the Parent Authority, with amounts below this threshold being charged directly to revenue. The exceptions to this are highways and health & safety assets that individually fall below this de-minimis level but are capitalised because they are treated as one single item of expenditure in the year and expenditure that has a capital grant approval.

G1.6.2 Measurement

As a Grade II Listed building, Bedwellty House has been valued on a replacement cost basis. Heritage assets in the park are included at a nominal value.

G1.6.3 Depreciation

Bedwellty House was revalued as at 1 April 2023 and an assessment of its remaining Economic Useful Life has been applied from that date.

Consequently, a completely uniform set of standard lives has not been introduced for Group Accounting purposes and no adjustments have been made to depreciation amounts in the Group Comprehensive Income and Expenditure Statement, Group Balance Sheet or Group Cash Flow.

G2. Notes to the Group Financial Statements

These notes should be read in conjunction with the notes to the Authority's Core Financial Statements. Notes have been included to the Group Financial Statements where:

- specifically required by the Accounting Code of Practice;
- a note to the single entity statements has been amended by the consolidation of the charitable trust; or
- the note relates solely to the activities of the charitable trust and has not been included in the Accounts of the Local Authority.

Group Comprehensive Income & Expenditure Statement Notes

G3. Group Expenditure and Funding Analysis

The Expenditure & Funding Analysis shows how annual expenditure is used and funded from resources (i.e. government grants, council tax and business rates) by the Group in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes. Income and Expenditure accounted for under generally accepted accounting practices is presented more fully in the Group Comprehensive Income and Expenditure Statement.

Group Expenditure & Funding Analysis	2025/2026					2024/2025 (Restated)				
	Management Account Net Expenditure	Accounting Code Adjustments	Net Expenditure Chargeable to the Council Fund	Funding & Accounting Basis Adjustments	Group CIES Net Expenditure	Management Account Net Expenditure	Accounting Code Adjustments	Net Expenditure Chargeable to the Council Fund	Funding & Accounting Basis Adjustments	Group CIES Net Expenditure
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Corporate Resources	23,890	1,475	25,365	(621)	24,744	23,908	120	24,028	671	24,699
Children, Young People & Families	97,844	(64,324)	33,520	(2,294)	31,226	91,391	(61,023)	30,368	(3,179)	27,189
Schools Spending	13,619	48,116	61,735	12,078	73,813	6,320	49,009	55,329	11,037	66,366
Adults & Communities	48,446	(2,868)	45,578	814	46,392	43,440	461	43,901	(1,752)	42,149
Economy and Place	5,506	(2,771)	2,735	4,383	7,118	7,676	(5,935)	1,741	(4,546)	(2,805)
Neighbourhood and Environment Services	28,098	(11,043)	17,055	5,842	22,897	27,064	(9,705)	17,359	4,231	21,590
Cardiff Capital Region City Deal	0	(29)	(29)	36	7	0	707	707	28	735
Capital Adjustments	0	5	5	(5)	0	0	(5)	(5)	5	0
Pension Adjustments	0	486	486	(486)	0	0	929	929	(929)	0
Net Expenditure on Continuing Operations	217,403	(30,953)	186,450	19,747	206,197	199,799	(25,442)	174,357	5,566	179,923
Other Operating Expenditure	0	13,916	13,916	(452)	13,464	0	12,747	12,747	473	13,220
Financing & Investment Income & Expenditure	0	9,106	9,106	1,467	10,573	0	9,020	9,020	1,641	10,661
Taxation & Non-Specific Grant Income	0	(207,522)	(207,522)	(27,499)	(235,021)	0	(194,103)	(194,103)	(26,064)	(220,167)
(Surplus)/Deficit on the Provision of Services	217,403	(215,453)	1,950	(6,737)	(4,787)	199,799	(197,778)	2,021	(18,384)	(16,363)
Tax expenses	0	0	14	0	14	0	0	16	0	16
Group (Surplus)/Deficit	217,403	(215,453)	1,964	(6,737)	(4,773)	199,799	(197,778)	2,037	(18,384)	(16,347)
Transfers to/(from) earmarked reserves			(1,964)					(2,934)		
(Increase)/Decrease in year			0					(897)		
Opening Group Balances as at 1 April			(13,969)					(13,072)		
Closing Group Balances as at 31 March			(13,969)					(13,969)		

Note: Gross Expenditure, Income and Net Expenditure figures for Continuing Operations have been restated for 2024/2025 to reflect the Portfolio arrangements adopted for the 2025/2026 financial year. Totals for Continuing Services are unaffected.

G4. External Audit Fees

External Audit services for Blaenau Gwent CBC are provided by Audit Wales and for the Bedwellty House and Park Charitable Trust by Blaenau Gwent CBC (Internal Audit). Audit fees incurred by the Group are therefore those reported for the Council in note 17.

Group Movements in Reserves Notes

G5. Other Comprehensive Income and Expenditure

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

Other Comprehensive Income & Expenditure	2025/2026 £000	2024/2025 £000
(Surplus)/Deficit arising on the revaluation of non-current assets	(9,610)	(14,157)
Deficit from investments in equity instruments designated at fair value	135	762
Remeasurement of the net defined benefit pension liability	(22,898)	(88,811)
Effect of the asset ceiling on the net defined pension liability	33,745	77,791
Other Comprehensive Income & Expenditure	1,372	(24,415)

G6. Adjustments Between Accounting Basis and Funding Basis Under Statutory Provisions

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Group in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Group to meet future capital and revenue expenditure. These adjustments include transactions relating to depreciation & impairment, pensions provision, employee accruals, unequal pay and capital grants.

In 2025/2026, adjustments for the Group Accounting Statements were limited to depreciation transactions between the Comprehensive Income & Expenditure Statement and the Capital Adjustment Account. Group adjustments with the Capital Adjustment Account were as follows:

	2025/2026		2024/2025	
	Council Fund Balance £000	Movement in Unusable Reserves £000	Council Fund Balance £000	Movement in Unusable Reserves £000
Group Adjustments between Accounting Basis and Funding Basis under Statutory Provisions				
Adjustments to/from Group Capital Adjustment Account:				
Charges for depreciation	(14,437)	14,437	(14,732)	14,732
Impairment of non-current assets	0	0	0	0
Revaluation gains on Property, Plant & Equipment	(16,093)	16,093	(6,135)	6,135
Change in the fair value of Investment Property	(1,372)	1,372	(63)	63
Capital grants & contributions applied	31,109	(31,109)	36,295	(36,295)
Revenue expenditure funded from capital under statute	(7,604)	7,604	(4,707)	4,707
Write Out of Infrastructure Loan Discount	(1,070)	1,070	(1,903)	1,903
Amounts of non-current assets written off on disposal or sale as part of the gain on disposal to the Comprehensive Income & Expenditure Statement	(534)	534	(1,150)	1,150
Statutory provision for the financing of capital investment	2,980	(2,980)	2,423	(2,423)
Capital expenditure charged against the Council Fund	1,330	(1,330)	1,175	(1,175)
Total: Adjustments to/from Group Capital Adjustment Account	(5,691)	5,691	11,203	(11,203)

Summary adjustments between accounting basis and funding basis under statutory provisions for the Blaenau Gwent Group were therefore:

	2025/2026				2024/2025			
	Council Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000	Council Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Group Adjustments between Accounting Basis and Funding Basis under Statutory Provisions								
Total: Transactions between Group Funds & Usable Reserves:	4,260	(903)	(3,357)	0	3,242	(598)	(2,644)	0
Total: Adjustments to/from Group Capital Adjustment Account:	(5,691)	0	0	5,691	11,203	0	0	(11,203)
Total: Transactions involving Other Group Unusable Reserves:	8,168	0	0	(8,168)	3,939	0	0	(3,939)
Total: Other Group Capital Reserve Transactions:	0	(416)	6,914	(6,498)	0	(459)	2,562	(2,103)
Total Adjustments:	6,737	(1,319)	3,557	(8,975)	18,384	(1,057)	(82)	(17,245)

Group Balance Sheet Notes

G7. Property Plant & Equipment

G7.1 Carrying Amount of Non-Current Assets

The Carrying Amount of Group Non-Current Assets in the Balance Sheet can be divided between Infrastructure and 'Other PPE' Assets as follows:

Group Property, Plant & Equipment	31 March 2026	31 March 2025
	£000	£000
Infrastructure Assets	90,422	88,114
Other PPE Assets	307,488	301,112
Net Book Value	397,910	389,226

G7.2 Carrying Amount of 'Other' Property, Plant & Equipment Assets

The gross carrying amount and accumulated depreciation relating to Property, Plant and Equipment (excluding Infrastructure Assets) was:

Group Property, Plant & Equipment (Excluding Infrastructure)	31 March 2026	31 March 2025
	£000	£000
Gross Carrying Amount	321,803	314,412
Accumulated Depreciation	(14,315)	(13,300)
Net Book Value	307,488	301,112

Details of the transactions relating to the carrying amounts and depreciation of non-current assets (excluding Infrastructure Assets) are set out on the following pages.

Movements in 2025/2026:

	Operational Assets					Total Property, Plant & Equipment £000
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	
Property, Plant & Equipment (Excluding Infrastructure)						
Cost or Valuation as at 1 April 2025	250,154	19,093	351	6,213	38,601	314,412
Appropriations	33,895	3,749	0	0	(38,076)	(432)
Additions	11,133	1,754	198	0	12,163	25,248
Revaluation increases/(decreases) recognised in the Revaluation Reserve	1,425	0	0	(72)	0	1,353
Revaluation increases/(decreases) recognised in the Provision of Services	(17,219)	0	0	(33)	0	(17,252)
Derecognition - disposals	(1,735)	0	0	0	0	(1,735)
Other movements in cost or valuation	(37)	246	0	0	0	209
Cost or Valuation as at 31 March 2026	277,616	24,842	549	6,108	12,688	321,803

	Operational Assets					Total Property, Plant & Equipment £000
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	
Property, Plant & Equipment (Excluding Infrastructure): Depreciation & Impairment						
Accumulated Depreciation & Impairment as at 1 April 2025	(3,305)	(9,980)	(14)	(1)	0	(13,300)
Depreciation Charge & Appropriations	(8,280)	(2,390)	0	(12)	0	(10,682)
Depreciation written out to the Revaluation Reserve	8,151	0	0	12	0	8,163
Depreciation written out to the Surplus/Deficit on the Provision of Services	1,158	0	0	1	0	1,159
Derecognition - disposals	345	0	0	0	0	345
Accumulated Depreciation & Impairment as at 31 March 2026	(1,931)	(12,370)	(14)	0	0	(14,315)

Movements in 2024/2025:

Property, Plant & Equipment (Excluding Infrastructure)	Operational Assets					Total Property, Plant & Equipment
	Other Land and Buildings	Vehicles, Plant and Equipment	Community Assets	Surplus Assets	Assets Under Construction	
	£000	£000	£000	£000	£000	£000
Cost or Valuation as at 1 April 2024	230,698	22,447	106	5,453	35,709	294,413
Adjustment to Balances Brought Forward	1,130	0	0	0	0	1,130
Revised Cost or Valuation as at 1 April 2025	231,828	22,447	106	5,453	35,709	295,543
Appropriations	17,580	17	0	0	(17,597)	0
Assets reclassified to/from held for sale	0	0	0	0	0	0
Additions	6,408	2,459	245	0	20,489	29,601
Revaluation increases/(decreases) recognised in the Revaluation Reserve	3,132	0	0	350	0	3,482
Revaluation increases/(decreases) recognised in the Provision of Services	(7,635)	0	0	410	0	(7,225)
Derecognition - disposals	(1,240)	(5,830)	0	0	0	(7,070)
Other movements in cost or valuation	81	0	0	0	0	81
Cost or Valuation as at 31 March 2025	250,154	19,093	351	6,213	38,601	314,412

Group Property, Plant & Equipment (Excluding Infrastructure): Depreciation & Impairment	Operational Assets					Total Property, Plant & Equipment
	Other Land and Buildings	Vehicles, Plant and Equipment	Community Assets	Surplus Assets	Assets Under Construction	
	£000	£000	£000	£000	£000	£000
Accumulated Depreciation & Impairment as at 1 April 2024	(4,800)	(13,950)	(14)	(1)	0	(18,765)
Adjustment to Balances Brought Forward	(1,107)	0	0	0	0	(1,107)
Revised Accumulated Depreciation & Impairment as at 1 April 2024	(5,907)	(13,950)	(14)	(1)	0	(19,872)
Depreciation Charge & Appropriations	(9,303)	(1,813)	0	(1)	0	(11,117)
Depreciation written out to the Revaluation Reserve	10,673	0	0	1	0	10,674
Depreciation written out to the Surplus/Deficit on the Provision of Services	1,095	0	0	0	0	1,095
Derecognition - disposals	137	5,783	0	0	0	5,920
Accumulated Depreciation & Impairment as at 31 March 2025	(3,305)	(9,980)	(14)	(1)	0	(13,300)

Note: Balances Brought Forward were adjusted to include assets related to Silent Valley Waste Services Ltd., transferred in 2023/2024.

G7.3 Heritage Assets

In addition to the heritage assets held by the Council (set out in note 26) the Group also includes the following Grade II Listed heritage assets. These have not been included on the Group Balance Sheet as no cost or valuation information is available:

Heritage Assets (Not Reported on Balance Sheet)	Description
Bedwellty Park Bandstand	Octagonal bandstand of iron construction presented to the people of Tredegar by the Morgan family of Tredegar House in 1912, for recreational purposes.
Bedwellty Park Boundary Stone	Dated 1818 and former boundary stone of Sirhowy Ironworks. It is not known when the stone was removed to Bedwellty House. A similar stone survives near the Sirhowy Ironworks Site. Listed as a rare survival of an early 19th century industrial boundary stone with unusual history.
Bedwellty Park Ice House	Early 19th century with chamber built above in later 19th century. Listed as a remarkable survival of an ice-house with former chapel above.
Bedwellty Park Lump of Coal	Celebrated lump of coal cut as a special exercise to form a monument at the 1851 Great Exhibition. Reputed to be the largest block of coal ever cut. Listed as a unique monument to the coal industry in South Wales and to the skill of South Wales miners.
Bedwellty Park War Memorial	Erected circa 1920 as a First World War Memorial. Made of a tall tapering ashlar pedestal and bronze figure of a fully kitted soldier, standing against a tall plain Celtic Cross with wheel-head. Listed as an impressively designed war memorial in attractive parkland setting.

Bedwellty House is regarded as being operational in nature and has therefore been included in the 'Other Land and Buildings' classification of Group Property, Plant & Equipment.

G8. Reserves

Group Unusable Reserves include amounts held by Blaenau Gwent CBC and Bedwellty House and Park Charitable Trust.

G8.1 Group Revaluation Reserve

The Revaluation Reserve contains the gains made by the Group arising from increases in the value of its Property, Plant and Equipment.

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. The balance on the reserve 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.

Group Revaluation Reserve	2025/2026	2024/2025
	£000	£000
Balance at 1 April	(79,841)	(69,457)
Adjustment to balance brought forward	0	297
Revised balance at 1 April	(79,841)	(69,160)
Upward revaluation of assets	(4,556)	(12,369)
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	3,109	8,886
Depreciation - write back revaluation reserve	(8,163)	(10,674)
Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	(9,610)	(14,157)
Difference between fair value depreciation and historical cost depreciation	2,456	3,476
Accumulated gains on assets sold or scrapped	288	0
Amount written off to the Capital Adjustment Account	2,744	3,476
Balance at 31 March	(86,707)	(79,841)

Note: Balances Brought Forward were adjusted to correct mis-posting of City Deal entries related to the Financial Instruments Revaluation Reserve.

G8.2 Group Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to an historical cost basis).

The Account is credited with the amounts set aside by the Group as finance for the costs of acquisition, construction and enhancement. The Account contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Group Capital Adjustment Account	2025/2026	2024/2025
	£000	£000
Balance at 1 April	(117,004)	(99,995)
Reversal of items relating to capital expenditure debited or credited to the CIES:		
Charges for depreciation	14,437	14,732
Revaluation gains/losses on Property, Plant & Equipment	16,093	6,135
Revenue expenditure funded from capital under statute	7,604	4,707
Non-current assets written off on disposal or sale as part of the gain/loss on disposal	534	1,150
Sub-Total: Capital Adjustment Transactions included in the CIES:	38,668	26,724
Adjusting Amounts written out of the Revaluation Reserve:		
Charges for depreciation & impairment of non-current assets	(2,456)	(3,476)
Non-current assets written off on disposal or sale as part of the gain/loss on disposal	(288)	0
Net written out amount of the cost of non-current assets consumed in the year:	35,924	23,248
Capital financing applied in the year:	(41,001)	(40,320)
Movements in the market value of investment properties debited or credited to the CIES	1,372	63
Balance at 31 March	(120,709)	(117,004)

Summary Group Unusable Reserves were:

Unusable Group Reserves	2025/2026 £000	2024/2025 £000
Capital Adjustment Account	(120,709)	(117,004)
Revaluation Reserve	(86,707)	(79,841)
Financial Instruments Adjustment Account	2,838	3,110
Financial Instruments Revaluation Reserve	600	465
Deferred Capital Receipts Reserve	(26,766)	(25,748)
Pensions Reserve	89,009	85,240
Accumulated Absences Account	3,060	2,706
Total Unusable Group Reserves:	(138,675)	(131,072)

Group Cash Flow Notes

G9. Reconciliation of the Deficit on the Provision of Services to Net Cash Flows from Operating Activities

The following tables provide details of the adjustments made between the deficit on provision of services to arrive at a figure for operating activities cashflows.

G9.1 Non-Cash Movements

Cash Flow - Adjustments for Non-Cash Movements	2025/2026 £000	2024/2025 £000
Depreciation, Revaluation & Impairment	30,530	20,867
REFCUS (deferred charges)	7,604	4,707
Change in the Fair Value of Investment Properties	1,372	63
Effective interest adjustment	44	51
Soft loan adjustment	903	1,903
Unwinding of Discounts	(1,172)	(1,408)
Net IAS19 charges made for Retirement Benefits	13,162	16,849
IAS19 Employers Contributions Paid to Pension Fund	(20,240)	(19,804)
Write Down Donated Assets Account	(26)	(45)
	32,177	23,183
Increase/(Decrease) in Provisions	(2,021)	374
(Increase) / Decrease in Inventories	27	148
(Increase) / Decrease in Revenue Debtors	(46)	(7,329)
Increase / (Decrease) in Revenue Creditors	5,694	2,065
Total	35,831	18,441

G10. Cash and Cash Equivalents

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

Cash and Cash Equivalents	2025/2026 £000	2024/2025 £000
Cash Held by the Authority	56	55
Bank Accounts	6,654	(482)
Short-term investments	0	3,000
Total Cash & Cash Equivalents	6,710	2,573



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