2015/2016

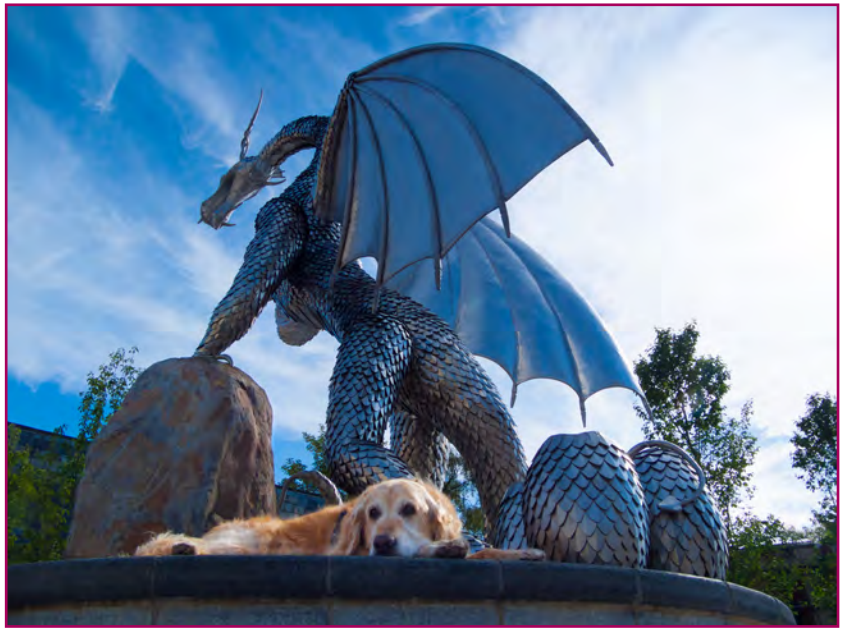
Statement of Accounts

Cyngor Bwrdeistref Sirol
Blaenau Gwent
County Borough Council

The forged stainless steel dragon rearing up into the air on top of a pennant sandstone monolith stands 4 metres tall in the centre of the Bank Square redevelopment in Ebbw Vale.

The area has been enhanced with a series of artwork pieces including bespoke railings and stone walling.

The development was officially unveiled by Minister of Finance, Jane Hutt, on 17 June 2014.



Cover Photo: Steel Dragon, Heart of the Furnace, Bank Square, Ebbw Vale

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Cynnwys

Cyngor Bwrdeisdref Sirol

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Blaenau Gwent
County Borough Council

ACW	Arts Council of Wales
AEF	Aggregate External Finance
AGM	Annual General Meeting
AIR	Annual Improvement Report
BCIS	Building Cost Information Service
BGCBC	Blaenau Gwent County Borough Council
CARE	Care Average Revalued Earnings
CBC	County Borough Council
CC	City or County Council
CDS	Credit Default Swap
CEO	Chief Executive Officer
CFO	Chief Finance Officer
CIPFA	Charted Institute of Public Finance and Accountancy
CIES	Comprehensive Income and Expenditure Statement
CPFA	Chartered Public Finance Accountant
CPI	Consumer Price Index
CRT	Community Resource Team
CSSIW	Care and Social Services Inspectorate Wales
DEFRA	Department for Environment, Food and Rural Affairs
DfE	Department for Education
DRC	Depreciated Replacement Cost
DWP	Department for Work and Pensions
EAS	Education Achievement Service (for South-East Wales)
EEA	European Economic Area
EFTA	European Free Trade Association
ERDF	European Regional Development Fund
EU	European Union
EUV	Existing Use Value
FOI	Freedom of Information
FRS	Financial Reporting Standard
FSR	Financial Strength Rating
FSS	Funding Strategy Statement
GGCJC	Greater Gwent Cremation Joint Committee
GJRC	Gwent Joint Records Committee
GTU	Gwent Transport Unit
GWICES	Gwent Wide Integrated Community Equipment Service
HMRC	HM Revenue and Customs
HNA	Highways Network Asset
HRA	Housing Revenue Account
IAS	International Accounting Standard
ICT	Information and Communications Technology
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standard
IPSAS	International Public Sector Accounting Standard
LAs	Local Authorities
LASAAC	Local Authority (Scotland) Accounts Advisory Committee
LCP	Locality Commissioning Plans
LEA	Local Education Authority
LGDU	Local Government Data Unit
LGM	Local Government Measure
LGPS	Local Government Pension Scheme
LHB	Local Health Board
LMS	Local Management of Schools
LOBO	Lender's Option Borrower's Option
MiRS	Movement in Reserves Statement
MMI	Municipal Mutual Insurance

MRICS	Member of the Royal Institution of Chartered Surveyors
MRP	Minimum Revenue Provision
MRR	Major Repairs Reserve
MTFS	Medium Term Financial Strategy
NCS	Net Cost of Services
NDC	Non-Distributed Costs
NHS	National Health Service
NNDR	National Non-Domestic Rates
NPV	Net Present Value
NRW	Natural Resources Wales
OAG	Outcome Agreement Grant
PDR	Primary Distributor Route
PPE	Property, Plant and Equipment
PWLB	Public Works Loan Board
RCCO	Revenue Contribution to Capital Outlay
REFCUS	Revenue Expenditure Funded from Capital Under Statute
RICS	Royal Institution of Chartered Surveyors
RPI	Retail Price Index
RRA	Revaluation Reserve Account
RSG	Revenue Support Grant
SCR	Standard Contribution Rate
SEN	Special Education Needs
SeRCoP	Service Reporting Code of Practice
SERI	Sterling Exchange Rate Index
SEWSPG	South East Wales Planning Group
SEWTA	South East Wales Transport Alliance
SORP	Statement of Recommended Practice
SVWS Ltd	Silent Valley Waste Services Ltd
TPS	Teachers Pension Scheme (*also:* 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 (*also:* TPS)
VAT	Value Added Tax
WAO	Wales Audit Office
WEFO	Welsh European Funding Office
WG	Welsh Government
WLGA	Welsh Local Government Association
WPC	Welsh Purchasing Consortium
WRAP	Waste & Resources Action Programme
WTO	World Trade Organisation

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Cyngor Bwrdeisdref Sirol

Blaenau Gwent

County Borough Council

1. Introduction

The purpose of this Narrative Report is to offer a guide to the economic 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 2015 to 31 March 2016 and have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2015/2016 (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

The economic situation remains a major concern to the public sector both in Wales and the UK. The Welsh Government's Revenue Settlement for 2015/2016 continued the recent trend of lower than anticipated settlements. Following recent Welsh Assembly elections, there are no financial forecasts from Welsh Government to work on for 2017/2018 onwards at this stage, which makes financial planning, even in the short term, more challenging.

Low interest rates continue to result in a lower return on any investments held by the Authority. On a positive note, correspondingly low levels of inflation have proved beneficial.

The settlement posed a continuing challenge (following the unprecedented level of savings required in the previous year) for the Authority, both in terms of developing a robust and balanced revenue budget (where savings of £6.1m were required) and managing its financial affairs during the year with the aim of achieving a relatively sustainable financial position. The continued financial protection of schools, as determined by Welsh Government, created funding pressures for all other services.

Despite the considerable challenges the Authority faced in terms of the WG Financial Settlement, the Council was able to set its budget for 2015/2016 and make a contribution to reserves of £172,000. However, the section on Reserves in the Statement of Accounts indicates that, overall, reserves decreased, with an underspend across a range of Council services being offset by a reduction in Capital Receipts. It should be borne in mind however that the Council is planning to use a substantial element of its reserves to transform a range of services in the medium term.

3. Background - Significant Events

A number of significant events occurred either during the financial year or prior to the signing of the Accounts after year-end that have had an impact on the financial statements themselves or the environment in which the Authority operates. These were:

3.1 Estyn re-Inspection

Following a further Estyn re-inspection in November 2015, the Authority came out of special measures in December 2015. The Executive function for Education has since transferred back to the Council from the Education Recovery Board. This was a tremendous achievement from all concerned and clearly demonstrated a "one council" approach to the achievement outcomes for children and young people.

3.2 Wales Audit Office (WAO) Statutory Recommendations

The Wales Audit Office continues to monitor the Council's progress through its Annual Improvement Report and Improvement Assessment Letters. In its Annual Audit Letter issued in October 2013, WAO made a statutory recommendation to the Authority under S.25(2) of the Public Audit (Wales) Act 2004. This required the Authority to deliver a legal and balanced budget for 2015/2016 and to agree a sustainable Medium Term Financial Strategy (MTFS) to live within its means.

The Wales Audit Office has monitored progress through a two phase review and in the Annual Improvement Report issued in August 2015 stated that, based on the work of the Wales Audit Office and relevant regulators, the Auditor General considers that as long as current momentum is maintained the Council has the potential to comply with the requirements of the Local Government Measure during 2015/2016.

During the course of the year, the Auditor General did not need to issue any further formal recommendations. However, lower priority issues, known as proposals for improvement, were issued throughout the year.

3.3 Workplace Transformation

The Authority embarked on this significant project a few years ago and has seen major progress in 2015/2016 with significant benefits for both staff and elected members. There are two strands to the project:

- Building rationalisation – where the Council will operate primarily from the Civic Centre, Anvil Court and the General Offices (thereby enabling the disposal of 9 office buildings through sale or community asset transfers); and
- Agile working – where buildings, people and technology are managed to develop a Council that is more agile, in better shape to deliver its services and is more adaptable to meet the changes and challenges of the years ahead. The programme includes refurbishment of 3 key office buildings and improvements to IT systems to enable staff to work in a more flexible manner in a range of working environments.

3.4 Annual Governance Statement

In the Annual Governance Statement presented to Audit Committee alongside this document, the Head of Internal Audit has concluded that there has not been enough of an improvement of the control environment to justify a move away from the limited assurance rating applied to the 2014/2015 year. Despite the successful delivery of the £6.1m financial efficiency projects and an overall underspend on the revenue budget, the limited assurance opinion for the internal control environment demonstrates that there are still areas for improvement. Recommendations for improvement will be developed and monitored through an action plan in 2016/2017 and I am confident that the actions that are being put in place will improve the HIA opinion for the next financial year.

A copy of the Annual Governance Statement for 2015/2016 can be found at the following address:

http://www.blaenau-gwent.gov.uk/council/budgets-spending/statement-of-accounts/

3.5 Monwel Ltd.

Monwel Ltd., a social enterprise established in September 2013, was placed into liquidation at the end of July 2015. As at 31 March 2015, Monwel owed the Authority £157,785, which had been impaired by £35,218 resulting in a net debt in the Accounts of £122,567. During 2015/2016, payment of £2,214 has been received in relation to this debt, and additional invoices of £3,361 have been raised. The current gross debt outstanding from Monwel was therefore £158,932, but as the possibility that this amount would be recovered is low, the sum has been written off in full.

A Contingent Liability of £110,000 relating to the Pension Guarantee has been retained since at this time there continues to be uncertainty regarding the amount & timing of pension liabilities. In addition, a provision has been retained to cover the amount outstanding in respect of pension strain costs of employees of Monwel Ltd. accessing their pension following redundancy (£72,000).

3.6 Revised waste collection and recycling service

Following a £5m capital investment from Welsh Government and the Authority, and working closely with Welsh Government and Silent Valley Waste Services Ltd., a revised waste collection service and a new kerbside recycling service was introduced in October 2015, with the primary aim of increasing the level of recycling in the County Borough in order to meet increasing Welsh Government recycling targets.

A number of issues arose on initial implementation of the revised recycling scheme that impacted adversely on participation rates. Further to complaints and feedback from residents, the Authority commissioned WRAP (the Waste and Resources Action Programme), an independent not-for-profit company specialising in the promotion of sustainable resource use, to review the arrangements for rear lane collections. As a result of this review, the Authority recommenced rear lane collections in 19 locations where participation was recorded as being between 0% and 40%, at an estimated annual cost of £250,000.

There is evidence that the revised recycling scheme implemented in October 2015, together with the scheme amendments from January 2016, have had a positive impact on participation and the level of municipal waste recycled. Provisional figures for the quarter to 31 March 2016 indicated that the level of recycling was 48%; provisional figures for the quarter to 30 June 2016 indicate an increase to 56%. However, the provisional annual figure for 2015/2016 was 49%, significantly below the Welsh Government target of 58%. Consequently, it is possible that a financial penalty will be levied against the Authority, with a decision expected in October 2016. A contingent liability has been included in the notes to the accounting statements to reflect this possibility (page 102).

3.7 Transfer of ICT services

The Authority is actively seeking collaborative and other solutions to deliver its services within the limited resources it has available. To this end, on 1 June 2016, the Authority transferred the provision of its ICT services to Shared Resource Services (Business Solutions Ltd) - the SRS. This is a joint venture established by Torfaen CBC and Monmouthshire CC which provides ICT services at arms-length to those authorities, in addition to other clients including Gwent Police. Most of the Authority's existing ICT staff were transferred to the SRS, in addition to other related budgets. This arrangement should result in financial savings relating to the provision of an ICT service, whilst also providing additional service capacity and resilience.

3.8 Material Events After the Reporting Date

There were no material adjusting or non-adjusting post-balance sheet events. On 23 June 2016, the United Kingdom voted to leave the European Union (EU). The referendum took place after the 31 March and, given that there is currently limited data for the post-referendum period and consequently inadequate verifiable evidence of permanent changes to the environment in which the Authority operates, there has consequently been no impact on the transactions and balances reported for the 2015/2016 financial year. Further consideration of the future impact of the vote to leave the EU is included in note 15 to this Narrative Report (page 15).

4. Summary of Outturn

In setting the 2015/2016 budget, the Authority set a Council Tax increase of 2.6%, which was a 2% reduction on the previous financial year, and identified savings of £6.1m with a £0.172m proposed addition to reserves. Overall, the management accounts have reported an underspend against budget of £0.823m. Budget pressures were identified during the year in a number of service areas and these were monitored and challenged through Corporate Management Team, the Cost Pressure Sub-Group and the scrutiny process.

5. Revenue Expenditure Outturn and Funding

5.1 2015/2016 Outturn

In 2015/2016, the Authority's expenditure and income compared to budget was:

Service Expenditure compared to Budget	Original Estimate £000	Actual: Council Fund £000	Variance £000	Note:	Page:
(Surplus)/Deficit on the Provision of Services	(2,989)	44,480	47,469		23
Adjustments between Accounting basis & Funding basis under regulations	2,817	(44,148)	(46,965)	8	47-49
Net (Increase)/Decrease before transfers to Earmarked Reserves	(172)	332	504		
Transfers to/(from) Earmarked Reserves	172	(1,030)	(1,202)	9	53
(Increase)/Decrease in 2015/2016	0	(698)	(698)		

Included in the outturn figures disclosed for *Surplus/Deficit on the Provision of Services* are a number of accounting entries required for compliance with the Code, for which no original estimate was provided. These include Capital Grants & Contributions of £12.947m and Revaluation Losses of £37.746m. These accounting entries are included among those reversed in the *Adjustments between Accounting Basis & Funding Basis Under Regulations* line, such that the figures in *Net Increase/Decrease before transfers to Earmarked Reserves* reflect the amounts chargeable to Council Taxpayers (as required by statute) and are directly comparable with the original estimate.

The management accounts have reported an underspend against budget of £0.823m which was due to a range of factors, including a higher than budgeted surplus on the collection of council tax, a reduction in expenditure relating to the council tax reduction scheme and expenditure lower than budget within Adult Services.

5.2 Impact of Inflation on Revenue Expenditure

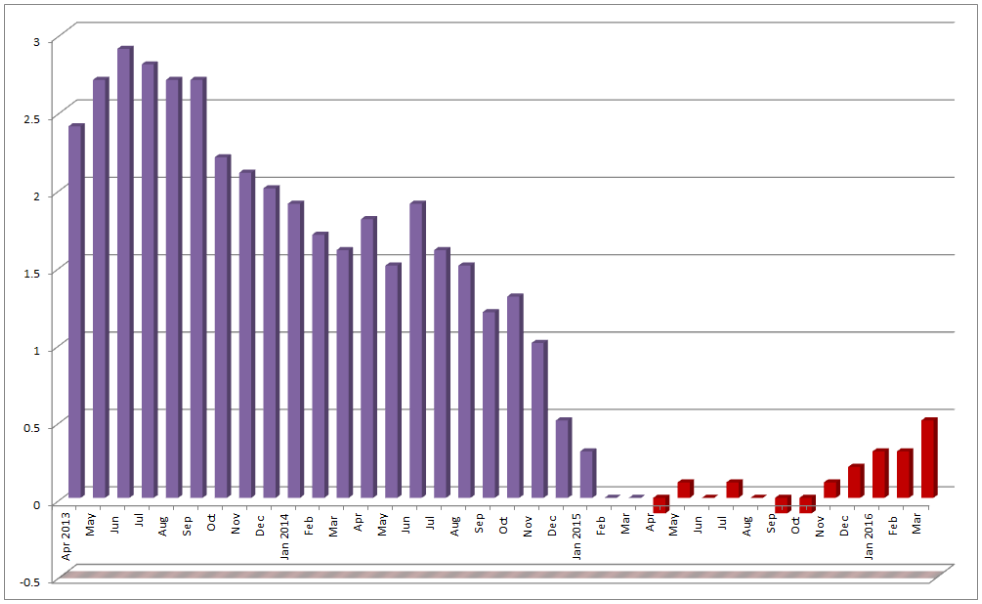
Consumer price inflation during 2015/2016 ranged between -0.1% and 0.5%, remaining below the Bank of England's target of 2%. In May 2016, the Bank of England's Inflation Report projected that CPI inflation would return to the 2% target rate by mid 2018.

The impact of inflationary pressures on the Authority varies according to specific areas of spend. Much of the Authority's expenditure relates to employee costs, which should see relatively minor increases due to continued wage restraint in the short-term, although this will be offset by increases resulting from the implementation of the National Minimum Wage, the National Living Wage, the Apprenticeship Levy, additional Employer Superannuation contributions resulting from the implementation of workplace pensions and increased National Insurance contributions as a result of the implementation of the single state pension and consequent abolition of the contracted-out rebate. A 1% increase in employee costs equates to £0.922m.

Other significant areas of spend are:

- Gas: -6.0% inflation in 2015/2016;
- Electricity: -0.2% inflation;
- Fuels and lubricants: -9.2% inflation;
- Postal Services: 1.7% inflation; and
- Food and beverages: -3.0% inflation.

Consumer Price Index (CPI) Inflation: April 2013 - March 2016



In its August 2016 Inflation Report, the Bank of England noted that "The rise in uncertainty and financial market moves associated with the vote in June to leave the European Union are likely to have contrasting implications for external and domestic cost pressures". "The Sterling Exchange Rate Index has fallen by 9% since the referendum on 23 June and by 15% since its peak in November 2015, having weakened against both the euro and the US dollar". Inflation is projected to rise over the second half of 2016, as past falls in energy and other imported goods and services unwind. In addition, greater external cost pressures, largely arising from the depreciation in Sterling, are expected to lead to increases in consumer prices. The future outlook for inflation will be sensitive to the extent to which higher external cost pressures and muted domestic cost pressures offset each other, but is projected to increase above the 2% target in the short term. Inflationary increases in prices at which the Authority procures goods and services, in excess of related income from fees and charges or general government grants, will most likely have a detrimental impact on a wide range of service budgets, including schools, street lighting, catering and meals on wheels.

5.3 Funding Sources

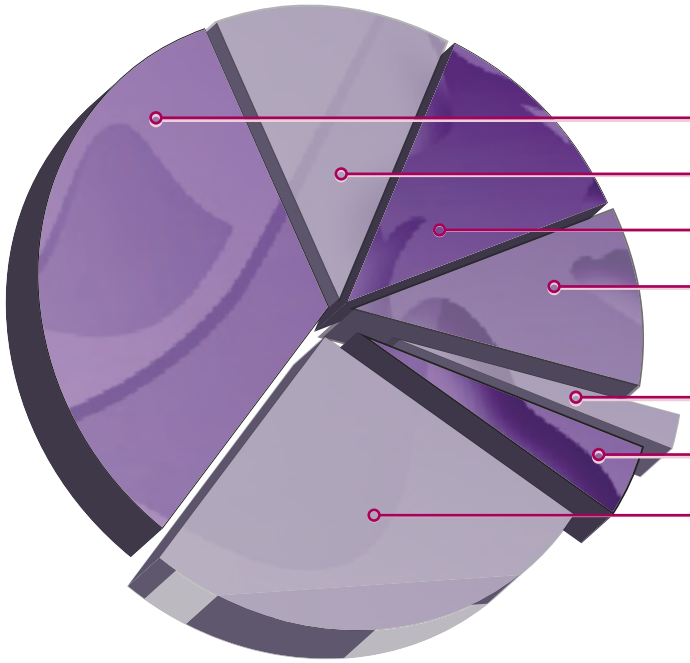
Central Government provides the majority of the Authority's funding, through Revenue Support Grant, Specific Grants and Non-Domestic Rates (65.9% of funding in 2015/2016). As a result of central government policy, the level of funding to local authorities was reduced in cash terms over the period covered by the last comprehensive spending review (to 2015/2016).

A 1% reduction in RSG compared to 2014/2015 levels represents a reduction of £0.918m, which equates to 0.39% of the Authority's total funding. In real terms the impact of this reduction is increased by the impact of inflation.

Interest rates remained at the historically low level of 0.5% throughout 2015/2016, but this has curtailed the amount of investment income available to the Authority. In August 2016, the Bank of England base rate was reduced to 0.25%, with an indication that the rate may be further reduced in the short term.

The combination of low interest rates and reduced grant funding create an environment in which there is continued pressure to control costs. For 2016/2017, Aggregate External Financing at Blaenau Gwent is estimated to reduce by 1.5%, although this is lower than the average Welsh Unitary Authority decrease of 1.3% *(source: Welsh Government Local Government Revenue and Capital Settlement: 2016-17)*.

For 2015/2016, revenue expenditure and funding can be analysed as follows:



Revenue Expenditure:

- Employees: £92.2m
- Transfer Payments: £36.1m
- Supplies & Services: £32.3m
- Other Costs: £26.5m
- Transport: £5.4m
- Premises: £11.5m
- Depreciation, Amortisation, Impairment & Interest: £75.0m

Total Revenue Expenditure: £279.0m

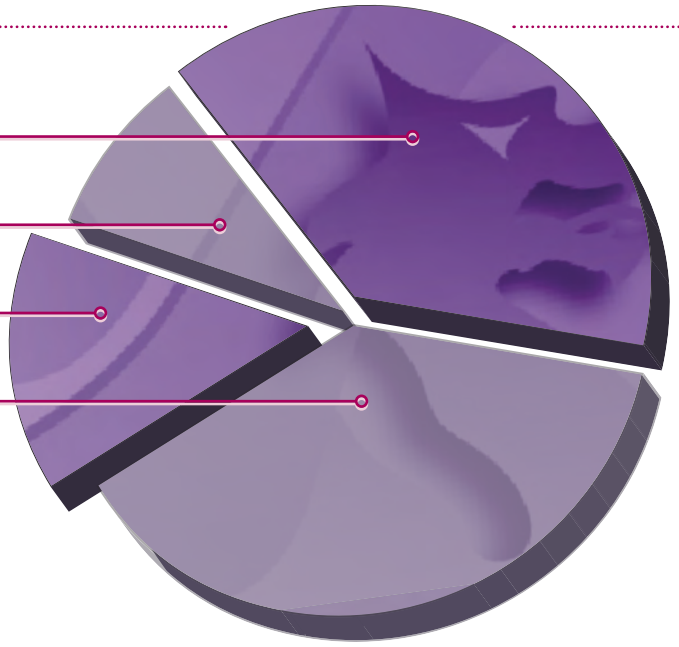
Transfer Payments are amounts paid for which no goods or services are received in return by the Authority, including Housing Benefits (Rent Allowances and Rebates), Direct payments to Social Services clients, Mandatory and Discretionary Awards to schoolchildren and students and voluntary sector grants.

Summary	2015/2016 £000
Total Revenue Expenditure	278,959
Total Revenue Funding	(234,479)
Net Revenue Expenditure	44,480
Adjustments between accounting basis and funding basis under regulations	(44,148)
Net Decrease in Reserves	332
Transfer from Earmarked Reserves	(1,030)
Increase in Council Fund General Reserve	(698)

Revenue Funding:

- RSG/OAG: £90.7m
- Non-Domestic Rates: £20.2m
- Council Tax: £34.2m
- Grants & Other Service Income: £89.4m

Total Revenue Funding: £234.5m



6. Capital Expenditure Outturn and Funding

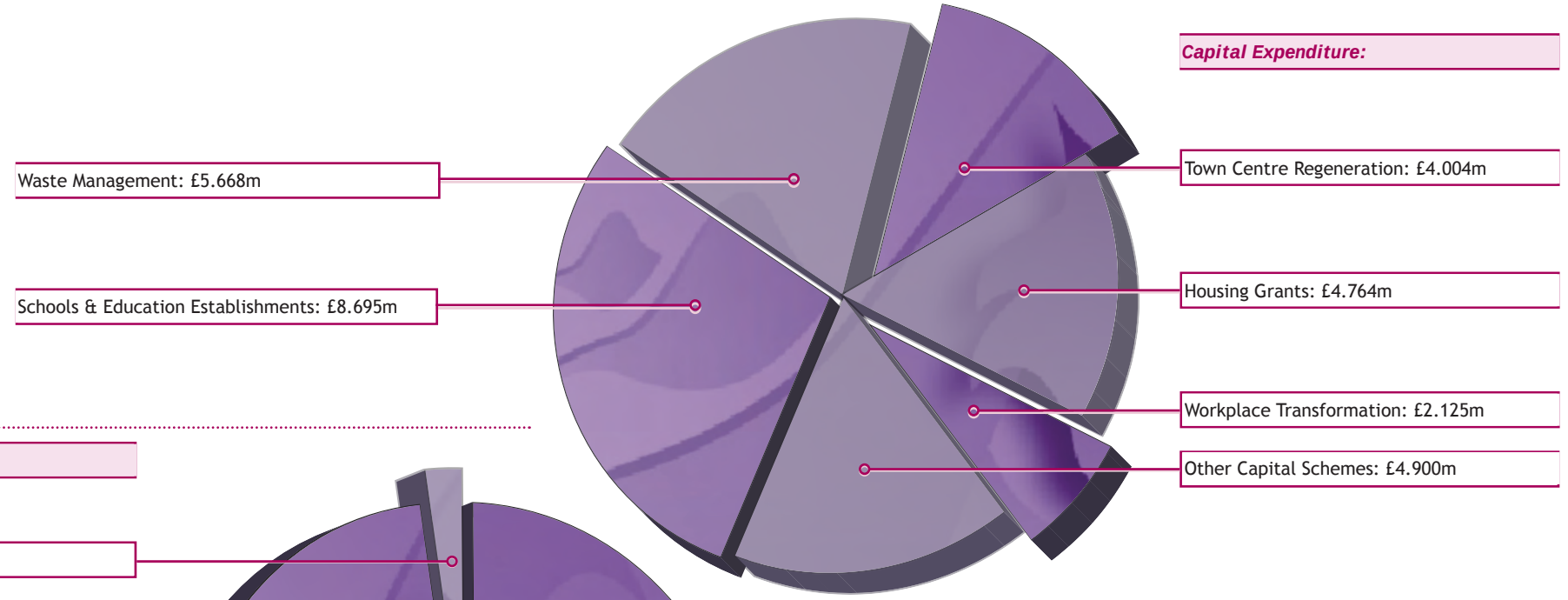
Capital Expenditure

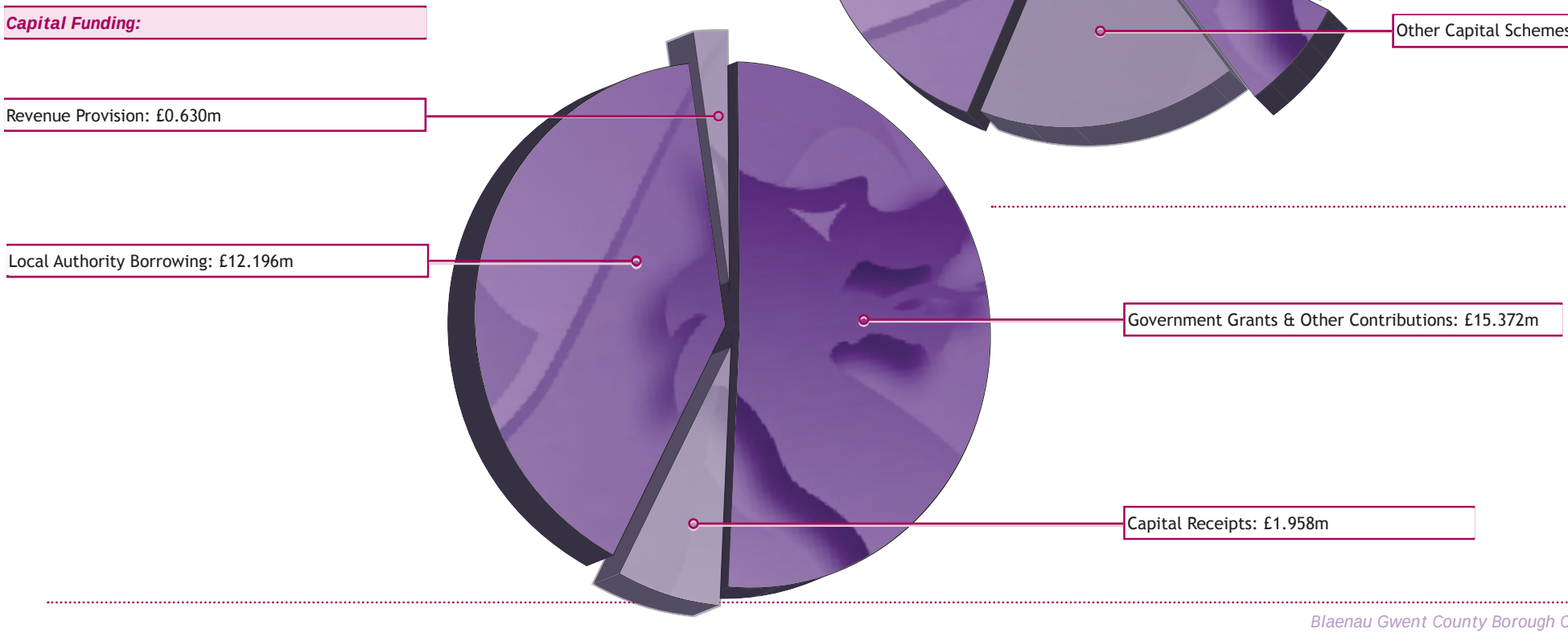
Total capital expenditure amounted to £30.156m; the major items within this figure are identified below. Further details of capital expenditure are contained in Notes 28.4 (page 83) and 28.6 (page 85) to the Core Statements.

Capital Expenditure	2015/2016 £000		2014/2015 £000	
Council Fund:				
Schools & Education Establishments	8,695		2,886	
Waste Management	5,668		711	
Housing General	4,764		2,848	
Town Centre Regeneration	4,004		7,056	
Workplace Transformation	2,125		600	
Road Network & Maintenance Schemes	1,933		3,439	
Flying Start Schemes	1,049		1,835	
The Works & Learning Works	769		13,134	
Leisure Schemes	610		1,112	
Social Services Adults	299		0	
Housing Renewal Areas	75		253	
Capitalisation Direction	15		303	
Bedwellty House and Park	0		13	
Other	150		69	
Total:		30,156		34,259

Financing of Capital Expenditure

Capital expenditure totalling £30.156m was financed by local authority borrowing (£12.196m), grants (£15.372m) and other sources (£2.588m). Capital expenditure and funding are summarised in the graphs below.





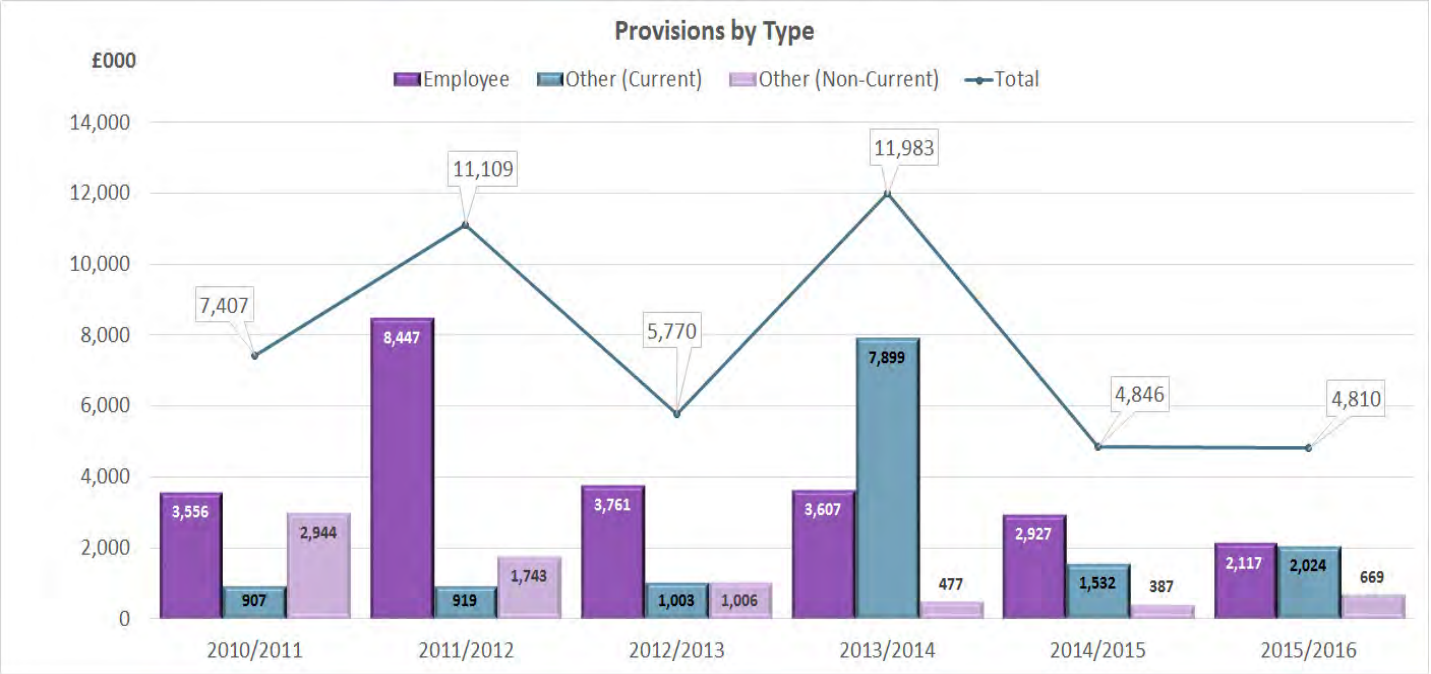
7. Provisions, Reserves, Contingencies and Write Offs

7.1 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 £4.846m, decreasing by £0.036m to £4.810m during 2015/2016. This was largely due to the establishment of a provision for Ebbw Vale Sports Centre Flood Damage and an increase in Insurance provisions, offset by reductions in provisions for Early Terminations and Short-Term Compensated Absences.

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 38.2 to the Core Statements (see page 101).

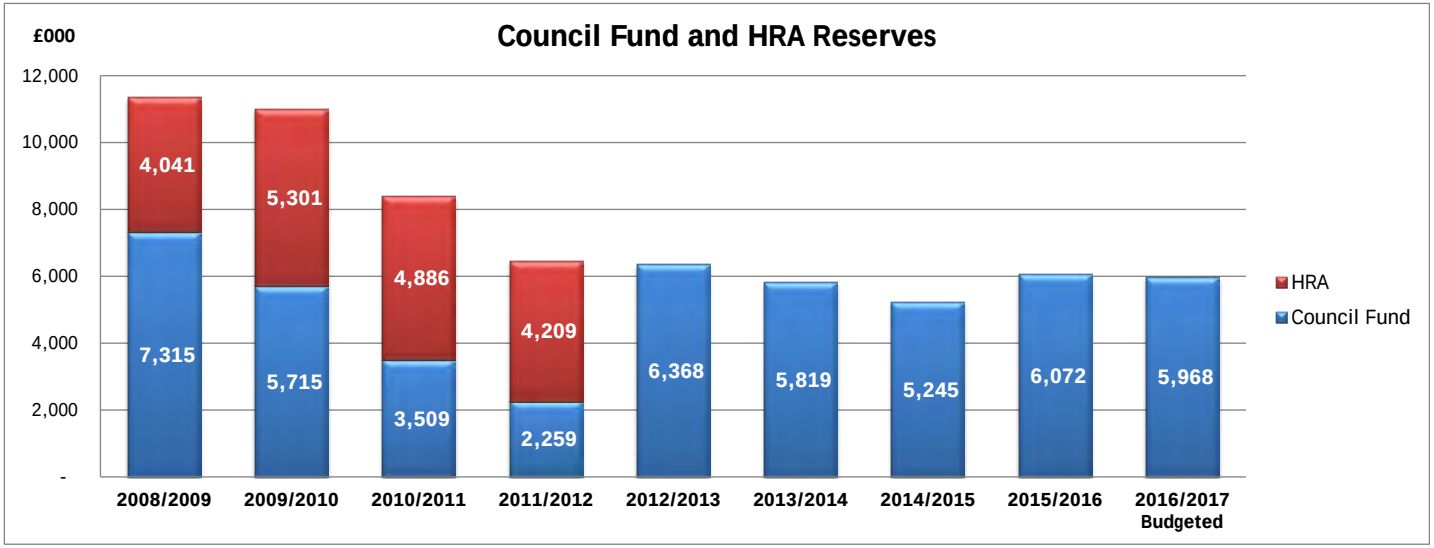


7.2 Reserves

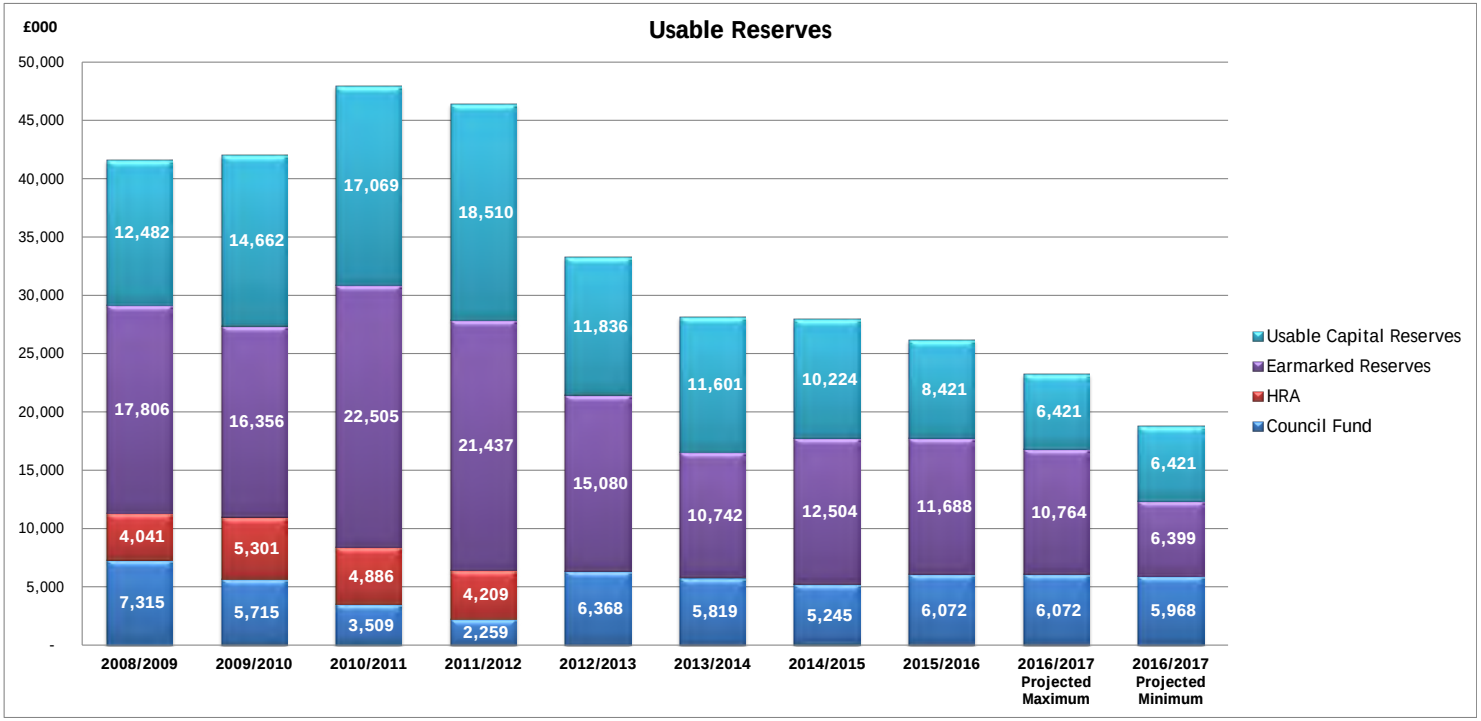
Total General Reserves have reduced from £11.356m in 2008/2009 to £6.072m in 2015/2016. This represents 3.37% of Revenue Outturn Gross Revenue Expenditure.

It is estimated that Council Fund reserves will reduce by a further £0.104m in 2016/2017 as a result of budgeted transfers to and from reserves.

However, to understand the Authority's overall financial position, the level of general reserves needs to be viewed in the context of total usable reserves.

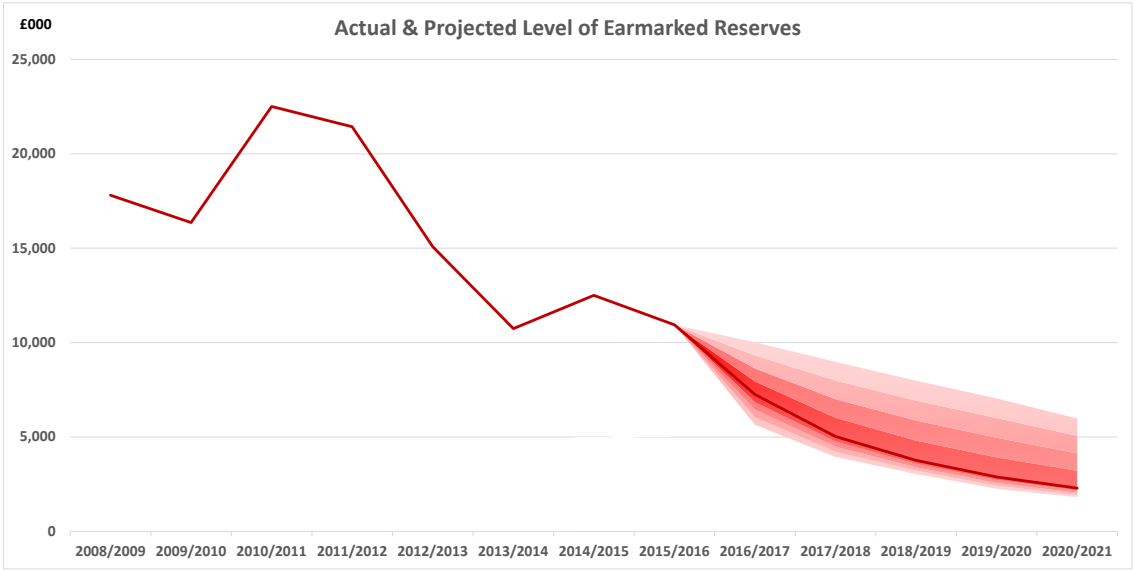


Aggregate Usable Reserves have reduced from £41.644m in 2008/2009 to £26.181m in 2015/2016. This represents 14.51% of Revenue Outturn Expenditure.



For 2016/2017, the net draw on earmarked reserves is projected to be in the range of £0.924m to £5.289m. The most likely range of projections is a net reduction of between £3.003m and £4.094m. This would result in a total earmarked reserves balance at 31 March 2017 in the range of £7.594m and £8.685m. *(For 2015/2016, the most likely projected range for aggregate earmarked reserve balances at year-end was between £10.399m and £11.590m, with actual earmarked reserves at that date totalling £11.376m).*

Use of earmarked reserves and balances to be held are subject to review during the year in accordance with the Authority's risk-assessment based Reserves Management Protocol.



Movements on reserves are detailed in note 44 to the Core Statements (pages 120-131). Total usable reserves at the commencement of the year amounted to £27.973m, decreasing by £1.792m to £26.181m at 31 March 2016. The most significant net contributions to/from usable reserves were:

Summary Reserves Movements	2015/2016		2014/2015	
	£000	£000	£000	£000
Balance at 1 April		(27,973)		(28,162)
Adjustments to Opening Balance		(343)*		0
Revised Balance at 1 April		(28,316)		(28,162)
Significant net contributions (to)/from earmarked reserves:				
Budget Contingency Fund	(52)		592	
Budget Implementation	425		(2,000)	
Downsizing, Redundancy & Transitional Costs	469		(580)	
ICT	(353)		(82)	
LMS	385		282	
		874		(1,788)
Significant net contributions (to)/from other usable reserves:				
Usable Capital Receipts	1,377		1,318	
Other net contributions (to)/from usable reserves	(116)		659	
		1,261		1,977
Balance at 31 March		(26,181)		(27,973)

Note: Prior year figures have been re-analysed to reflect significant net contributions disclosed in 2015/2016. Aggregate figures for 2014/2015 are unchanged.

**: Adjustments to Balances Brought Forward, 1 April 2015*

The Authority acts as sole trustee for a number of charitable trusts. In 2014/2015, Reserve contributions relating to the funding of capital expenditure at Bedwellty House & Park in 2013/2014 and 2014/2015 were transferred from the Authority's CIES to the Charitable Trust. However, on further examination it has been necessary to reduce the level of these transfers and consequently the Council Fund General Reserve balance as at 1 April 2015 has been increased by £0.129m.

An additional adjustment has been included to correct for the elimination of prior year internal creditors between the Authority and schools that operate their finances on an arms-length 'cheque book' arrangement. This resulted in an increase in reserves brought forward of £0.214m.

Impact of Pension Deficit on Reserves

The Authority holds total usable reserves of £26.181m at 31 March 2016 (£27.973m at 31 March 2015). The effect of applying the net superannuation fund deficit of £243.578m to the Authority's usable reserves would be a deficit of £217.397m (2014/2015: the superannuation deficit of £223.251m exceeded usable reserves by £195.278m).

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).

Further details on Pension balances and transactions can be found in notes 42-43, pages 109-119.

7.3 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 2015/2016, disclosures covered:

- 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 the a range of public works projects;
- Guarantees to the Greater Gwent (Torfaen) Pension Fund in the event that pension liabilities are not settled by Monwel Limited and Aneurin Leisure Trust;
- Potential financial penalties in relation to the failure of the Authority to meet Welsh Government targets for the recycling of waste in 2015/2016;
- Costs associated with the reinstatement of land in compliance with Natural Resources Wales enforcement notices; and
- Commission received on the collection of water rates, following recent court judgements involving other Local Authorities.

No contingent assets have been included.

It is not possible to place a value on these contingent assets and 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 credits or charges made to the accounting statements.

Further details of contingent liabilities can be found in note 38.3, page 102.

8. Treasury Management Activities

In March 2015, the Authority approved the Treasury Strategy Statement, Annual Investment Strategy and MRP Policy Statement for the 2015/2016 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.

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

Borrowing	2015/2016			2014/2015		
	Temporary Loans £000	Other Loans £000	Total £000	Temporary Loans £000	Other Loans £000	Total £000
Balance at 1 April	(13,070)	(123,161)	(136,231)	(24,620)	(107,398)	(132,018)
Loans Raised	(61,991)	(11,683)	(73,674)	(113,250)	(24,268)	(137,518)
Loans Repaid	53,990	8,423	62,413	124,800	8,545	133,345
Effective Interest Adjustment	0	(39)	(39)	0	(40)	(40)
Balance at 31 March	(21,071)	(126,460)	(147,531)	(13,070)	(123,161)	(136,231)

Total external loan debt at 31 March 2016 amounted to £147.531m (31 March 2015: £136.231m). Long Term Loans of £11.683m were raised during the year in order to fund capital expenditure and replace internal borrowing, hence reducing the reliance on temporary borrowing.

Investing Activities

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

Investments	2015/2016	2014/2015
	£000	£000
Balance at 1 April	0	0
Investments Made	89,000	108,500
Investments Repaid	(89,000)	(108,500)
Balance at 31 March	0	0

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.

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 2015/2016 the sum of £3.623m (2014/2015: £5.017m) has been set by the Authority based on statutory guidance, as disclosed in note 1.22 (page 39).

The Authority's MRP policy for 2015/2016 has been amended in accordance with a report approved by Council on 2 December 2015 as follows:

- The percentage applied in the Supported Borrowing element of the MRP calculation has been changed from 4% to 3%; and
- The unsupported element of the MRP calculation has been changed from a straight line basis to an annuity basis.

The impact of this change in method of calculation was to generate revenue savings of £1.5m in 2015/2016. Additional savings will arise in future financial years, with the estimated savings for 2016/2017 amounting to £1.3m.

Interest on external loan debt of £4.345m has been charged to the Comprehensive Income & Expenditure Statement in 2015/2016 (2014/2015: £4.150m).

9. Pension Assets and Liabilities

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

	31 March 2016			31 March 2015		
Pension Assets and Liabilities	LGPS	uTPS	Total	LGPS	uTPS	Total
	£000	£000	£000	£000	£000	£000
Assets	279,818	0	279,818	289,892	0	289,892
Liabilities	(488,055)	(35,341)	(523,396)	(480,238)	(32,905)	(513,143)
Net Liabilities	(208,237)	(35,341)	(243,578)	(190,346)	(32,905)	(223,251)

10. Revaluation of Non-Current Assets

The gross cost or valuation of non-current assets (Property, Plant & Equipment) recorded on the Authority's Balance Sheet showed a net reduction during 2015/2016 of £37.217m (-10.6%) from £350.497m to £313.280m, a significant proportion of which was due to the revaluation of schools undertaken in accordance with the Authority's rolling programme for the revaluation of assets. A number of factors contributed to the downwards revaluation of schools, including:

- Reductions in land values due to economic conditions;
- The adoption of Building Cost Information Service (BCIS) build costs opposed to actual build costs, which generally have resulted in overall lower construction cost valuations; and
- The use of pupil numbers forecast up to 2020 by birth/trend to arrive at a recommended minimum area and site area for each school.

Further details of the revaluation of non-current assets can be found in note 28.5 on page 84 and details of schools assets can be found in note 33 on page 93.

11. Adjustments to Prior Period Figures

The Authority acts as sole trustee for a number of charitable trusts. In 2014/2015, Reserve contributions relating to the funding of capital expenditure at Bedwellty House & Park in 2013/2014 and 2014/2015 were transferred from the Authority's CIES to the Charitable Trust. Capital expenditure and grant funding on assets at Bedwellty House & Park was also transferred to the accounts of the Charitable Trust. However, on further examination it has been necessary to reduce the level of these transfers and consequently the Council Fund General Reserve balance has been increased on 1 April 2015 by £0.130m and the Capital Adjustment Account balance has been decreased by £0.510m.

Further to changes implemented by the 2014/2015 Accounting Code, the transactions and balances of schools are considered to form a part of the Authority's single-entity Accounts. As a result, any transactions and year-end balances between the Authority and Schools have to be eliminated when preparing the Statement of Accounts. During 2015/2016, internal creditor balances amounting to £0.214m at 31 March 2015 have been identified and these have been corrected by reducing the opening balance of creditors and increasing the opening balance of earmarked reserves on 1 April 2015.

Whilst not meeting the Accounting Code definition of prior period adjustments, these transactions have been included for completeness and accuracy.

12. Significant Changes in Accounting Policies

12.1 CIPFA Code of Practice on Local Authority Accounting, 2015/2016

The most significant change in accounting policies adopted for the 2015/2016 Accounts arises from the adoption in the Code of IFRS13 *Fair Value Measurement*. This requires local authorities, where appropriate, to measure their assets and liabilities in accordance with this standard and:

- provides a consistent definition of fair value based on exit price;
- establishes a clear framework for measuring fair value; and
- specifies the disclosures required to enable users of the accounts to understand the valuation techniques applied in measuring fair value.

The application of IFRS13 is particularly relevant to the measurement and disclosure of financial instruments, surplus assets and investment properties. An adaptation of the Code allows Property, Plant and Equipment to be valued on the basis of current value, unless these assets are classified as surplus. The Code also exempts specific assets and liabilities from the scope of IFRS13, including leases, inventories, impairment of assets, and employee benefits.

The standard was applied prospectively from 1 April 2015, i.e. no prior year adjustments were required.

There has been no material impact on the value of assets falling within the scope of IFRS13 as a result of implementing the standard in 2015/2016.

13. Main Financial Statements

The Code interprets the requirements of IAS 1 *Presentation of Financial Statements* for the local government context and requires the following main financial statements to be included:

13.1 The Movement in Reserves Statement (MiRS) *(Pages 20-21)*

Equivalent to the IAS 1 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. In some cases, e.g. the Unequal Pay Back Pay Account, charges related to unusable reserves may arise within a relatively short period of time (2-3 years).

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.

13.2 The Comprehensive Income and Expenditure Statement (CIES) *(Pages 22-23)*

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.

13.3 The Balance Sheet *(Pages 24-25)*

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

13.4 The Cash Flow Statement *(Page 26)*

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.

14. Group Accounts

In May 2012, the Authority amended the structure and membership of the Board of Directors of Silent Valley Waste Services Limited, a wholly-owned subsidiary, in order to control the activities of the company. As a result of a change in these governance arrangements, the Authority is required to prepare Group Accounting Statements, consolidating the Accounts of the parent (Blaenau Gwent County Borough Council) and the subsidiary (Silent Valley Waste Services Ltd.).

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 27-42 and 148-150 and are included in the Statement of Accounts on pages 141-166.

15. Future Developments

15.1 Budget-Setting Process

The Authority, through its design principles, agreed a number of service re-design projects in order to instigate £4.8m of revenue savings for the 2016/2017 financial year. Some of these projects will generate savings over a number of years, but will require substantial resources (both time and money) for implementation. To assist, the Executive agreed to set aside £2m from the Council Fund Reserve for implementation costs. Central Government/Welsh Government had not provided forward forecasts of reductions in Revenue Support Grant, primarily due to the Westminster elections in May 2015 and Welsh Assembly elections in May 2016. Therefore, the Authority is making savings plans based on a range of assumptions, for the medium term.

15.2 Welfare Reform

Welsh Government successfully introduced a Council Tax Reduction Scheme for 2013/2014, mitigating the impact on benefit claimants. However, there is a financial risk for all Authorities and at present it is likely that Welsh Government will not be able to sustain this level of mitigation beyond 2016/2017. Other areas of Welfare reform are providing financial challenges to benefit claimants, notably the "bedroom tax". The phased introduction of universal credit will start to impact on new Job Seeker Allowance claimants in Blaenau Gwent from October 2015. The Authority's involvement in the DWP's Universal Services Delivered Locally Project, (informing the way in which claimants will be able to manage their claims for universal credit) proved very successful and the project will play a big part in shaping the direction of travel for universal credit.

15.3 Local Government Reorganisation

Following the publication and initial analysis of the responses to the White Paper 'Reforming Local Government: Power to Local People', the Minister for Public Services had said that Welsh Government's preference for the future configuration of Local Government in Wales was the creation of 8 or 9 new authorities, reducing from the current 22. However, legislation for re-organisation was not finalized prior to Welsh Assembly elections in May 2016 and the political make-up of the new Welsh Assembly has created uncertainty on the way forward for re-organisation. Consequently, the Council will need to generate a number of funding scenarios in the Medium Term Financial Strategy.

15.4 Referendum to Leave the European Union

On 23 June 2016, the United Kingdom voted to leave the European Union (EU). Whilst the outcome of the referendum has no impact on the transactions and balances reported for the 2015/2016 financial year, the decision has the potential to have a significant impact on the Authority across a wide range of areas in future years, including:

European Structural and Other Transnational European Funding Streams;

Blaenau Gwent has received, and continues to receive, funding from various EU structural and other transnational European funding schemes. Following the referendum result, there are uncertainties regarding when these funding streams will terminate, whether UK organisations will be able to participate in specific schemes after formally leaving the EU, and whether this funding will be replaced by sums from Central Government and for what period of time. The Authority will need to consider these issues when determining its future Revenue and Capital budgets.

Pension Scheme Asset and Liability Valuations and Employer Contributions;

Falls in the equity, bond and gilt markets will have reduced the value of assets held by Pension Schemes in which the Authority participates. In addition, reductions in long-term returns on equities could lead to an increase in actuarially assessed liabilities. Under these circumstances (reduced assets and increased liabilities), the level of employer's contributions to the Fund may be increased, resulting in additional revenue costs for the Authority. The Greater Gwent Local Government Pension Scheme is currently undergoing its triennial actuarial valuation, the results of which may provide some indication of the initial impact of the referendum decision.

Changes to costs and prices;

The Bank of England's most recent forecast for inflation is that it will rise sharply during the second half of 2016/2017, above the 2% target, before falling to a level around the target rate over the medium-term. This is in part due to the fall in the sterling exchange rate index by 9% since the referendum and by 15% since its peak in November 2015. As a result, imported goods and services will cost more, which will have a detrimental impact on the Authority's service and capital budgets.

The policy and legal framework affecting various activities, including Energy Efficiency, Waste Collection and Disposal, Trading Standards, Employees, Data Protection, Debt Recovery, State Aid and Public Procurement.

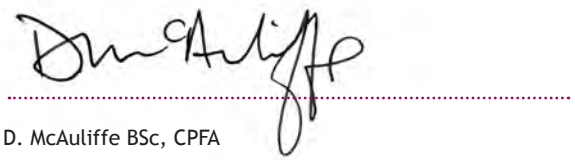
The legal framework regarding these areas is unlikely to change significantly in the short term, as much EU law is implemented by specific national law which will not lapse on leaving the EU. However, at that point in time, it may be possible to amend or repeal this body of legislation. In some cases, for example in respect of State Aid and Public Procurement, this will be limited by the requirements for similar regulations by other bodies to which the UK has or may have membership (e.g. the European Free Trade Association (EFTA), European Economic Area (EEA) or World Trade Organisation (WTO).

The impact of these issues will need to be considered by the Authority when planning its financial activities, including the preparation of budgets, the medium term financial strategy and statutory accounts.

16. Conclusion

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

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



D. McAuliffe BSc, CPFA

Chief Finance Officer

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Blaenau Gwent
County Borough Council

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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 Chief Finance Officer.
- 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 Chief Finance Officer

The Chief Finance Officer 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 Chief Finance Officer has:

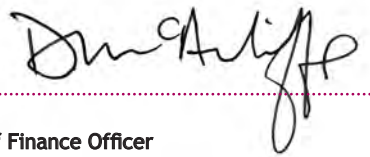
- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent; and
- Complied with the Local Authority Code.

The Chief Finance Officer 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 2016, and of their expenditure and income for the year then ended.



Chief Finance Officer

I confirm that these Accounts were approved at the Audit Committee Meeting on 27 September 2016. Signed on behalf of Blaenau Gwent County Borough Council:

Chair of Meeting

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Cyngor Bwrdeisdref Sirol
Blaenau Gwent
County Borough Council

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

I have audited the accounting statements and related notes of:

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

for the year ended 31 March 2016 under the Public Audit (Wales) Act 2004.

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

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

The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2015/2016 based on International Financial Reporting Standards (IFRSs).

Respective Responsibilities of the Responsible Financial Officer and the Auditor General for Wales

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 17, the responsible financial officer is responsible for the preparation of the Statement of Accounts, including Blaenau Gwent County Borough Council Group accounting statements, which gives a true and fair view.

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

Scope of the Audit of the Accounting Statements

An audit involves obtaining evidence about the amounts and disclosures in the accounting statements and related notes sufficient to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to Blaenau Gwent County Borough Council and Blaenau Gwent County Borough Council Group's circumstances and have been consistently applied and adequately disclosed; and
- the reasonableness of significant accounting estimates made by the responsible financial officer and the overall presentation of the accounting statements and related notes.

In addition, I read all the financial and non-financial information in the Narrative Report and Annual Governance Statement to identify material inconsistencies with the audited accounting statements and related notes and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the accounting statements of Blaenau Gwent County Borough Council

In my opinion the accounting statements and related notes:

- give a true and fair view of the financial position of Blaenau Gwent County Borough Council as at 31 March 2016 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2015-2016.

Opinion on the accounting statements of Blaenau Gwent County Borough Council Group

In my opinion the accounting statements and related notes:

- give a true and fair view of the financial position of Blaenau Gwent County Borough Council Group as at 31 March 2016 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2015-2016.

Opinion on other matters

In my opinion, the information contained in the Narrative Report is consistent with the accounting statements and related notes.

Matters on which I report by exception

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

- adequate accounting records have not been kept;
- the accounting statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit;
- the Governance Statement does not reflect compliance with guidance

Certificate

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

30 September 2016

For and on behalf of
Huw Vaughan Thomas
Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

Note: The maintenance and integrity of the Authority's website is the responsibility of the Chief Finance Officer; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

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...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

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and unusable reserves. The *(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.

	Fund Balances		Capital Reserves						
Movement in Reserves Statement 2014/2015	Council Fund £000	Earmarked Council Fund Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000	Note	Page
Balance at 31 March 2014	(5,820)	(10,742)	(10,450)	(1,151)	(28,163)	15,580	(12,583)		
(Surplus)/Deficit on the Provision of Services	(2,355)	0	0	0	(2,355)	0	(2,355)	CIES	23
Other Comprehensive Income and Expenditure	0	0	0	0	0	47,617	47,617	7	47
Total Comprehensive Income and Expenditure	(2,355)	0	0	0	(2,355)	47,617	45,262	CIES	23
Adjustments between accounting basis & funding basis under regulations	1,168	0	1,318	59	2,545	(2,545)	0	8	50-52
Net (Increase)/Decrease before transfers to Earmarked Reserves	(1,187)	0	1,318	59	190	45,072	45,262		
Transfers (to)/from Earmarked Reserves	1,761	(1,761)	0	0	0	0	0	9	53
(Increase)/Decrease in 2014/2015	574	(1,761)	1,318	59	190	45,072	45,262		
Balance at 31 March 2015	(5,246)	(12,503)	(9,132)	(1,092)	(27,973)	60,652	32,679		

Movement in Reserves Statement 2015/2016	Fund Balances		Capital Reserves					Note	Page
	Council Fund £000	Earmarked Council Fund Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000		
Balance at 31 March 2015	(5,246)	(12,503)	(9,132)	(1,092)	(27,973)	60,652	32,679		
Adjustment to Brought forward balance	(128)	(215)	0	0	(343)	510	167	44	123 - 128
Revised Balance at 1 April 2015	(5,374)	(12,718)	(9,132)	(1,092)	(28,316)	61,162	32,846		
(Surplus)/Deficit on the Provision of Services	44,480	0	0	0	44,480	0	44,480	CIES	23
Other Comprehensive Income and Expenditure	0	0	0	0	0	18,866	18,866	7	47
Total Comprehensive Income and Expenditure	44,480	0	0	0	44,480	18,866	63,346	CIES	23
Adjustments between accounting basis & funding basis under regulations	(44,148)	0	1,377	426	(42,345)	42,345	0	8	47-49
Net (Increase)/Decrease before transfers to Earmarked Reserves	332	0	1,377	426	2,135	61,211	63,346		
Transfers (to)/from Earmarked Reserves	(1,030)	1,030	0	0	0	0	0	9	53
(Increase)/Decrease in 2015/2016	(698)	1,030	1,377	426	2,135	61,211	63,346		
Balance at 31 March 2016	(6,072)	(11,688)	(7,755)	(666)	(26,181)	122,373	96,192		

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.

	2015/2016			2014/2015				
Comprehensive Income & Expenditure Statement	Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Note:	Page:
Continuing Operations								
Central Services	16,379	(2,973)	13,406	16,488	(3,872)	12,616	22	69
Cultural & Related Services	9,537	(1,467)	8,070	5,885	(304)	5,581		
Environmental & Regulatory Services	12,089	(3,442)	8,647	11,697	(4,118)	7,579		
Planning Services	7,384	(2,522)	4,862	7,139	(3,395)	3,744		
Children's & Education Services	117,562	(15,919)	101,643	83,434	(12,462)	70,972		
Highways & Transport Services	12,105	(1,201)	10,904	8,971	(1,551)	7,420		
Housing Services	32,709	(31,889)	820	31,262	(28,912)	2,350		
Adult Social Care	36,976	(10,114)	26,862	36,822	(10,280)	26,542	16	62-63
Corporate & Democratic Core	4,060	(35)	4,025	4,017	(6)	4,011		
Non-Distributed Costs	832	0	832	13,311	(14,309)	(998)		
Cost of Services (excluding transferred services)	249,633	(69,562)	180,071	219,026	(79,209)	139,817		
Transferred Services								
Cultural & Related Services	0	0	0	4,323	(1,863)	2,460		
Children's & Education Services	0	0	0	975	(925)	50		
Sub Total: Transferred Services	0	0	0	5,298	(2,788)	2,510		
Total Deficit on Continuing Services	249,633	(69,562)	180,071	224,324	(81,997)	142,327	10	54-59

Comprehensive Income & Expenditure Statement (Continued)	2015/2016 Gross Expenditure £000	2015/2016 Gross Income £000	2015/2016 Net Expenditure £000	2014/2015 Gross Expenditure £000	2014/2015 Gross Income £000	2014/2015 Net Expenditure £000	Note:	Page:
Total Deficit on Continuing Services	249,633	(69,562)	180,071	224,324	(81,997)	142,327		
Other Operating Income & Expenditure	8,123	(379)	7,744	10,019	(1,909)	8,110	11, 25	59, 72-73
Financing and Investment Income & Expenditure	21,203	(9,831)	11,372	23,489	(12,409)	11,080	12	60
Taxation & Non Specific Grant Income	0	(154,707)	(154,707)	0	(163,872)	(163,872)	13, 26	60, 73-74
(Surplus)/Deficit on Provision of Services	278,959	(234,479)	44,480	257,832	(260,187)	(2,355)	MiRS, 10	20-21, 54-59
(Surplus)/Deficit Arising on the Revaluation of Non-Current Assets			3,670			(2,817)	7	47
Net Pension Asset/Liability Remeasurement (Gains)/Losses			15,196			50,434	7, 42-43	47, 109-119
Other Comprehensive Income & Expenditure			18,866			47,617	7	47
Total Comprehensive Income & Expenditure			63,346			45,262		

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 regulations'* (e.g. the Capital Adjustment Account, Pensions Reserve and Accumulated Absences Account).

Balance Sheet	31 March 2016		31 March 2015		Note:	Page:
	£000	£000	£000	£000		
Property, Plant & Equipment	279,187		313,200		28	77-85
Heritage Assets	413		413		29	86-87
Non-Current Investments	250		250		31	92
Non-Current Debtors	5,313		4,720		32	92
Sub Total: Non-Current Assets		285,163		318,583		
Assets Held for Sale	1,056		765		34	95
Current Investments	4		4		40	103-105
Inventories	1,119		1,243		35	96
Current Debtors	21,491		26,780		36	97
Cash and Cash Equivalents	4,209		2,146		47	135
Sub Total: Current Assets		27,879		30,938		

Balance Sheet (Continued)	31 March 2016		31 March 2015		Note:	Page:
	£000	£000	£000	£000		
Current Borrowing	(37,407)		(21,493)		40,41	103-108
Current Creditors	(12,721)		(17,126)		37	98
Current Provisions	(4,141)		(4,459)		38	99-101
Sub Total: Current Liabilities		(54,269)		(43,078)		
Non-Current Borrowing	(110,124)		(114,738)		40,41	103-108
Non-Current Provisions	(669)		(387)		38	99-101
Other Non-Current Liabilities	(244,172)		(223,997)		39	102
Sub Total: Non-Current Liabilities		(354,965)		(339,122)		
Total Net Assets		(96,192)		(32,679)		
Usable Reserves	(26,181)		(27,973)		44	120-125
Unusable Reserves	122,373		60,652		44	126-131
Total Reserves		96,192		32,679		

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.

- 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.

Cash Flow Statement	2015/2016		2014/2015		Note:	Page:
	£000	£000	£000	£000		
Net surplus/(deficit) on the provision of services	(44,480)		2,355		CIES	23
Adjustments to the provision of services for non-cash movements	53,756		18,595		45.1	132
Adjustments for items included in the provision of services that are investing and financing activities	(15,000)		(18,915)		45.2	132
Net Cash Inflows/(Outflows) from Operating Activities		(5,724)		2,035	46.1	133
Investing activities		(3,257)		(6,528)	46.2	134
Financing activities		11,044		3,883	46.3	134
Net increase or (decrease) in cash and cash equivalents		2,063		(610)		
Cash and cash equivalents at the beginning of the reporting period		2,146		2,756	47	135
Cash and cash equivalents at the end of the reporting period		4,209		2,146	47	135

Cyngor Bwrdeisdref Sirol
Blaenau Gwent
County Borough Council

1. Accounting Policies

1.1 General Principles

The Statement of Accounts summarises the Authority's transactions for the 2015/2016 financial year and its position at the year-end of 31 March 2016. 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 2015/2016 and the Service Reporting Code of Practice 2015/2016, 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 accounting 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 Accruals of Income and Expenditure

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

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

1.3 Acquisitions and Discontinued Operations

All operations were classified as continuing and there were no acquisitions or discontinuations of service (or transfers under machinery of government arrangements) during the financial year.

1.4 Back Pay Arising from Unequal Pay Claims

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

Provisions made in the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003, as amended in 2014, give discretion to local authorities not to charge to revenue a provision for back pay arising from unequal pay claims until cash settlement takes place. The regulations currently apply to liabilities recognised before 1 April 2018 and have effect until 31 March 2023. The Authority has exercised its discretion in not charging equal pay claims to revenue accounts until the settlement has occurred. The provision for back pay is therefore balanced by an Equal Pay Back Pay Account created from amounts credited to the Council Fund balance in the year the provision was made or modified. The balance on the Equal Pay Back Pay Account will be debited back to the Council Fund balance in the Movement in Reserves Statement in future financial years as payments are made.

1.5 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 and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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.

1.6 Contingent Assets

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

Contingent assets are not recognised in the Balance Sheet but disclosed in the Accounts where it is probable that there will be an inflow of economic benefits or service potential.

1.7 Contingent Liabilities

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

Contingent liabilities are not recognised in the Balance Sheet but disclosed in note 38.3, page 102 to the Accounts.

1.8 Employee Benefits

1.8.1 Benefits Payable During Employment

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

1.8.2 Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the relevant service line in the Comprehensive Income and Expenditure Statement when the Authority is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy. A provision has been established to charge services with termination (redundancy) costs known at the end of the financial year but not paid until the following year.

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

1.8.3 Post Employment Benefits

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

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

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

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

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.
- Liabilities are discounted to their value at current prices, using a discount rate of 3.6% for duration profiles of over 23 years, 3.5% for duration profiles between 17 and 23 years, and 3.4% for duration profiles up less than 17 years. 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.
- The assets of Greater Gwent (Torfaen) Pension Fund attributable to the Authority are included in the Balance Sheet at their fair value.

The change in the net pensions liability is analysed into the following components:

Service Costs

- Current service cost – the increase in the present value of defined benefit obligations (liabilities) as a result of employee service in the current period. This also includes any interest attributable to current service costs – allocated in the CIES to the services for which the employees worked.

- Past service cost – the increase or decrease in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited or credited to the Surplus or Deficit on the Provision of Services in the CIES as part of Non-Distributed Costs.

- Curtailments - the increase or decrease in liabilities arising from decisions made in the current year that significantly reduce the number of employees covered by the Scheme - debited or credited to the Surplus or Deficit on the Provision of Services in the CIES as part of Non-Distributed Costs

- Gains or losses on settlements – the result of actions to relieve the Authority of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the Surplus or Deficit on the Provision of Services in the CIES as part of Non-Distributed Costs.

- Net Interest on the net defined benefit liability – the net income or expenditure arising from the expected increase in the present value of liabilities during the year as they move one year closer to being paid, less interest income on Scheme assets – debited or credited to the Financing and Investment Income and Expenditure line in the CIES.

- Administration Costs - the costs of administering the portfolio of scheme assets - charged to Corporate Management (Corporate & Democratic Core) in the CIES.

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 gains/losses 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 gains/losses line in the CIES.

Other Items

- Employer Contributions – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the Council Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The 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.

1.8.4 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.

1.9 Events After the Reporting Period

Events after the reporting period are those events, both favourable and unfavourable, that occur between the date of the Balance Sheet and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – where material, the Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

1.10 Prior Period Adjustments, Changes in Accounting Policies, Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error.

Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

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

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

1.11 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 2016) 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 liabilties 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.
- LOBO debt – on an amortised cost basis using an effective interest basis.
- Market loans - on a nominal basis.
- Newport City Council Debt & Investment – on a nominal basis.
- Temporary Loans & Investments – on a nominal basis.

1.12 Government Grants and Contributions

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

- The conditions attached to the payments have been complied with, and
- The grants or contributions have been, or will be, received.

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

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

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

Where only restrictions exist in relation to grants and contributions (i.e. there is no term specifying repayment of the amount), the grant has been recognised immediately as income in the CIES. Subsequently, where appropriate, transfers have been made to the Revenue or Capital Grants Unapplied Reserves to earmark the sums involved until matched with the relevant expenditure.

1.13 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 Income and 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.

1.14 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.

1.15 Leases

Leases held by the Authority are defined as being finance leases or operating leases in accordance with the requirements of the Code and IAS17.

A Finance Lease is a lease that transfers substantially all the risks and rewards incidental to ownership to the lessee. The Code does not provide definitive guidance as to the meaning of 'substantially all' and the Authority has therefore exercised judgement in determining the status of each lease according to context.

The following accounting treatment applies to each type of lease:

Finance Lease

Where the Authority is lessee, the asset is recognised in the Authority's Balance Sheet, together with matching liabilities in respect of rentals. The asset is then accounted for in accordance with the capital accounting process:

- Depreciation is charged to the service revenue account over the useful life of the asset (or the lease term of the lease if shorter);
- The principal element of the lease rental writes down the liability;
- The interest element of the lease rental is charged to the revenue account;
- MRP equal to the principal element of the finance lease rental is charged to the revenue account; and
- Adjusting entries are made to ensure that the revenue accounts are only charged with the annual lease rentals.

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

- A long term lease debtor is set up for the principal amount outstanding (the net investment in the lease)
- Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, the Deferred Capital Receipts Reserve is credited with the total value of the lease asset due.
- Lease income received from the third party is split into principal and interest. The principal element is treated as a capital receipt and will write down the long term lease debtor.
- The interest element is credited to the Comprehensive Income & Expenditure Statement as financing and investment income.
- For leases entered into prior to 31 March 2010, the capital accounting regulations allow mitigating accounting entries that enable the principal element to continue to be treated as revenue income.

Operating Lease

Where the Authority is lessee, operating lease payments are charged to revenue as they become payable. No asset is created in the Authority's Balance Sheet.

Where the Authority is lessor, the asset is recognised in the Authority's Balance Sheet, depreciation is charged to the service revenue account over the useful life of the asset and lease income received from the third party is credited to the revenue account.

Service Concessions and Arrangements Containing Leases

The Authority currently has no such arrangements.

1.16 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 IFRS 13 *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 their carrying amount before reclassification and their Fair Value (in accordance with accounting policy 1.17).

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 the note 28 to the Balance Sheet.

1.17 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 Income and 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 IFRS 13 *(see Accounting Policy 1.16)*.

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.

All Assets Held for Sale are included in the Balance Sheet as Current Assets.

1.18 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 IFRS 13 *(see Accounting Policy 1.16)*.

1.19 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 2015/2016 (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 as separate headings in the Comprehensive Income and Expenditure Statement, 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.

1.20 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.

1.20.1 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 £50,000 has been capitalised, with amounts below this threshold being charged directly to revenue. The exception to this are highways assets that individually fall below this de-minimus level but are capitalised because they are treated as one single item of expenditure in the year.

1.20.2 Measurement

Assets are initially measured at cost, comprising:

- The purchase price;
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; 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;
- 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 sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end; as a minimum, all assets are revalued every five years. 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.

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.

1.20.3 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.

1.20.4 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 over 40 years.

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.

1.20.5 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 required to be 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 Tax, 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.

1.20.6 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.

In carrying out the revaluations for 2015/2016 school assets previously componentised have been reassessed and component valuations amended accordingly. Future componentisation will be carried out as part of the rolling programme of revaluations or sooner if assets are acquired or enhanced.

1.21 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 two monuments meeting the definition of heritage assets, which have been valued on the basis of annually updated 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 1.20.

An Heritage Assets Register is maintained by Aneurin Leisure Trust 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.

Both monuments identified as heritage assets are located in areas with free and open public access.

1.22 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 2015/2016 has been calculated in accordance with the amended MRP policy that was approved by full Council in December 2015, using the following method:

- Supported Borrowing – For all debt incurred prior to April 2008, and subsequent capital expenditure funded by supported borrowing, the MRP provision is calculated at 3% of the opening capital financing requirement (a measure of the Authority's indebtedness).
- Unsupported Borrowing – For all debt that doesn't receive revenue support from central government MRP is made on an annuity basis over the life of the asset.
- Finance Leases – the MRP for finance leases is equal to the principal element of the rental payable each year.

1.23 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. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation, and are measured 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.

1.24 Reserves

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

The Authority has a reserves management protocol in place that includes a risk assessment process to assist in determining the level of earmarked reserves that will be held at year end.

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

1.25 Revenue Expenditure Funded from Capital Under Statute (REFCUS)

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

1.26 Value Added Tax

In the absence of specific IFRS or IPSAS provisions relating to Value Added Tax (VAT), the Authority accounts for VAT in accordance with the domestic accounting standard FRS102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs (HMRC); VAT receivable is excluded from income.

1.27 Tax Income (Council Tax and National Non Domestic Rates (NNDR))

The Authority follows the principles in IPSAS 23 *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 Gwent Police 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.

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.

1.28 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.

In assessing the joint arrangements in which Blaenau Gwent particpates, 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 Comprehensive Income and Expenditure Account reflects the transactions occurring between the Authority and the joint arrangement.

1.29 Accounting for Schools

The Accounting Code has introduced 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 IFRS 10 *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 arangements 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.

1.30 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 potentially could have impacted on the entities to be consolidated with the Authority in preparing group accounts.

The revised 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 Silent Valley Waste Services Ltd., a wholly owned subsidiary over which it has control through the appointment of the majority of the company's board of directors.

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.

2. Impact of changes in Accounting Policies and Correction of Prior Period Errors

Changes in Accounting Policies

IFRS13 Fair Value Measurement was applied prospectively from 1 April 2015 and consequently there were no prior period adjustments arising from the change in accounting policy.

3. Accounting Standards Issued but not yet Adopted

The 2016/2017 Accounting Code of Practice includes the following new or revised accounting standards. These have effect from 1 April 2016 and will be adopted, where required, by this Authority when preparing the 2016/2017 Statement of Accounts.

Source	Requirement and Potential Impact
IAS19 *Employee Benefits*	The amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.
Annual Improvements to IFRSs 2010-2012 Cycle	Various amendments to standards, including IFRS 8 (Operating Segments), IFRS 13 (Fair Value Measurement), IAS16 (Property, Plant and Equipment), IAS24 (Related Party Disclosures) and IAS38 (Intangible Assets).
IFRS11 *Joint Arrangements*	Amendments to the accounting treatment for the acquisition of an interest in a joint operation that constitutes a business.
IAS16 *Property, Plant and Equipment* and IAS38 *Intangible Assets*	Clarification that revenue-based methods of calculating the depreciation and amortisation of assets (Property, Plant and Equipment or Intangible) are not appropriate, as revenues generated by an activity generally also reflect factors in addition to the use of the relevant asset.
Annual Improvements to IFRSs 2012-2014 Cycle	Various amendments to standards, including IFRS5 (Non-Current Assets Held for Sale and Discontinued Operations), IFRS7 (Financial Instruments: Disclosures) and IAS19 (Employee Benefits).
IAS 1 Presentation of Financial Statements	Amendments designed to encourage the application of professional judgement in determining information to be disclosed in financial statements.
CIPFA 'Telling the Story' Review	Changes to the format of the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement and the introduction of the new Expenditure and Funding Analysis.

None of the above amendments are expected to have a material impact on the Accounts prepared by the Authority for 2016/2017.

Highways Network Asset

In addition, 2016/2017 will see the implementation of the requirements of the CIPFA Code of Practice on the Highways Network Asset (the HNA Code). By means of an exceptional adaptation to IAS 1 *Presentation of Financial Statements*, the requirement to restate opening balances at 1 April 2015 and prior year information has been removed.

The HNA Code will require the recognition of the highways network asset (HNA) as a separate category of Property, Plant and Equipment, valued at depreciated replacement cost. The HNA is defined as *a network and grouping of interconnected inalienable components, expenditure on which is only recoverable by continued use of the asset created, i.e. there is no prospect of sale or alternative use. The interconnected network is made up of carriageways, footways and cycleways and the structures, street lighting and other assets that are directly associated with them.*

The revaluation of assets involved will result in a significant revaluation gain due to the change in valuation basis, with a related increase in the level of depreciation charged to the relevant service revenue accounts. Based on current estimates, the value of the highways network asset at 31 March 2016 would increase from approximately £100m to £990m.

4. 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, pages 15-16).

ii. The Welsh Government has provided Aggregate External Finance (AEF) figures for 2015/2016 and indicative figures for 2016/2017. This has provided a degree of certainty to date, but forward planning beyond 2016/2017 is more difficult.

iii. 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.

iv. The Authority has determined that assets used 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.

v. The Authority has classified its leases as finance or operating in accordance with IFRS. The definition of finance leases is not definitive and therefore an element of judgement has been required in assessing each lease arrangement.

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.

5. 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 2016 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 firm of consulting actuaries engaged to provide the Authority with expert advice about the assumptions to be applied was changed with effect from 1 April 2015. Relatively minor variations in the assumptions used by the two firms could have a significant impact on reported results.	The effects on the net pensions liability of changes in individual assumptions can be measured. The fund actuary has advised that a 0.5% increase in the discount rate assumption would result in a decrease in the pension liability of £58.245m *(see page 118 for further sensitivity analysis)*. However, the assumptions interact in complex ways. During 2015/2016, the Authority's actuaries advised that the net pensions liability had increased by £11.883m as a result of remeasurements of pension assets and liabilities. This increase comprised a £17.426m loss on assets (representing the difference between actual and expected asset return for the year) and net decreases in liabilities of £5.543m (arising from changes in financial assumptions and other experience gains *(see pages 113-114)*).
Revaluation of Property, Plant and Equipment	Property, Plant and Equipment assets are revalued on a sufficiently regular basis to ensure their carrying amount is not materially different from their fair value. As a minimum, all assets 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. A 1% variation arising from these judgements and assumptions would result in the over or understatement of the Gross Book Value of Property, Plant and Equipment of £3.133m. These variances could result in the Statement of Accounts being materially mis-stated and, subject to proper capital accounting practice, their adjustment could have an impact on the Balance Sheet, Comprehensive Income & Expenditure Statement and the level of the Authority's Reserves.
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. The current economic climate makes it uncertain that the Authority will be able to maintain the required level of expenditure on repairs and maintenance, resulting in uncertainty regarding the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation charged to the CIES increases and the carrying amount of assets on the Balance Sheet falls.
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.

6. Events After the Reporting Period

The Statement of Accounts was authorised for issue by Mr. D. McAuliffe BSc., CPFA, Chief Finance Officer, on 27 September 2016.

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 2016, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Shared Resource Service (SRS)

From 1 June 2016, the Shared Resource Service (SRS) took over the provision of ICT services for Blaenau Gwent CBC. This is a non-adjusting event, the estimated financial implications of which are:

- 29 existing ICT staff with a budget of £1,156,859 in 2015/2016 were transferred to the SRS on 1 June 2016;
- Other related costs (indirect employee costs, transport, supplies and services) with an estimated cost in 2015/2016 of £441,411 were also transferred;
- No current or non-current assets have been transferred to the SRS; and
- No guarantees have been given in relation to the staff and services transferred.

Gwent Transport Unit (GTU)

On 1 May 2016, the lead authority status for the Gwent Transport Unit transferred from Blaenau Gwent CBC to Torfaen CBC. This is also a non-adjusting event. The accounts of the Gwent Transport Unit have not been consolidated with those of the lead authority and consequently there is no estimated financial impact arising from this transfer.

EU Referendum

On 23 June 2016, the United Kingdom voted to leave the European Union (EU).

The referendum took place after the 31 March and, given that there is currently limited data for the post-referendum period and consequently inadequate verifiable evidence of permanent changes to the environment in which the Authority operates, there has consequently been no impact on the transactions and balances reported for the 2015/2016 financial year.

7. Other Comprehensive Income and Expenditure

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

Other Comprehensive Income and Expenditure	2015/2016 £000	2014/2015 £000
(Surplus)/Deficit arising on the revaluation of non-current assets	3,670	(2,817)
Surplus on revaluation of available for sale financial assets	0	0
Net Pensions Asset / Liability Remeasurement (Gains)/Losses	15,196	50,434
Other Comprehensive Income and Expenditure	18,866	47,617

8. Adjustments Between Accounting Basis and Funding Basis Under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure. These adjustments include transactions relating to depreciation and impairment, pensions provision, employee accruals, unequal pay and capital grants. The following transactions were made in 2015/2016:

Adjustments between Accounting Basis and Funding Basis under Regulations 2015/2016	Council Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Transactions between Funds & Usable Reserves:				
Capital grants & contributions unapplied credited to the Comprehensive Income & Expenditure Statement	1,998	0	(1,998)	0
Transfer of cash sale proceeds credited as part of the loss on disposal to the Comprehensive Income & Expenditure Statement	379	(379)	0	0
Contribution from the Capital Receipts Reserve towards funding of prudential borrowing schemes	(49)	49	0	0

Adjustments between Accounting Basis and Funding Basis under Regulations 2015/2016	Council Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Transactions involving Unusable Reserves:				
Adjustments to/from Capital Adjustment Account:				
Reversal of items debited or credited to the Comprehensive Income & Expenditure Statement:				
Charges for depreciation & impairment of non-current assets	(13,590)	0	0	13,590
Revaluation losses on Property, Plant & Equipment	(37,746)	0	0	37,746
Amortisation of intangible assets	0	0	0	0
Capital grants & contributions applied	12,947	0	0	(12,947)
Revenue expenditure funded from capital under statute	(7,274)	0	0	7,274
Amounts of non-current assets written off on disposal or sale as part of the loss on disposal to the Comprehensive Income & Expenditure Statement	(325)	0	0	325
Items not debited or credited to the Comprehensive Income & Expenditure Statement:				
Statutory provision for the financing of capital investment	3,623	0	0	(3,623)
Capital expenditure charged against the Council Fund	630	0	0	(630)
Items involving Usable Capital Reserves:				
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	2,424	(2,424)
Use of the Capital Receipts Reserve to finance new capital expenditure	0	2,030	0	(2,030)

Note: Additional transactions occur between the Capital Adjustment Account and the Revaluation Reserve. These are detailed in note 44.2 on pages 126-128.

Adjustments between Accounting Basis and Funding Basis under Regulations 2015/2016	Council Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments to/from the Deferred Capital Receipts Reserve:				
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	(323)	0	323
Deferred Capital Receipts on Inception or Lessor Arrangement	0	0	0	0
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	46	0	0	(46)
Adjustments to/from the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income & Expenditure Statement	(17,788)	0	0	17,788
Employer's pensions contributions and direct payments to pensioners payable in the year	12,630	0	0	(12,630)
Adjustment to/from the Unequal Pay Back Pay Adjustment Account:				
Amount by which amounts charged for Equal Pay claims to the Comprehensive Income & Expenditure Statement are different from the cost of settlements chargeable in the year in accordance with statutory requirements	0	0	0	0
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	371	0	0	(371)
Total Adjustments between Accounting Basis and Funding Basis under Regulations	(44,148)	1,377	426	42,345

The following transactions adjusting between accounting basis and funding basis were made in 2014/2015:

Adjustments between Accounting Basis and Funding Basis under Regulations 2014/2015	Council Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Transactions between Funds & Usable Reserves:				
Capital grants & contributions unapplied credited to the Comprehensive Income & Expenditure Statement	2,073	0	(2,073)	0
Transfer of cash sale proceeds credited as part of the loss on disposal to the Comprehensive Income & Expenditure Statement	540	(540)	0	0
Contribution from the Capital Receipts Reserve towards funding of prudential borrowing schemes	(46)	46	0	0

Adjustments between Accounting Basis and Funding Basis under Regulations (Continued) 2014/2015	Council Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Transactions Involving Unusable Reserves:				
Adjustments to/from the Capital Adjustment Account:				
Reversal of items debited or credited to the Comprehensive Income & Expenditure Statement:				
Charges for depreciation & impairment of non-current assets	(13,346)	0	0	13,346
Revaluation losses on Property Plant & Equipment	(3,888)	0	0	3,888
Amortisation of intangible assets	(9)	0	0	9
Capital grants & contributions applied	17,819	0	0	(17,819)
Revenue expenditure funded from capital under statute	(5,416)	0	0	5,416
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income & Expenditure Statement	(1,438)	0	0	1,438
Items not debited or credited to the Comprehensive Income & Expenditure Statement:				
Statutory provision for the financing of capital investment	5,017	0	0	(5,017)
Capital expenditure charged against the Council Fund & HRA balances	602	0	0	(602)
Items involving Usable Capital Reserves:				
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	2,132	(2,132)
Use of the Capital Receipts Reserve to finance new capital expenditure	0	1,932	0	(1,932)

Adjustments between Accounting Basis and Funding Basis under Regulations (Continued) 2014/2015	Council Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments to/from the Deferred Capital Receipts Reserve:				
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	(120)	0	120
Deferred Capital Receipts on Inception or Lessor Arrangement	445	0	0	(445)
Adjustment to/from the Financial Instruments Adjustment Account:				
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	46	0	0	(46)
Adjustments to/from the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income & Expenditure Statement	(14,098)	0	0	14,098
Employer's pensions contributions and direct payments to pensioners payable in the year	12,611	0	0	(12,611)
Adjustment to/from the Unequal Pay Back Pay Adjustment Account:				
Amount by which amounts charged for Equal Pay claims to the Comprehensive Income & Expenditure Statement are different from the cost of settlements chargeable in the year in accordance with statutory requirements	0	0	0	0
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	256	0	0	(256)
Total Adjustments between Accounting Basis and Funding Basis under Regulations	1,168	1,318	59	(2,545)

9. Transfers to/from Earmarked Reserves

The following transactions with earmarked reserves took place in the financial year, representing amounts set aside from the Council Fund to provide financing for future expenditure plans and amounts posted back to meet expenditure incurred during the year.

Usable Reserves	1 April 2014 £000	Transfers In 2014/2015 £000	Transfers Out 2014/2015 £000	31 March 2015 £000	Adjustment to Balances £000	Revised 1 April 2015 £000	Transfers In 2015/2016 £000	Transfers Out 2015/2016 £000	31 March 2016 £000
Budget Contingency Fund	(867)	(799)	1,391	(275)	0	(275)	(713)	661	(327)
Budget Implementation	0	(2,000)	0	(2,000)	0	(2,000)	(1,758)	2,183	(1,575)
Downsizing, Redundancy & Transitional Costs	(784)	(580)	0	(1,364)	0	(1,364)	0	469	(895)
ICT	(319)	(152)	70	(401)	0	(401)	(449)	96	(754)
Insurance Liabilities	(1,499)	(137)	200	(1,436)	0	(1,436)	(696)	860	(1,272)
LMS Balances	(1,446)	(798)	1,081	(1,163)	(214)	(1,377)	(935)	1,320	(992)
Procurement Savings Deficit	0	0	0	0	0	0	(619)	619	0
Revenue Grants & Contributions Unapplied	(1,365)	(438)	416	(1,387)	0	(1,387)	(531)	593	(1,325)
Superannuation	(708)	0	41	(667)	0	(667)	0	2	(665)
Waste Services	0	(150)	29	(121)	0	(121)	(521)	0	(642)
Other Usable Revenue Reserves	(2,823)	(1,566)	1,987	(2,402)	0	(2,402)	(2,229)	2,409	(2,222)
Sub-Total (Revenue Reserves):	(9,811)	(6,620)	5,215	(11,216)	(214)	(11,430)	(8,451)	9,212	(10,669)
Earmarked for Capital Purposes	(931)	(1,127)	770	(1,288)	0	(1,288)	(254)	523	(1,019)
Total:	(10,742)	(7,747)	5,985	(12,504)	(214)	(12,718)	(8,705)	9,735	(11,688)

Note: The most significant reserve transfers (by value) have been disclosed in the above table. As a result, reserves disclosed for 2014/2015 have been adjusted to provide comparative figures for 2015/2016. Aggregate transfers and balances have not been amended.

Further details of earmarked reserves are included in note 44, pages 120-125.

10. Segmental Reporting Analysis (Amounts Reported for Resource Allocation Decisions)

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is that specified by the Service Reporting Code of Practice. However, decisions about resource allocation are taken by the Authority's Executive on the basis of budget reports analysed across Portfolios. These reports are prepared on a different basis from the accounting policies used in the financial statements. In particular:

	Reported to Management	Statement of Accounts
Capital Charges	Capital charges reported to management are estimates, as calculated prior to the commencement of the financial year during the budget-setting process.	Actual charges.
Equal Pay and Job Evaluation	No estimates or actual costs are included in reports to Management.	Accrued amounts for settlement of equal pay claims are included. Provision is made for settlement of job evaluation compensation and back pay amounts that can properly be charged to the year of account.
IAS 19: Employee Benefits	For grant-funded expenditure, current service pension costs in the management reports is not on the basis of actuarially calculated liabilities, as required by IAS19, but on the basis of full cash cost. Accruals for short term compensated absences are not included.	Current service costs are recorded against services at the actuarially calculated liability rate, as required by IAS19. Accruals for short term compensated absences are included.
Past Service and Curtailment Costs	Service budgets report past service and curtailment costs against individual budgets (2014/2015 only).	In-year liabilities arising from past service or curtailments are included in Non-Distributed Costs; actual payments are charged to the council-tax payer by an adjustment to pensions reserves in the MiRS.

	Reported to Management	Statement of Accounts
Appropriations to/from Reserves	Transfers to or from Earmarked Reserves are included in the amounts reported to management as a cost of service.	Transfers to or from Earmarked Reserves are recorded on the appropriate line in the MiRS and are not included in the Net Cost of Services.
Revenue Contributions to Capital Expenditure	Reports to management include appropriations made to fund capital expenditure by revenue budgets.	Revenue contributions to capital expenditure are recorded as an adjustment under regulations in the MiRS.
Council Tax Surplus on Collections	Management Reports include the surplus on council tax collection as a credit against a service budget heading in the Resources Portfolio.	Surplus on council tax collection is included in taxation and non-specific grant income in the CIES.
Leasing Charges	The management reports include committed sums in respect of leasing charges.	Leasing charges are reversed out of service accounts and replaced with capital charges.
Provisions	Amounts are included for early termination redundancy costs on a case by case basis.	Those early termination redundancy costs that meet the definition of a provision are charged in full to the accounts.
Impairment of Debtors	No charge is reported for the impairment of sundry debtor accounts raised.	Service revenue accounts are charged with an impairment for sundry debtor accounts outstanding at year-end, based on the age of the debt.

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

Principal Portfolio Income & Expenditure 2015/2016	Skills & Work Preparation £000	Social Services £000	Waste Management & the Environment £000	Financial Management & Strategy £000	Total £000
Fees, Charges & Other Service Income	(47,359)	(9,726)	(11,788)	(11,912)	(80,785)
Interest & Investment Income	0	0	0	0	0
Government Grants	(7,218)	(7,225)	(1,772)	(27,158)	(43,373)
Total Income	(54,577)	(16,951)	(13,560)	(39,070)	(124,158)
Employee Expenses	45,407	18,526	8,855	7,251	80,039
Other Service Expenses	57,232	30,542	10,968	37,130	135,872
Support Service Recharges	2,538	5,362	4,240	4,198	16,338
Depreciation, amortisation & impairment	3,013	127	548	0	3,688
Precepts and Levies	0	0	3,265	0	3,265
Total Expenditure	108,190	54,557	27,876	48,579	239,202
Net Expenditure	53,613	37,606	14,316	9,509	115,044

Principal Portfolio Income & Expenditure 2014/2015	Skills & Work Preparation £000	Social Services £000	Waste Management & the Environment £000	Financial Management & Strategy £000	Total £000
Fees, Charges & Other Service Income	(49,308)	(10,230)	(12,494)	(9,458)	(81,490)
Interest & Investment Income	0	0	0	0	0
Government Grants	(3,691)	(7,100)	(1,139)	(28,478)	(40,408)
Total Income	(52,999)	(17,330)	(13,633)	(37,936)	(121,898)
Employee Expenses	44,855	19,452	9,350	6,458	80,115
Other Service Expenses	56,151	29,687	9,883	37,687	133,408
Support Service Recharges	2,916	3,806	4,652	4,184	15,558
Depreciation, amortisation & impairment	3,027	129	548	0	3,704
Precepts and Levies	0	0	3,320	0	3,320
Total Expenditure	106,949	53,074	27,753	48,329	236,105
Net Expenditure	53,950	35,744	14,120	10,393	114,207

Reconciliation to Subjective Analysis

This reconciliation shows how the figures in the analysis of Portfolio income and expenditure relate to a subjective analysis of the Surplus or Deficit on the Provision of Services included in the Comprehensive Income and Expenditure Statement.

2015/2016	Principal Portfolio Analysis £000	Portfolios not included in Principal Portfolio Analysis £000	Included in Portfolio Statements but not included in NCS £000	Not included in Portfolio Statements but included in NCS £000	Allocation of Support Services Recharges £000	Net Cost of Services £000	Corporate Items £000	Total £000
Fees, Charges & Other Service Income	(80,785)	(19,245)	3,573	1,518	70,571	(24,368)	0	(24,368)
(Surplus)/Deficit on Trading Activities	0	0	0	0	0	0	0	0
Interest & Investment Income	0	0	0	0	0	0	(9,831)	(9,831)
Income from Council Tax	0	0	0	0	0	0	(34,184)	(34,184)
Government Grants & Contributions	(43,373)	(1,821)	0	0	0	(45,194)	(120,523)	(165,717)
Gains on disposal of non-current assets	0	0	0	0	0	0	(379)	(379)
Total Income	(124,158)	(21,066)	3,573	1,518	70,571	(69,562)	(164,917)	(234,479)
Employee Expenses	80,039	13,443	(1,487)	219	0	92,214	0	92,214
Other Service Expenses	135,872	12,471	(222)	803	(44,962)	103,962	0	103,962
Support Service Recharges	16,338	9,424	4	(157)	(25,609)	0	0	0
Depreciation, Amortisation & Impairment	3,688	4,351	(7,971)	53,389	0	53,457	0	53,457
Interest Payments	0	0	0	0	0	0	21,203	21,203
Losses on disposal of non-current assets	0	0	0	0	0	0	325	325
Precepts & Levies	3,265	0	(3,265)	0	0	0	7,798	7,798
Total Expenditure	239,202	39,689	(12,941)	54,254	(70,571)	249,633	29,326	278,959
(Surplus) or Deficit on the Provision of Services	115,044	18,623	(9,368)	55,772	0	180,071	(135,591)	44,480

2014/2015	Principal Portfolio Analysis £000	Portfolios not included in Principal Portfolio Analysis £000	Included in Portfolio Statements but not included in NCS £000	Not Included in Portfolio Statements but included in NCS £000	Allocation of Support Services Recharges £000	Net Cost of Services £000	Corporate Items £000	Total £000
Fees, Charges & Other Service Income	(81,490)	(18,410)	1,983	(13,745)	74,287	(37,375)	0	(37,375)
(Surplus)/Deficit on Trading Activities	0	0	0	0	0	0	0	0
Interest & Investment Income	0	0	0	0	0	0	(12,409)	(12,409)
Income from Council Tax	0	0	0	0	0	0	(32,990)	(32,990)
Government Grants & Contributions	(40,408)	(4,211)	(207)	0	0	(44,826)	(130,882)	(175,708)
Gains on disposal of non-current assets	0	0	0	0	0	0	(1,909)	(1,909)
Total Income	(121,898)	(22,621)	1,776	(13,745)	74,287	(82,201)	(178,190)	(260,391)
Employee Expenses	80,115	15,230	(2,150)	513	0	93,708	0	93,708
Other Service Expenses	133,408	13,189	851	12,216	0	159,664	0	159,664
Support Service Recharges	15,558	9,563	0	(1,288)	(74,287)	(50,454)	0	(50,454)
Depreciation, Amortisation & Impairment	3,704	3,710	(7,372)	21,568	0	21,610	0	21,610
Interest Payments	0	0	0	0	0	0	23,489	23,489
Losses on disposal of non-current assets	0	0	0	0	0	0	2,362	2,362
Precepts & Levies	3,320	0	(3,320)	0	0	0	7,657	7,657
Total Expenditure	236,105	41,692	(11,991)	33,009	(74,287)	224,528	33,508	258,036
(Surplus) or Deficit on the Provision of Services	114,207	19,071	(10,215)	19,264	0	142,327	(144,682)	(2,355)

Reconciliation of Portfolio Income and Expenditure to Cost of Services in the Comprehensive Income and Expenditure Statement

This reconciliation shows how the figures in the analysis of Portfolio income and expenditure relate to the amounts included in the Comprehensive Income and Expenditure Statement.

Reconciliation of Portfolio Income & Expenditure to Cost of Services in the CIES	2015/2016 £000	2014/2015 £000
Net Expenditure in the Principal Portfolio Analysis	115,044	114,207
Net Expenditure of Portfolios not Included in the Principal Analysis	18,623	19,071
Amounts Included in Portfolio Outturn Statements but not included in Net Cost of Services	(9,368)	(10,215)
Amounts not included in Portfolio Outturn Statements but included in Net Cost of Services	55,772	19,264
Allocation of Support Service Recharges	0	0
Cost of Services in Comprehensive Income & Expenditure Statement	180,071	142,327
Corporate Items	(135,591)	(144,682)
(Surplus) or Deficit on Provision of Services	44,480	(2,355)

11. Other Operating Income and Expenditure

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

Other Operating Income and Expenditure		2015/2016 Gross Expenditure £000	2015/2016 Gross Income £000	2015/2016 Net Expenditure £000	2014/2015 Gross Expenditure £000	2014/2015 Gross Income £000	2014/2015 Net Expenditure £000
(Gains)/losses on the Disposal of Non-Current Assets		325	(379)	(54)	2,362	(1,909)	453
Precepts & Levies:	Gwent Police Authority Precept	4,193	0	4,193	3,997	0	3,997
	Community Council Precepts	340	0	340	340	0	340
	South Wales Fire Authority Levy	3,162	0	3,162	3,232	0	3,232
	Other Levies	103	0	103	88	0	88
Total		8,123	(379)	7,744	10,019	(1,909)	8,110

12. 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	2015/2016 Gross Expenditure £000	2015/2016 Gross Income £000	2015/2016 Net Expenditure £000	2014/2015 Gross Expenditure £000	2014/2015 Gross Income £000	2014/2015 Net Expenditure £000
Interest payable and similar charges	4,346	0	4,346	4,183	0	4,183
Interest receivable and similar Income	0	(293)	(293)	0	(356)	(356)
Net Pensions Interest Cost	16,857	(9,538)	7,319	19,306	(12,053)	7,253
Total	21,203	(9,831)	11,372	23,489	(12,409)	11,080

13. 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	2015/2016 £000	2014/2015 £000
Taxation & Non-Specific Revenue Grants		
Council Tax Income	(34,184)	(32,990)
Non-Domestic Rates	(20,201)	(22,056)
Revenue Support Grant/OAG	(90,735)	(91,782)
Total Taxation and Non-Specific Revenue Grants	(145,120)	(146,828)
Capital grants and contributions	(9,587)	(17,044)
Total	(154,707)	(163,872)

14. Material Items of Income or Expense

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

Material Items of Income or Expense in 2015/2016:

There were no material items of income or expense in 2015/2016.

Material Items of Income or Expense in 2014/2015:

As part of the unprecedented levels of savings to be achieved for the 2014/2015 financial year, the Council created a not for profit organisation to deliver Leisure Services through a Trust. The Trust is managed by a Board of Trustees and delivers Leisure Services on behalf of the Council for a management fee. On 30 September 2014, Special Council agreed to transfer leisure, cultural and community education services to the Aneurin Leisure Trust with effect from 1 October 2014.

The estimated financial implications of this transfer were as follows:

- In 2013/2014, the net expenditure relating to those services that have been transferred amounted to £4.483m. Transferred services are delivered on behalf of the Council for a negotiated management fee.
- Council facilities are utilised to provide services, with these assets being leased to the Trust for a 20 year period but remaining under Council ownership.
- In order that the Trust could enter the Greater Gwent (Torfaen) Pension Fund as an admitted body, the Authority agreed to act as guarantor in the event that the Trust defaults on any or all of its payments in relation to its pension obligations. On transfer, the Actuary estimated these liabilities to be £1.370m. There is an expectation that after an initial 3 year period, Aneurin Leisure Trust will source a bond in order to mitigate its liabilities.

15. Acquired or Discontinued Operations

There were no material acquisitions or discontinuations of service during the financial year.

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

16.1 The Gwent Wide Integrated Community Equipment Service (GWICES)

The Gwent Wide Integrated Community Equipment Service (GWICES) is a Section 33 Partnership Agreement between the five Local Authorities in the Gwent area and the Aneurin Bevan Local Health Board 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. The Authority's transactions are included in the Adult Social Care line of the CIES. Income and expenditure for the pooled budget arrangements for the financial year ending 31 March 2016 is as follows.

Partnership Schemes: GWICES	2015/2016 £000	2014/2015 £000
Expenditure		
Staff	87	86
Non-Staff	2,594	3,503
Total Expenditure	2,681	3,589
Funding		
Blaenau Gwent County Borough Council	(276)	(281)
Caerphilly County Borough Council	(505)	(548)
Monmouthshire County Borough Council	(350)	(355)
Newport City Council	(439)	(426)
Torfaen County Borough Council	(467)	(1,232)
Aneurin Bevan Health Board	(496)	(599)
Contribution to Lead Commisioner - LAs	(61)	(62)
Contribution to Lead Commisioner - LHBs	(26)	(26)
Community Resource Team (Frailty Project)	(62)	(61)
Total Funding	(2,682)	(3,590)

16.2 The Gwent Frailty Programme

The Gwent Frailty Programme is a Section 33 Partnership Agreement between the five Local Authorities in the Gwent area and the Aneurin Bevan Local Health Board for the delivery of a range of services to avoid hospital admissions, facilitate early discharge and help individuals remain "happily independent". The Community Resource Teams (CRTs) provide integrated Urgent Response, Reablement and Falls services within each Locality in line with agreed Locality Annual Commissioning Plans (LCPs). This agreement came into effect on 4 April 2011. The Authority's transactions are included in the Adult Social Care line of the CIES. Income and expenditure for the pooled budget arrangements for the financial year ending 31 March 2016 is as follows.

Partnership Schemes Gwent Frailty	2015/2016 £000	2014/2015 £000
Expenditure		
Base Declarations	13,049	12,227
Invest to Save	890	594
Central Costs	539	479
Total Expenditure	14,478	13,300
Funding		
Blaenau Gwent County Borough Council	(536)	(507)
Caerphilly County Borough Council	(2,057)	(1,922)
Monmouthshire County Borough Council	(1,173)	(1,160)
Newport City Council	(1,511)	(1,441)
Torfaen County Borough Council	(755)	(660)
Aneurin Bevan Health Board	(8,236)	(6,913)
Welsh Government Invest to Save	0	0
Total Funding	(14,268)	(12,603)
Net In-Year (Under) / Overspend	210	697

17. Members' Allowances

The total amount of allowances and expenses paid to Members during the year was £743,757 (2014/2015: £776,387), analysed as follows:

Members' Allowances	2015/2016 £000	2014/2015 £000
Allowances	740	772
Expenses	4	4
Total:	744	776

18. Officers' Remuneration

18.1 Remuneration Ratio

The Accounts and Audit Regulations (Wales) 2014 require the disclosure of the ratio of the Chief Executive's remuneration in comparison to the median remuneration of all the Authority's employees. For 2015/2016 this was as follows:

	2015/2016	2014/2015
Ratio of Chief Executive pay to median pay of all staff	1:5.36	1:5.36

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

Officers Emoluments	2015/2016					2014/2015				
Remuneration Band	Teaching	Other	Total	Left During Year	Total excluding leavers	Teaching	Other	Total	Left During Year	Total excluding leavers
£60,000 - £64,999	9	12	21	8	13	6	2	8	1	7
£65,000 - £69,999	2	0	2	0	2	2	2	4	0	4
£70,000 - £74,999	3	2	5	0	5	3	0	3	0	3
£75,000 - £79,999	2	0	2	0	2	1	0	1	0	1
£80,000 - £84,999	1	0	1	0	1	1	0	1	0	1
£85,000 - £89,999	0	0	0	0	0	1	0	1	0	1
£90,000 - £94,999	0	0	0	0	0	0	0	0	0	0
£95,000 - £99,999	0	0	0	0	0	0	0	0	0	0
£100,000 - £104,999	1	0	1	1	0	0	0	0	0	0
£105,000 - £109,999	1	0	1	1	0	0	0	0	0	0
£110,000 - £114,999	0	0	0	0	0	1	0	1	0	1
Total	19	14	33	10	23	15	4	19	1	18

Note: Employees that are included in the Senior Officers Remuneration disclosure have been excluded from the above table.

The 2015/2016 total of 33 includes 3 members in the teaching catergory and 2 in the Other category who would not have been included in the note if it were not for one-off severance payments. *(The 2014/2015 total of 19 includes 1 member of teaching staff who would not have been included in the note if it were not for one-off severance payments)*. Further details of termination benefits can be found in notes 20-21 (pages 68-69).

18.3 Senior Officers' Remuneration

The following table sets out the remuneration in 2015/2016 for senior officers (as defined by statute) whose salary for the year was between £60,000 and £150,000. There were no senior officers whose salary exceeded £150,000.

Post Title	Notes	Salary (Including Fees & Allowances) £	Expense Allowances £	Compensation for Loss of Office £	Benefits in Kind £	Total Remuneration excluding Pension Contributions 2015/2016 £	Employers Pension Contributions £	Total Remuneration including Pension Contributions 2015/2016 £
Chief Executive	Notes 1,2 & 3	109,693	7	24,121	0	133,821	22,798	156,619
Lead Corporate Director/Head of Paid Service	Note 4	87,164	0	0	0	87,164	18,740	105,904
Corporate Director Social Services		82,961	264	0	0	83,225	17,837	101,062
Corporate Director of Environment & Regeneration	Note 5	83,925	13	0	0	83,938	17,837	101,775
Chief Finance Officer	Note 6	82,251	32	0	0	82,283	17,629	99,912
Corporate Director of Education		96,627	0	0	0	96,627	20,775	117,402
Head of Organisational Development	Note 7	61,380	0	0	0	61,380	13,197	74,577
Head of Policy & Performance	Note 7	61,380	7	0	0	61,387	13,197	74,584
Total		665,381	323	24,121	0	689,825	142,010	831,835

Note 1: Salary includes £10,604.88 remuneration relating to directorship of Silent Valley Waste Services Ltd., ending 29 February 2016.

Note 2: Salary includes payments of £3,458.00 in respect of the duties as Returning Officer.

Note 3: The Chief Executive retired on 29 February 2016. A review of the senior management structure during 2015/2016, agreed by Council, decided to permanently delete this post from the staffing structure. A new role of Lead Corporate Director and Head of Paid Service was created to which the Corporate Director Strategy, Transformation & Culture was appointed on an interim basis for 12 months. A further review of this arrangement is to be undertaken after twelve months giving consideration to a range of internal and external factors, including the potential for local government reorganisation or other forms of reconfigured service delivery.

Note 4: New role with effect from 4 January 2016. Prior to this, employed as Corporate Director Strategy/Transformation & Culture.

Note 5: Salary includes £964.08 remuneration relating to directorship of Silent Valley Waste Services Ltd., commencing 1 March 2016.

Note 6: Salary includes £11,568.96 remuneration relating to directorship of Silent Valley Waste Services Ltd..

Note 7: Further to the departure of the former Chief Executive at the end of February and the subsequent interim arrangements for this post (Note 3), the Head of Organisational Development and Head of Policy & Performance report to the Head of Paid Service with effect from 1 March 2016 and are included in this disclosure on that basis. Remuneration reported for these officers is for the full year of account.

The following table sets out the remuneration in 2014/2015 for senior officers (as defined by statute) whose salary for the year was between £60,000 and £150,000. There were no senior officers whose salary exceeded £150,000.

Post Title	Notes	Salary (Including Fees & Allowances) £	Expense Allowances £	Compensation for Loss of Office £	Benefits in Kind £	Total Remuneration excluding Pension Contributions 2014/2015 £	Employers Pension Contributions £	Total Remuneration including Pension Contributions 2014/2015 £
Chief Executive	Notes 1 & 2	114,566	201	0	0	114,767	24,632	139,399
Corporate Director of Social Services		81,428	0	0	0	81,428	17,507	98,935
Corporate Director of Environment & Regeneration		79,578	0	0	0	79,578	17,109	96,687
Chief Finance Officer	Note 3	79,048	0	0	0	79,048	16,995	96,043
Corporate Director Strategy, Transformation & Culture		78,971	71	0	0	79,042	16,979	96,021
Corporate Director of Education	Note 4	55,823	0	0	0	55,823	12,002	67,825
Total		489,414	272	0	0	489,686	105,224	594,910

Note 1: Salary includes £11,568.96 remuneration relating to directorship of Silent Valley Waste Services Ltd..

Note 2: Salary includes payments of £3,048.00 in respect of duties as Returning Officer.

Note 3: Salary includes £11,568.96 remuneration relating to directorship of Silent Valley Waste Services Ltd..

Note 4: Commenced employment 1 September 2014.

19. Benefits Payable During Employment

Short-term accumulating compensated absences refers to benefits that employees receive as part of their contract of employment, entitlement to which is built up as they provide services to the Authority. The most significant benefit covered by this heading is holiday pay, but also covers entitlement to time-in-lieu and accrued flexitime balances.

Employees build up an entitlement to paid holidays as they work. As a result, the Authority is required to accrue for any annual leave, time-in-lieu and flexitime earned but not taken at 31 March each year.

The government has issued mitigation regulations that mean Local Authorities are only required to fund holiday pay and similar benefits when they are used, rather than when employees earn the benefits. Compensating amounts are therefore transferred to the Accumulated Absences Account until the benefits are used.

The following sums have been included for short-term accumulating compensated absences in the 2015/2016 financial statements:

	2015/2016			2014/2015		
Short-term Compensated Absences	Reversal of prior year accrual £000	Current Year Accrual £000	Net In-year Movement £000	Reversal of prior year accrual £000	Current Year Accrual £000	Net In-year Movement £000
Central Services	(78)	71	(7)	(110)	78	(32)
Cultural and Related Services	(13)	16	3	(37)	13	(24)
Environmental and Regulatory Services	(193)	112	(81)	(150)	193	43
Planning Services	(98)	84	(14)	(98)	98	0
Children's & Education Services	(984)	751	(233)	(1,156)	984	(172)
Highways & Transport Services	(59)	52	(7)	(54)	59	5
Housing Services	(41)	20	(21)	(58)	41	(17)
Adult Social Care	(217)	242	25	(204)	217	13
Corporate & Democratic Core	(129)	93	(36)	(132)	129	(3)
Transferred Services:						
Cultural and Related Services	0	0	0	(54)	0	(54)
Children's & Education Services	0	0	0	(15)	0	(15)
Total - Provision of Services:	(1,812)	1,441	(371)	(2,068)	1,812	(256)

20. 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 (including special payments)	2015/2016 Number of Compulsory Redundancies	2015/2016 Number of Other Departures	2015/2016 Total Number of Exit Packages	2015/2016 Total Cost of Exit Packages £000	2014/2015 (Restated) Number of Compulsory Redundancies	2014/2015 (Restated) Number of Other Departures	2014/2015 (Restated) Total Number of Exit Packages	2014/2015 (Restated) Total Cost of Exit Packages £000
£0 - £19,999	7	70	77	392	32	84	116	617
£20,000 - £39,999	0	9	9	221	4	9	13	370
£40,000 - £59,999	0	3	3	142	0	2	2	82
£60,000 - £79,999	0	3	3	212	0	1	1	68
£80,000 - £149,999	0	3	3	322	0	2	2	202
£150,000 - £249,999	0	2	2	407	0	0	0	0
Total	7	90	97	1,696	36	98	134	1,339

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

Termination Benefits & Exit Packages	2015/2016 £000	2014/2015 (Restated) £000
Redundancy Costs	586	825
Pension Costs	928	342
Pay in Lieu of Notice	39	59
Other Payments	143	113
Total	1,696	1,339

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 2015/2016, the contracts of 97 employees were terminated, incurring total liabilities of £1.696m (2014/2015: 134 employees, incurring liabilities of £1.339m). These payments can be disaggregated as follows:

Included in the Authority's Early Terminations Provision are sums totalling £0.389m payable to 12 staff that have not been included in the exit packages disclosure, but for which the Authority has a legal or constructive obligation at the balance sheet date. (2014/2015: Early Terminations provision included £0.552m payable to 33 staff). Details of the Early Terminations Provision can be found in notes 38.1-38.2, pages 99-101.

The Authority has also paid £0.370m in respect of exit packages for 20 staff at Aneurin Leisure Trust, in accordance with the agreement to transfer staff to the charity in 2014.

21. Termination Benefits and Exit Packages - Causes

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

Termination Benefits	2015/2016		2014/2015 (Restated)	
	No	£000	No	£000
Financial Efficiency Projects	41	1,136	13	135
Closure of Facilities / Cessation of Services	1	2	27	215
Reduction in Grant Funding - Community Education	0	0	18	167
School Downsizing Restructuring & Reorganisation - Crossmatching	7	130	23	298
Early Retirements/Efficiency/Flexible Retirements	21	212	1	68
Termination benefits arising for other reasons	27	216	52	456
Total	97	1,696	134	1,339

22. External Audit Fees

The Authority's appointed external auditors for the 2015/2016 financial year were the Wales Audit Office (WAO). The following fees, included in Central Services expenditure in CIES, were incurred in relation to external audit and inspection:

External Audit Fees	2015/2016	2014/2015
	£000	£000
Fees payable in respect of:		
External audit services relating to audit of the accounts	191	191
External audit services relating to Local Government Measures	109	109
Certification of grant claims and returns	70	80
Other services	0	0
Total Audit Fees	370	380

In 2014-2015, Blaenau Gwent received a payment of £63,922 as a result of a redistribution of reserves to local governments bodies. This one-off redistribution results from the new accounting regime for the Wales Audit Office under the Public Audit (Wales) Act 2013.

23. National Non-Domestic Rates

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

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

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

Non-Domestic Ratepayers Account	2015/2016			2014/2015		
	Agency	Authority	Total	Agency	Authority	Total
	£000	£000	£000	£000	£000	£000
Rate Debits including adjustments	16,918	0	16,918	16,162	0	16,162
Reliefs & Allowances	(4,367)	0	(4,367)	(3,801)	0	(3,801)
Refunds	167	0	167	583	0	583
Court Costs	0	2	2	0	4	4
	12,718	2	12,720	12,944	4	12,948
Cash Collected	(12,243)	0	(12,243)	(12,826)	(4)	(12,830)
Net In-Year NDR Transactions	475	2	477	118	0	118

- The total non-domestic rateable value at 31 March 2016 was £34,889,459 (31 March 2015: £34,753,484).
- The national non-domestic rate multiplier for the year 2015/2016 was 0.482 (2014/2015: 0.473).

24. Council Tax

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

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

Council Tax Transactions	2015/2016		2014/2015	
	£000	£000	£000	£000
Council Tax Collected	(34,315)		(33,135)	
Less: Impairment of bad & doubtful debts	131		144	
Net Total Proceeds from Council Tax		(34,184)		(32,991)
Less: Gwent Police Authority Precept	4,193		3,997	
Community Council Precepts	340		340	
		4,533		4,337
Council Tax attributable to this Authority:		(29,651)		(28,654)

24.2 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 2015/2016, the tax base, expressed as equivalent band D properties, has been calculated as follows:

	Band										
	A*	A	B	C	D	E	F	G	H	I	Total
Properties	63.00	18,367.00	7,742.00	2,461.00	1,536.00	808.00	287.00	50.00	16.00	6.00	31,336.00
Exemptions, Reliefs & Discounts	(6.25)	(2,379.25)	(693.25)	(193.50)	(92.00)	(37.75)	(13.00)	(2.75)	(7.00)	(2.00)	(3,426.75)
Effective Properties	56.75	15,987.75	7,048.75	2,267.50	1,444.00	770.25	274.00	47.25	9.00	4.00	27,909.25
Ratio	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	21/9	-
Band D Equivalents	31.53	10,658.51	5,482.36	2,015.56	1,444.00	941.42	395.78	78.75	18.00	9.33	21,075.24
Impairment											(1,260.07)
Council Tax Base											19,815.17

25. Precepts & Demands

25.1 Precepting Authorities

The bodies precepting on this Authority are Gwent Constabulary and the Community Councils of Abertillery, Brynmawr, Nantyglo & Blaina and Tredegar. The precepts for these bodies were:

Precepting Authorities	2015/2016 £000	2014/2015 £000
Gwent Constabulary	4,193	3,997
Abertillery & Llanhilleth Community Council	90	90
Brynmawr Town Council	43	43
Nantyglo & Blaina Town Council	68	68
Tredegar Town Council	139	139
Total	4,533	4,337

25.2 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	2015/2016 £000	2014/2015 £000
Brecon Beacons National Park Authority	31	32
South Wales Fire Authority	3,162	3,232
Magistrates & Coroners Courts	72	56
Total:	3,265	3,320

26. Grants and Contributions

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

Capital Grants Credited to Services	2015/2016 £000	2014/2015 £000
Welsh European Funding Office	(512)	(187)
Welsh Government	(4,493)	(1,895)
Other Grants & Contributions	(354)	(765)
Total:	(5,359)	(2,847)

Capital Grants Credited to taxation and non-specific grant income	2015/2016 £000	2014/2015 £000
Caerphilly County Borough Council	0	(132)
Torfaen County Borough Council	0	(21)
Welsh European Funding Office	(1,223)	(6,938)
Welsh Government	(8,091)	(9,958)
Other Grants & Contributions	(273)	5
Total:	(9,587)	(17,044)

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

Revenue Grants Credited to Services	2015/2016 £000	2014/2015 £000
Arts Council for Wales	0	(194)
Coleg Gwent	0	(318)
Department for Work and Pensions	(27,092)	(27,340)
Disability Sport Wales	0	(11)
European Social Fund	0	(218)
Home Office	0	(14)
Lottery Fund	0	(52)
Sub-Total:	(27,092)	(28,147)

Revenue Grants Credited to Services (continued)	2015/2016 £000	2014/2015 £000
Sub-Total:	(27,092)	(28,147)
Monmouthshire County Council	(122)	0
Sports Council for Wales	0	(82)
Torfaen County Borough Council	0	(132)
Welsh Government	(11,180)	(14,371)
Other Grants & Contributions	(5,475)	(3,146)
Total:	(43,869)	(45,878)

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

Capital Receipts in Advance	2015/2016 £000	2014/2015 £000
Welsh European Funding Office	(32)	(1,151)
Welsh Government	(450)	(2,618)
Other Grants & Contributions	(248)	(314)
Total:	(730)	(4,083)

Revenue Receipts in Advance	2015/2016 £000	2014/2015 £000
Torfaen County Borough Council	(73)	(77)
Welsh Government	(182)	(67)
Other Grants & Contributions	(219)	(339)
Total:	(474)	(483)

27. Related Parties

27.1 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 2015/2016 can be found in note 26 (pages 73-74); details of the amounts owed to or from central government are included in notes 37 (page 98) and 36 (page 97) respectively.

27.2 Silent Valley Waste Services Limited

The Authority is the sole shareholder of the waste disposal company Silent Valley Waste Services Limited (SVWS Ltd.). For the 2015/2016 financial year, the Authority's Chief Executive was a non-executive director until 29 February 2016, the Authority's Director of Environment and Regeneration became a non-executive director from 1 March 2016 and the Authority's Chief Finance Officer was a non-executive director of the company for the full year. As at 31 March 2016, the Authority effectively holds 67% of the board membership. The following related party transactions took place with SVWS Ltd. during the year:

The Authority made payments to SVWS Ltd totalling £615,670 in 2015/2016 (2014/2015: £521,483), comprising the following:

- Payments totalling £597,015 in relation to the collection of waste, management of the Authority's civic amenity sites and haulage charges (2014/2015: £513,598). Of this amount, £45,090 was in respect of services provided in 2014/2015, and at 31 March 2016 the Authority owed £54,862 (2014/2015: £40,270 was in respect of services provided in 2013/2014 and £39,251 was owed at 31 March 2015).
- In 2015/2016 payments of £5,278 were made towards professional advice and reports at the Silent Valley site (2014/2015: £7,885).
- In 2015/2016 a NNDR refund of £13,377 was made to the Silent Valley Site (2014/2015: £0)

The Authority received income from SVWS Ltd. totalling £173,138 in 2015/2016 (2014/2015: £173,138), including the following:

- £11,569 was received in relation to services provided by the Authority's former Chief Executive in his role as a director of SVWS Ltd (2014/2015: £11,569). At 31 March 2016 the Authority was owed £0 in relation to this income (2014/2015: £964);
- £11,569 was received in relation to services provided by the Authority's Chief Finance Officer in his role as a director of SVWS Ltd (2014/2015: £11,569). At 31 March 2016 the Authority was owed £964 in relation to this income (2014/2015: £964);
- No income was received in relation to services provided by the Authority's Corporate Director of Environment and Regeneration in his role as a director of SVWS Ltd (2014/2015: £0). At 31 March 2016 the Authority was owed £964 in relation to this income (2014/2015: £0);
- £150,000 was received as a contribution towards leachate (2014/2015: £150,000); and
- At 31 March 2016 the authority was owed £814 in relation to scrap metal (2013/2014: £646).

27.3 Members

The Authority made payments of £12,905 to Glenn Willis Plumbing Ltd. during 2015/2016 (2014/2015: £20,543). The Director of the company is the son of a Council Member.

The Authority made payments of £2,266,636 to Jim Davies Civil Engineering Limited during 2015/2016 in relation to works at the Silent Valley Waste Transfer Station, works at the Salt Barn, Waun y Pound and Authority-wide capital works such as footway construction, bridge works and retaining wall maintenance (2014/2015: £1,464,321). A Member of the Council is the brother of one of the Directors of the company.

Payments of £652 were made to Deano's Sandwich Bar during 2015/2016 (2014/2015: £3,674), the proprietor being the daughter of a Council Member.

TJ Brown & Sons funeral directors carry out pauper and other burial services on behalf of the Authority. Payments of £1,119 were made in 2015/2016 (2014/2015: £0). A Member of the Council has an interest in this company.

Payments of £500 were made to Malcolm Cross Building Services during 2015/2016 (2014/2015: £0). A member of the Council is a Director of the organisation.

Payments of £16,268 were made to Highfield Properties (Tredegar) during 2015/2016 (2014/2015: £21,684). A member of the Council is a Director of the organisation.

27.4 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 Collaboration Agreement commits the authority to participating in the EAS Company for a minimum period of four years, commencing September 2013.

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

In 2015/2016, net contributions of £0.414m were due to the EAS (2014/2015: £0.436m). The total summarised transactions of the Service were as follows:

Education Achievement Service	2015/2016 £000	2014/2015 £000
Expenditure	8,818	9,147
Income	(8,920)	(9,243)
Net Expenditure	(102)	(96)

28. Property Plant & Equipment

28.1 Carrying Amount of Non-Current Assets

The gross carrying amount and accumulated depreciation relating to Property, Plant and Equipment was:

Property, Plant & Equipment	31 March 2016 £000	31 March 2015 £000
Gross Carrying Amount	313,280	350,497
Accumulated Depreciation	(34,093)	(37,297)
Net Book Value	279,187	313,200

Details of the transactions relating to the carrying amounts and depreciation of non-current assets are set out on pages 78-79.

Movements in 2015/2016:

Property, Plant & Equipment Movements	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant & Equipment £000
Cost or Valuation as at 1 April 2015	204,360	8,527	119,377	131	8,271	9,831	350,497
Appropriations	3,770	607	2,965	0	(478)	(6,864)	0
Assets reclassified to/from held for sale	(438)	0	0	0	(295)	0	(733)
Additions	0	3,432	2,088	0	0	2,826	8,346
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(7,592)	0	0	7	(596)	0	(8,181)
Revaluation increases/(decreases) recognised in the Provision of Services	(42,067)	0	0	0	(1,982)	0	(44,049)
Capital expenditure written off	(5,421)	0	(186)	0	0	(16)	(5,623)
Derecognition - disposals	(51)	(365)	0	0	0	0	(416)
Other movements in cost or valuation *	5,421	0	313	0	0	7,705	13,439
Cost or Valuation as at 31 March 2016	157,982	12,201	124,557	138	4,920	13,482	313,280

Property, Plant & Equipment Depreciation	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant & Equipment £000
Accumulated Depreciation & Impairment as at 1 April 2015	(9,963)	(6,241)	(20,940)	(8)	(145)	0	(37,297)
Depreciation charge	(5,034)	(858)	(2,809)	(1)	(95)	0	(8,797)
Depreciation written out to the Revaluation Reserve	5,063	0	0	0	101	0	5,164
Depreciation written out to the Surplus/Deficit on the Provision of Services	6,356	0	0	0	98	0	6,454
Impairment losses/(reversals) recognised in the Revaluation Reserve	0	0	0	0	0	0	0
Derecognition - disposals	18	365	0	0	0	0	383
Accumulated Depreciation & Impairment as at 31 March 2016	(3,560)	(6,734)	(23,749)	(9)	(41)	0	(34,093)
Net Book Value as at 31 March 2016	154,422	5,467	100,808	129	4,879	13,482	279,187
Net Book Value as at 31 March 2015	194,397	2,286	98,437	123	8,126	9,831	313,200
Net Book Value as at 31 March 2014	199,025	2,836	84,438	124	8,107	12,175	306,705

Movements in 2014/2015:

Property, Plant & Equipment Movements	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant & Equipment £000
Cost or Valuation as at 1 April 2014	211,547	10,512	102,829	131	8,120	12,175	345,314
Appropriations	604	0	13,488	0	1,623	(15,777)	(62)
Assets reclassified to/from held for sale	(933)	0	0	0	(870)	0	(1,803)
Additions	0	403	1,445	0	0	7,116	8,964
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(662)	0	0	0	105	0	(557)
Revaluation increases/(decreases) recognised in the Provision of Services	(6,166)	0	0	0	(707)	0	(6,873)
Capital expenditure written off	(10,399)	(2)	(167)	0	0	(1)	(10,569)
Derecognition - disposals	(30)	(2,460)	0	0	0	0	(2,490)
Other movements in cost or valuation **	10,399	74	1,782	0	0	6,318	18,573
Cost or Valuation as at 31 March 2015	204,360	8,527	119,377	131	8,271	9,831	350,497

Property, Plant & Equipment Depreciation	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant & Equipment £000
Accumulated Depreciation & Impairment as at 1 April 2014	(12,522)	(7,676)	(18,391)	(7)	(13)	0	(38,609)
Depreciation charge	(5,060)	(493)	(2,549)	(1)	(148)	0	(8,251)
Depreciation written out to the Revaluation Reserve	4,489	0	0	0	0	0	4,489
Depreciation written out to the Surplus/Deficit on the Provision of Services	1,283	0	0	0	0	0	1,283
Appropriations	0	0	0	0	0	0	0
Impairment losses/(reversals) recognised in the Revaluation Reserve	1,847	0	0	0	16	0	1,863
Derecognition - disposals	0	1,928	0	0	0	0	1,928
Accumulated Depreciation & Impairment as at 31 March 2015	(9,963)	(6,241)	(20,940)	(8)	(145)	0	(37,297)

Notes * & **: Amounts included in 'Other movements in cost or valuation' relates to capital expenditure incurred during the year, £7.8 million of which has been added to the asset base and £5.6 million of which has been written off as there has been no increase to the asset value in 2015/2016(*); £8.0 million of which has been added to the asset base and £10.6 million of which has been written off as no increase to the asset value resulted in 2014/2015(**).

28.2 Fair Value Measurement of Surplus 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 2016		
Recurring fair value measurements using:	Surplus Assets £000	Assets Held for Sale £000	Total £000
Significant unobservable inputs (Level 3)	4,879	455	5,334
Fair Value	4,879	455	5,334

Transfers between Levels of the Fair Value Hierarchy

There were no transfers between levels of the 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.

There has been no 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

The Authority employs in house registered valuers who in agreement with the Chief Finance Officer identify the most appropriate valuation techniques to determine fair value, being the Head of Estates and Strategic Asset Management, P.J. Miles BSc. (Hons), MRICS.

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. The Authority's valuation experts work closely with finance officers reporting directly to the Chief Finance Officer on a regular basis regarding all valuation matters.

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

	2015/2016		
Reconciliation of Fair Value Measurements (using Significant Unobservable Inputs) Categorised with Level 3 of the Fair Value Hierarchy	Surplus Assets £000	Assets Held for Sale £000	Total £000
Balance at 1 April:	8,126	224	8,350
Appropriations (to)/from Property, Plant and Equipment Operational Assets	(483)	137	(346)
Appropriations (to)/from Assets Held for Sale	(295)	0	(295)
Appropriations (to)/from Surplus Assets	0	295	295
Total Gains for the period included in Surplus or Deficit on the Provision of Services resulting from changes in the fair value	72	0	72
Total Losses for the period included in Surplus or Deficit on the Provision of Services resulting from changes in the fair value	(1,955)	(151)	(2,106)
Total Gains/(Losses) for the period included in the revaluation reserve resulting from changes in the fair value	(495)	0	(495)
Disposals	0	(50)	(50)
In-Year Depreciation	(91)	0	(91)
Balance at 31 March:	4,879	455	5,334

Reconciliation of Assets measured at Fair Value to the Balance Sheet

The carrying value of a number of assets held for sale is lower than (or equal to) the fair value of those assets. These have therefore been 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. The following table reconciles those assets held at fair value with those carried on the Balance Sheet:

	31 March 2016		
Reconciliation of Assets measured at Fair Value	Surplus Assets £000	Assets Held for Sale £000	Total £000
Assets measured at Fair Value *(note 28.2)*	4,879	455	5,334
Assets measured at carrying amount	0	601	601
Assets carried on Balance Sheet	4,879	1,056	5,935

28.3 Depreciation Methods and Useful Lives

Depreciation calculated on a straight-line basis has been charged on all operational assets, with the exception of assets under construction. 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 made by the Authority's Property Services Manager.

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.

28.4 Capital Commitments

Within the Authority's 2015/2016 capital programme, £3.328m relates to schemes that were contractually committed as at 31 March 2016 (£14.814m contractually committed as at 31 March 2015):

Capital Commitments	Commitment Value 2015/2016 £000	Estimated Timescale for Completion No of Years	Commitment Value 2014/2015 £000	Estimated Timescale for Completion No of Years
21st Century - Abertillery Primary	1,638	0	7,581	2
Remodelling - Civic Centre	241	0	930	1
Abertillery TC Prominent Buildings & Foundry Bridge	238	0	372	1
Ebbw Vale Library Lift Extension	162	1	0	0
Flying Start Projects	161	1	474	1
Sixbells Renewal Area	155	1	0	0
21st Century - Tredegar Comp	134	1	1,365	2
Highways Maintenance Works (Tarmac)	102	1	170	1
Abertillery Multi Storey Car Park	80	1	214	1
Ebbw Vale Town Centre - Mechanical Link	62	1	177	1
Local Government Borrowing Initiative - Trinant Hall	47	1	84	0
Remodelling - Anvil Court	19	1	540	1
Collaborative Change Programme	0	0	651	1
Ebbw Vale Town Centre - Bus & Taxi Rank	0	0	220	1
General Offices	0	0	80	1
Learning Works - Leisure Centre (Willmott Dixon)	0	0	70	0
Other*	289	1	1,886	1
Total	3,328		14,814	

Other: For both financial years, this includes various schemes e.g.* Ebbw Vale Sports Centre demolition, Six Bells group repair scheme, retentions outstanding on various infrastructure projects.

28.5 Revaluations

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

In 2015/2016, the Authority's surplus assets, education assets, leisure pavilions, administrative buildings and social services assets were revalued by the Authority's Head of Estates and Strategic Asset Management, P.J. Miles BSc. (Hons), MRICS.

Valuations were carried out using the bases outlined in the Accounting Policies (page 37), in accordance with the Statements of Asset Valuation Practice and Guidance Notes of the Royal Institute of Chartered Surveyors and resulted in a net decrease in value to the Authority's non-current assets of £40.612million. This net decrease is largely attributable to a reduction in the valuation of schools, which has resulted from a combination of the following factors:

- Land values have fallen due to the ongoing weakness in the economy resulting in a lower overall rate per acre;
- As per CIPFA's recommendations, Building Cost Information Service (BCIS) build costs have been adopted as opposed to actual build costs (which were used when the schools were last revalued). BCIS rates have been generally lower, resulting in an overall lower construction cost; and
- The modern equivalent asset (MEA) calculation for schools is now derived from the Department for Education bulletin "Area guidelines for mainstream schools" (June 2014), using pupil numbers forecast up to 2020 by birth/trend to arrive at a recommended minimum area and site area. This has given a lower number of pupils than previously used in valuation calculations, resulting in the MEA being smaller and therefore lower in value.

All items of property, plant and equipment that are operational and provide service potential to the Authority are measured for their service potential either at Existing Use Value (EUV) or Depreciated replacement Cost (DRC) and not at fair value as previously adopted. These measurement bases are described in the Code as Current Value. Current Value is to be interpreted as the amount that would be paid for the asset in its existing use. This requirement is met by providing a valuation on the basis of EUV in accordance with UKVS 1.3 or by adopting the DRC approach in accordance with UKVS 1.15 and UKGN 2 of the "Red Book".

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 IFRS 13.

All assets subject to revaluation during 2015/2016, along with an asset from each different class of asset, have been assessed for material components. The revaluations of those components, where considered to be material are included in the figures below.

The following statement shows the total gross value of assets re-valued during each relevant financial year using historical cost and current valuation methods. This provides an indication of the progress of the Authority's 5-year rolling programme for the revaluation of fixed assets.

Non-Current Asset Valuations	31 March 2016 £000	31 March 2015 £000	31 March 2014 £000	31 March 2013 £000	31 March 2012 £000	Total £000
Current Value:						
Heritage Assets	0	0	0	0	413	413
Other Land & Buildings	108,642	129,062	84,125	55,846	24,118	401,793
Community Assets	32	0	3	0	0	35
	108,674	129,062	84,128	55,846	24,531	402,241
Historic Cost:						
Vehicles Plant & Equipment	80	0	622	513	142	1,357
	80	0	622	513	142	1,357
Total cost or valuation:	108,754	129,062	84,750	56,359	24,673	403,598

28.6 Capital Expenditure and Financing

Of the £30.156m capital investment made in 2015/2016, £17.960m was financed in-year through the application of capital receipts, government grants and contributions from revenue. The remaining £12.196m capital financing requirement has been funded through borrowing, as indicated below:

Capital Expenditure & Financing		2015/2016		2014/2015	
		£000	£000	£000	£000
Capital Investment:	Property, Plant & Equipment	22,282		29,272	
	Capitalisation Direction	16		303	
	REFCUS	7,858		4,684	
			30,156		34,259
Sources of Finance:					
Revenue Provision		(630)		(701)	
Capital expenditure charged to the Council Fund		0		0	
Capital Receipts		(1,958)		(1,932)	
Government Grants & Other Contributions		(15,372)		(19,951)	
			(17,960)		(22,584)
Increase in capital financing requirement:			12,196		11,675
Explanation of in-year movements:					
Borrowing Supported by Government Financial Assistance			2,022		2,062
Borrowing Unsupported by Government Financial Assistance			10,174		9,613
Total borrowing:			12,196		11,675

29. Heritage Assets

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

Heritage Assets (On Balance Sheet)	Estimated Cost/Valuation £000	Description
The Guardian, Six Bells	259	'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.
Ebbw Vale War Memorial	154	Unveiled September 24th 1924 by Sir Frederick Mills. Listed as an unusually elaborate war memorial, in a prominent setting.

These monuments have been valued on an insurance replacement cost basis and are not depreciated as their useful life is deemed to be indefinite. There were no movements in the carrying amounts of these assets during 2015/2016 or 2014/2015.

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
Marine Colliery Pumping Engine	A steam pumping engine built by Hathorn Davey of Leeds in 1893 and formerly used at Marine Colliery. Regarded as of national importance as a rare colliery pumping engine surviving intact from the late 19th century. There is no cost or valuation information available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Sirhowy Ironworks	The impressive remains at Sirhowy Ironworks is the only 18th century ironworking complex still visible in the County Borough. There is no cost or valuation information available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Aneurin Bevan Stones	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. There is no cost or valuation information available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
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. There is no cost or valuation information available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
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. There is no cost or valuation information available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Sirhowy Ironworks 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. There is no cost or valuation information available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Civic Regalia	Comprising the Mayoral Chain, Mayoress Chain and Civic Mace. The Authority has an insurance valuation for this asset, which is lower than the £50,000 deminimus threshold for adding assets to the balance sheet.

A number of other assets, including the Ebbw Vale Works General Offices, 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.

30. Leases

30.1 Authority as Lessee - Finance Leases

The Council has acquired a number of material assets under finance leases. The assets acquired under these leases are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts:

Lessee: Finance Lease Acquisitions	31 March 2016 £000	31 March 2015 £000
Other Land & Buildings	0	0
Vehicles, Plant & Equipment	472	1,023
Total	472	1,023

The Authority is committed to making minimum payments under these leases comprising settlement of the non-current liability for the asset acquired by the Authority and finance costs that will be payable by the Authority in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

Finance Lease Minimum Payments	31 March 2016 £000	31 March 2015 £000
Finance lease liability	614	778
Finance costs payable in future years	34	46
Minimum lease payments	648	824

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

	31 March 2016		31 March 2015	
Minimum Lease Payments	Minimum Lease Payments £000	Finance Lease Liabilities £000	Minimum Lease Payments £000	Finance Lease Liabilities £000
Not later than one year	243	229	243	227
Later than 1 year and not later than 5 years	405	385	501	474
Later than 5 years	0	0	80	76
Total	648	614	824	777

30.2 Authority as Lessee - Operating Leases

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

Operating Lease Minimum Payments	31 March 2016		31 March 2015	
	Vehicles, plant & equipment £000	Other land & buildings £000	Vehicles, plant & equipment £000	Other land & buildings £000
Not later than one year	191	257	166	257
Later than 1 year and not later than 5 years	98	950	130	989
Later than 5 years	0	1,951	0	2,169
Total Minimum Lease Payments	289	3,158	296	3,415

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

Operating Leases	2015/2016		2014/2015	
	Vehicles, plant & equipment £000	Other land & buildings £000	Vehicles, plant & equipment £000	Other land & buildings £000
Minimum lease payments	246	257	259	257
Total	246	257	259	257

30.3 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.
- On 1 October 2014, the Authority entered into a 6 year lease arrangement for sports equipment with Aneurin Leisure Trust.

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

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

	31 March 2016		31 March 2015	
Finance Lease Debtor	Vehicles, plant & equipment £000	Other land & buildings £000	Vehicles, plant & equipment £000	Other land & buildings £000
Current	73	51	72	49
Non Current	230	4,255	303	4,306
Unearned Finance Income	0	0	0	0
Unguaranteed Residual Value of Property	0	(566)	0	(566)
Total	303	3,740	375	3,789

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

	Gross Investment in Lease			
	31 March 2016		31 March 2015	
Finance Leases - Lessor	Vehicles, plant & equipment £000	Other land & buildings £000	Vehicles, plant & equipment £000	Other land & buildings £000
Not later than one year	73	52	72	49
Later than 1 year and not later than 5 years	230	231	303	220
Later than 5 years	0	3,457	0	3,520
Total	303	3,740	375	3,789

Finance Leases - Lessor	Minimum Lease Payments			
	31 March 2016		31 March 2015	
	Vehicles, plant & equipment £000	Other land & buildings £000	Vehicles, plant & equipment £000	Other land & buildings £000
Not later than one year	80	269	80	269
Later than 1 year and not later than 5 years	241	1,074	321	1,074
Later than 5 years	0	8,149	0	8,418
Total	321	9,492	401	9,761

30.4 Authority as Lessor - Operating Leases

The Authority leases out land and buildings under operating leases. From 2014/2015, these include a number of lease arrangements with Aneurin Leisure Trust in relation to plant and equipment.

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

Operating Lease Minimum Payments Receivable	31 March 2016		31 March 2015	
	Vehicles, plant & equipment £000	Other land & buildings £000	Vehicles, plant & equipment £000	Other land & buildings £000
Not later than one year	11	521	13	575
Later than 1 year and not later than 5 years	0	1,875	11	2,011
Later than 5 years	0	942	0	1,038
Total Minimum Lease Payments Receivable	11	3,338	24	3,624

31. Non-Current Investments

Non-current investments consist of the Authority's 100% shareholding in Silent Valley Waste Services Ltd.

31.1 Summary of Non-Current Investments in Balance Sheet

Non-Current Investments	31 March 2016 £000	31 March 2015 £000
Silent Valley Waste Services Ltd.	250	250
Total Non-Current Investments	250	250

31.2 Silent Valley Waste Services Ltd. (SVWS)

The Authority is the owner of the Local Authority waste disposal company - Silent Valley Waste Services Ltd.. The Authority is the sole shareholder, providing £250,000 share capital of 1,000 ordinary shares and 249,000 redeemable shares of £1 each. The latter are redeemable at the sole option of the Authority. The company was established in 1994 in accordance with Part V of the Local Government and Housing Act 1989.

In 2011 the Environment Agency (Wales) issued a closure notice for the landfill site at Cwm, Ebbw Vale. On 22 August 2011, the site stopped accepting waste to landfill. Silent Valley Waste Service Ltd. continues to manage the Waste Transfer Station and the associated bulking and transportation of the Authority's waste at this facility, the Authority's Civic Amenity Site and the operations at the Leachate Lagoon.

At 31 March 2016, the company had three registered directors, two of whom (the Chief Finance Officer and the Corporate Director of Environment and Regeneration) are senior employees of Blaenau Gwent CBC (the Chief Executive resigned on 29 February 2016 and the Corporate Director of Environment and Regeneration was appointed on 1 March 2016). One of the stated purposes of a board restructure in 2012 was for the Authority to take control of activities at Silent Valley Waste Services, and consequently the Authority is required to prepare Group Accounting statements. These have been included on pages 141-166, based on the company's final accounts which were approved by the Silent Valley Board on 24 June 2016.

The Company's Accounts and further information can be obtained from:

D. Waggett, Beechwood House, Cwm, Ebbw Vale, Gwent NP23 6PZ

32. Non-Current Debtors

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

Non-Current Debtors	2015/2016 £000	2014/2015 £000
Lease Debtors	4,254	4,609
Newport City Council Managed Debt	79	105
Properties in Possession	3	3
Retiring Nature - Payment in Advance	747	0
Leisure Trust Leases	230	0
Sale of Council Houses Advances	0	3
Total Non-Current Debtors	5,313	4,720

33. Consolidation of Schools in Single Entity 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 IFRS 10 *Consolidated Financial Statements*, the balance of control lies with local authorities. Consequently, schools should be included in the 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 accounting statements where required. The non-current assets of community and foundation schools are included on the Balance Sheet, the value of which are detailed below, but non-current assets relating to voluntary aided or controlled schools are not recognised in the Authority's Accounts as these are owned by the respective Diocese and are used by the Authority under licence. The Authority has the following types of maintained schools under its control:

	2015/2016				2014/2015			
Analysis of School by Type	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total
Primary Schools	19	4	0	23	20	4	0	24
Middle Schools	1	0	0	1	1	0	0	1
Secondary Schools	2	0	1	3	2	0	1	3
Special Schools	1	0	0	1	1	0	0	1
Total	23	4	1	28	24	4	1	29

Blaentillery Primary School was closed on 31 August 2015 with school provision being merged with Abertillery Primary School. Consequently, the number of Primary Community Schools disclosed has decreased by one in comparison to 2014/2015.

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. The value of school assets included in the Balance Sheet is as follows:

	2015/2016				2014/2015			
Value of School Assets	Community Schools £000	Voluntary Controlled & Aided Schools £000	Foundation Schools £000	Total £000	Community Schools £000	Voluntary Controlled & Aided Schools £000	Foundation Schools £000	Total £000
Land & Buildings	72,970	0	3,827	76,797	111,110	0	3,903	115,013

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 arangements 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.

The valuation of school non-current assets reduced by £38.216m during 2015/2016. A number of factors contributed to the downwards revaluation of schools, including:

- Reductions in land values due to economic conditions;
- The adoption of Building Cost Information Service (BCIS) build costs opposed to actual build costs, which generally have resulted in overall lower construction cost valuations; and
- The use of pupil numbers forecast up to 2020 by birth/trend to arrive at a recommended minimum area and site area for each school.

Further details of the revaluation of non-current assets can be found in note 28.5 on page 84.

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

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

	2015/2016				2014/2015			
School Balances - In-Year (Surplus)/Deficit	Community Schools £000	Voluntary Controlled & Aided Schools £000	Foundation Schools £000	Total £000	Community Schools £000	Voluntary Controlled & Aided Schools £000	Foundation Schools £000	Total £000
Primary Schools	137	39	0	176	42	(48)	0	(6)
Middle Schools	97	0	0	97	72	0	0	72
Secondary Schools	85	0	91	176	(309)	0	(43)	(352)
Special Schools	34	0	0	34	163	0	0	163
Total In-Year (Surplus)/Deficit	353	39	91	483	(32)	(48)	(43)	(123)

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

	2015/2016				2014/2015			
School Balances	Community Schools £000	Voluntary Controlled & Aided Schools £000	Foundation Schools £000	Total £000	Community Schools £000	Voluntary Controlled & Aided Schools £000	Foundation Schools £000	Total £000
Primary Schools	(797)	(145)	0	(942)	(934)	(184)	0	(1,118)
Middle Schools	(51)	0	0	(51)	(148)	0	0	(148)
Secondary Schools	(39)	0	(33)	(72)	(124)	0	(124)	(248)
Special Schools	(104)	0	0	(104)	(138)	0	0	(138)
Total	(991)	(145)	(33)	(1,169)	(1,344)	(184)	(124)	(1,652)

34. Assets Held for Sale

Assets Held for Sale are items of property, plant or equipment or a group of assets and liabilities whose carrying amount is to be recovered principally through a sale rather than its continued use by the Authority. The asset must be available for immediate sale in its present condition, the sale must be highly probable, the asset must be actively marketed for a sale at a price that is reasonable in relation to its current fair value, and the sale should be expected to qualify for recognition as a completed sale within one year of the date of classification.

Transactions relating to these assets were as follows:

Assets Held for Sale	2015/2016 Current £000	2014/2015 Current £000
Balance Outstanding at Start of Year	765	0
Assets newly classified as held for sale:		
Property, Plant & Equipment	438	933
Property, Plant & Equipment Surplus	295	870
Additions	0	0
Revaluation Losses	(178)	(162)
Revaluation Gains	27	0
Assets declassified as held for sale:		
Property, Plant & Equipment	0	0
Assets Sold:	(291)	(876)
Balance Outstanding at Year-end	1,056	765

In 2015/2016, the Comprehensive Income and Expenditure Statement net gain on disposal of assets included £0.325m of asset valuations written off on disposal together with associated capital receipts of £0.379m, giving a loss on disposal of assets held for sale of £0.054m. (In 2014/2015, the Comprehensive Income and Expenditure Statement net gain on disposal of assets included £1.548m of asset valuations written off on disposal together with associated capital receipts of £0.762m, giving a gain on disposal of assets held for sale of £0.786m).

35. Inventories

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

Inventories	General & Other Stores £000	Transport Stores £000	Catering & Cleaning Stocks £000	Total £000
Balance at 1 April 2014	1,248	445	106	1,799
Purchases	1,495	457	859	2,811
Recognised as an expense in the year	(1,977)	(492)	(889)	(3,358)
Written off balances	(9)	0	0	(9)
Transfers	189	(189)	0	0
Balance at 31 March 2015	946	221	76	1,243
Purchases	598	479	95	1,172
Recognised as an expense in the year	(730)	(449)	(117)	(1,296)
Written off balances	0	0	0	0
Transfers	0	0	0	0
Balance at 31 March 2016	814	251	54	1,119

'General & Other Stores' comprises stock held by the central stores function in addition to stock held across the Authority for specific purposes, including street lighting and theatres.

36. Current Debtors

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

Current Debtors	31 March 2016 £000	31 March 2015 £000
Welsh Government	8,696	10,841
Central Government Other	986	4,347
Local Authorities	2,875	1,337
NHS	524	113
Council Tax	2,257	2,024
Other Entities and Individuals	6,153	8,118
Total Current Debtors:	21,491	26,780

Outstanding current debtor balances can also be analysed as follows:

Current Debtors	31 March 2016 £000	31 March 2015 (Restated) £000
Prepayments	567	1,549
Related Parties	9,686	15,189
Trade Customers	559	1,223
Other Current Debtors	10,679	8,819
Total Current Debtors:	21,491	26,780

Where possible, current debtor balances have been reduced to eliminate sums that have not been written off but are deemed to be irrecoverable. Impairment allowance accounts have been established for the following debtors, to provide for the calculated amount of bad or doubtful debts.

Impairment of Current Debtors	31 March 2016			31 March 2015		
	Debtor £000	Impairment £000	Net £000	Debtor £000	Impairment £000	Net £000
Land & Property Charges	664	(545)	119	1,372	(1,234)	138
Council Tax	4,107	(1,850)	2,257	3,915	(1,891)	2,024
Sundry Debtors	2,305	(561)	1,744	2,497	(415)	2,082
Dangerous Structures	163	(163)	0	163	(163)	0
Housing Benefits	317	(94)	223	258	(50)	208
Total	7,556	(3,213)	4,343	8,205	(3,753)	4,452

37. Current Creditors

Amounts owed by the Authority were as follows:

Current Creditors	31 March 2016 £000	31 March 2015 £000
Welsh Government	(959)	(3,452)
Other Central Government	(2,302)	(2,308)
Local Authorities	(703)	(1,228)
NHS	(92)	(120)
Capital Creditors	(1,031)	(1,795)
Council Tax Payers Credits	(729)	(696)
Other Entities and Individuals	(6,905)	(7,527)
Total Current Creditors:	(12,721)	(17,126)

Outstanding current creditor balances can also be analysed as follows:

Current Creditors	31 March 2016 £000	31 March 2015 (Restated) £000
Receipts in Advance	(1,205)	(4,918)
Related Parties	(2,589)	(1,430)
Trade Customers	(843)	(573)
Other Current Creditors	(8,084)	(10,205)
Total	(12,721)	(17,126)

38. Provisions, Contingent Liabilities and Contingent Assets

38.1 Provisions - Purpose

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' or 'Other', are as follows:

Employee-Related Provisions:

Provision	Purpose	Timescale for Utilisation	Uncertainties, Assumptions and Potential Reimbursement
Back Pay	To provide for outstanding amounts estimated in relation to back pay claims and associated tax and pension liabilities.	Inherently uncertain; from 2016/2017.	The sum included in the provision for back pay represents a reasonable estimate of the possible financial impact of the liability arising from these claims. There are diverging legal views and uncertainty regarding the need to recognise a provision in respect of pension contributions on equal pay settlements. The Authority has decided to include pension contributions, but future legal opinion may change this position.
Early Terminations	To provide for known sums in relation to early terminations where these had been approved prior to the end of the financial year.	Redundancy payments expected to be settled in 2016/2017.	The provision for early terminations comprises the known value of redundancy payments occurring after 31 March 2016 for which a legal or constructive obligation existed at that date. This obligation may have been through approval of the individual redundancies or through a decision that has a material impact on the structure or functions of the Authority. It is assumed that all employees included within the provision will have left during the next financial year.
Employment Tribunal	To pay amounts agreed by employment tribunal.	Utilised in 2014/2015.	No uncertainties, assumptions or reimbursement relating to this provision.
Short Term Compensated Absences	To provide for known liabilities arising from the costs of accruing staff leave, flexi-time and lieu time balances at the end of the financial year.	To be utilised in 2016/2017.	In some cases the accrual is based on estimates of annual leave/ flexi leave entitlements. It has been assumed that entitlement data provided is accurate and up to date.

Other Provisions:

Provision	Purpose	Timescale for Utilisation	Uncertainties, Assumptions and Potential Reimbursement
Carbon Reduction Commitment	To provide for purchase of allowances arising from in year production of carbon emissions.	To be utilised in 2016/2017.	Provision is based on relevant utility readings for 2015/2016, some of which have been estimated.
EV Sports Centre Flood Damage	To provide for repairs to Ebbw Vale Sports Centre arising from flooding event on 6 February 2016.	To be utilised in 2016/2017.	Reimbursement of costs incurred is subject to assessment by the Authority's insurers. It is currently estimated that reimbursement will be approximately £0.354m.
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 2016/2017 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 all known claims fall below the Authority's excess level(s) there is not expected to be any 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 £0.017m in the Insurance Provision, set at 25% of total outstanding claims. In addition, £0.044m has been included in respect of MMI claims for the former Gwent County Council.
Monwel Ltd. Liquidation	To provide for specific pension costs relating to Monwel Ltd. following closure of the social enterprise in July 2015.	To be utilised when pension costs arise.	It has been assumed that the Authority will receive no compensation for outstanding liabilities. However, there is a possibility that full or partial reimbursement may be received on realisation of net assets.
Part 1 Land Compensation Claims	To provide for claims under Part 1 of the Land Compensation Act 1973 in relation to depreciation of the value of an interest in land by physical factors caused by the use of public works.	There is uncertainty with regards to the timescale for agreement.	The sum provided is an estimate based on total proposed settlements, but is subject to change. Additional claims could become payable in respect of a number of other public works in the County Borough. It is assumed that all settlements will be as offered and no reimbursements will be expected.
Reservoir Act	To provide for known costs of studies, investigations and remedial works arising from EA/NRW enforcement notices.	Completion of works in 2016.	This provision is for the estimated contract cost for works involved. The Authority is pursuing appropriate cost reimbursement from the owners.
Valuation of Contracts	Resolution of disputed final account contract valuations for land reclamation works undertaken on The Works site.	Settlement in 2014.	There are no uncertainties, assumptions or reimbursements relating to this provision.

38.2 Provisions - Movements

Movements in employee-related and other provisions during 2015/2016 were as follows:

Provision Movements	Balance at 1 April 2014 £000	Net Movements 2014/2015 £000	Balance at 1 April 2015 £000	Additional Provisions made in 2015/2016 £000	Amounts Used in 2015/2016 £000	Unused Amounts Reversed in 2015/2016 £000	Unwinding of Discount in 2015/2016 £000	Balance at 31 March 2016 £000
Current Provisions								
Employee Provisions:								
Back Pay	(146)	0	(146)	0	0	0	0	(146)
Early Terminations	(1,385)	416	(969)	(530)	595	374	0	(530)
Employment Tribunal	(8)	8	0	0	0	0	0	0
Short Term Compensated Absences	(2,068)	256	(1,812)	(1,441)	1,812	0	0	(1,441)
Other Provisions:								
Carbon Reduction Commitment	(167)	(11)	(178)	(274)	222	0	0	(230)
Ebbw Vale Sports Centre Flood Damage	0	0	0	(406)	0	0	0	(406)
Insurance	(520)	(9)	(529)	(585)	219	0	0	(895)
Monwel Liquidation	0	(231)	(231)	0	129	30	0	(72)
Part 1 Land Compensation Claims	(754)	273	(481)	0	75	0	0	(406)
Reservoir Act	(750)	637	(113)	(92)	190	0	0	(15)
Valuation of Contracts	(5,708)	5,708	0	0	0	0	0	0
	(11,506)	7,047	(4,459)	(3,328)	3,242	404	0	(4,141)
Non-Current Provisions								
Insurance	(477)	90	(387)	(860)	578	0	0	(669)
	(477)	90	(387)	(860)	578	0	0	(669)
Total Provisions:	(11,983)	7,137	(4,846)	(4,188)	3,820	404	0	(4,810)

38.3 Contingent Liabilities

- Under the terms of the Municipal Mutual Insurance Scheme of Arrangement, the Authority is responsible for the payment of a percentage towards future claims, potentially for many years due to the inherent long-tail nature of the insured risks.
- As part of the legal agreements associated with the transfer of the Authority's Housing Stock to Tai Calon, a number of warranties and indemnities have been provided for a period of 32 years from the transfer date (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, providing aggregate cover of £30m. 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.
- 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. While it is not yet 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, a provision has been included for those claims where offers have been made.
- The Authority agreed to act as guarantor to enable Monwel Ltd. to enter the Greater Gwent (Torfaen) Pension Fund as an admitted body. On transfer to a social enterprise, the Actuary estimated liabilities relating to Monwel Ltd. to be £0.110m. Further to the closure of Monwel Ltd. in July 2015, this has been retained on a contingent basis since at this time there continues to be uncertainty regarding the amount & timing of pension liabilities.
- 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.
- In the Waste (Wales) Measure 2010, Welsh Government set a target of recycling 58% of municipal waste for the 2015/2016 financial year. The Measure also provides for financial penalties to be imposed should a recycling target not be met by any body to which the requirement applies. Provisional information for the year to 31 March 2016 indicated that the recycling rate for Blaenau Gwent CBC had fallen by 1% to 49%. As a result, it is possible that financial penalties will be imposed, although Welsh Government have indicated this will not be determined until final data is available in October 2016.
- The Authority is currently undertaking legal action to reclaim land which, if successful, will result in costs associated with the reinstatement of this land in compliance with notices issued by Natural Resources Wales. At this stage it is not possible to determine with certainty the outcome of the legal action or the level of the potential costs.
- Recent court judgements involving other Local Authorities have indicated that there is a possible liability relating to commission received on the collection of water rates. The Authority is presently reviewing the relevant contract documentation to determine the existence and extent of any financial liability.

39. Non-Current Liabilities

The Authority holds the following balances as non-current liabilities.

Non Current Liabilities	2015/2016 £000	2014/2015 £000
Deferred Liabilities	(583)	(746)
Receipts in Advance	(11)	0
Net Pensions Liability	(243,578)	(223,251)
Total Non Current Liabilities	(244,172)	(223,997)

40. 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

Fair values calculated are as follows:

		31 March 2016		31 March 2015	
Financial Assets	Fair Value Level	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Temporary Investments - Cash Deposits	n/a	0	0	0	0
Temporary Investments - Fixed Term Deposits	n/a	0	0	0	0
War Bonds	n/a	4	4	4	4
Total		4	4	4	4

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

		31 March 2016		31 March 2015	
Financial Liabilities	Fair Value Level	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
PWLB loans	2	(75,698)	(94,298)	(77,918)	(95,036)
LOBO loan	2	(4,045)	(6,131)	(4,046)	(5,261)
Market	2	(44,400)	(45,879)	(39,900)	(40,345)
Other Loans	n/a	(2,318)	(2,318)	(1,297)	(1,297)
Temporary Loans	n/a	(21,070)	(21,070)	(13,070)	(13,070)
Total		(147,531)	(169,696)	(136,231)	(155,009)

The fair value is more than the carrying amount because the Authority's portfolio of loans includes a number of fixed rate loans, namely PWLB annuity and Lender's Option Borrower's Option (LOBO), where the interest rate payable is higher than the rates available for similar loans at the Balance Sheet date. The commitment to pay interest above current market rates increases 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, including payables (creditors), 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 Instrument Balances	31 March 2016		31 March 2015	
	Non-Current £000	Current £000	Non-Current £000	Current £000
Financial Liabilities				
Financial liabilities at amortised cost	(110,124)	(37,407)	(114,738)	(21,493)
Total Borrowings	(110,124)	(37,407)	(114,738)	(21,493)
Financial Assets				
Loans & receivables	0	4	0	4
Available for Sale - Unquoted equity investment at cost	250	0	250	0
Total Investments	250	4	250	4

Note: Silent Valley Waste Services Ltd.:

Where a reliable fair value cannot be established for an unquoted equity instrument then the investment should be measured at cost. In order to calculate a fair value for the investment in Silent Valley Waste Services, all future dividends receivable would need to be discounted to the value as at the Balance Sheet date. The time period for which such dividends would be receivable is undeterminable and therefore the asset has been measured at cost.

Financial Instrument Gains/Losses

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

Financial Instrument Gains/Losses	Financial Liabilities measured at amortised cost £000	Financial Assets: Loans & Receivables £000	Total 2015/2016 £000	Financial Liabilities measured at amortised cost £000	Financial Assets: Loans & Receivables £000	Total 2014/2015 £000
Interest payable and similar charges:						
Interest expense	4,320	0	4,320	4,140	0	4,140
Interest and investment income:						
Interest income	0	(26)	(26)	0	(31)	(31)
Net gain/(loss) for the year:	4,320	(26)	4,294	4,140	(31)	4,109

Soft Loans

Car loans are classified as soft loans and should be included in the Balance Sheet at fair value. Car loans have been included in the Balance Sheet at their carrying amount, as the difference between the fair value and carrying amount is considered to be immaterial. As at 31 March 2016, 150 car loans were outstanding with a total value of £0.753m (31 March 2015: 204 loans with a value of £0.784m).

41. 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

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, as is a mid-year update.

The annual Treasury Management Strategy which incorporates the Prudential Indicators was approved by Council on 25 March 2015 and is 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 key areas of the Investment Strategy are that the minimum criteria for investment counterparties include:

- Credit ratings of Short Term F1+, Long Term A+ (Fitch or equivalent rating), with the lowest available rating being applied to the criteria;
- The Authority's Corporate Bank;
- Debt Management Office;
- Other local authorities.

The full Investment Strategy for 2015/2016 was approved by Council on 25 March 2015 and is available on the Authority's website.

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 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 2016		31 March 2015	
	£000	%	£000	%
Source of Loan				
Public Works Loan Board	(76,438)	51.57	(78,698)	57.46
Lenders Option Borrowers Option (LOBO)	(4,000)	2.70	(4,000)	2.92
Market Loans	(44,400)	29.95	(39,900)	29.13
Temporary Loans	(21,070)	14.22	(13,070)	9.54
Other Loans	(2,318)	1.56	(1,297)	0.95
Total:	(148,226)	100.00	(136,965)	100.00

The maturity analysis of financial liabilities is as follows:

Maturity of Loan	31 March 2016		31 March 2015	
	£000	%	£000	%
Maturing in less than 1 year	(37,407)	25.24	(21,493)	15.69
Maturing in 1-2 years	(16,429)	11.08	(16,337)	11.93
Maturing in 2-5 years	(25,161)	16.97	(28,310)	20.67
Maturing in 5-10 years	(14,331)	9.67	(15,234)	11.12
Maturing in more than 10 years	(54,898)	37.04	(55,591)	40.59
Total:	(148,226)	100.00	(136,965)	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, that 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, 95% is currently at fixed rates; only the LOBO is considered to be variable, although the chances of repayment being demanded are relatively small. The effect of a 1% increase in interest rates would therefore only affect the interest receivable and payable on its current investments and borrowings, and on the LOBO.

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

Interest Rate Risk	2015/2016 £000	2014/2015 £000
Increase in interest payable on current variable rate borrowings	104	200
Increase in interest receivable on current variable rate investments	(17)	(59)
Increase in interest payable on non-current variable rate borrowings	40	40
Net impact upon Comprehensive Income & Expenditure Statement:	127	181

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 but does have a 100% shareholding to the value of £250,000 in Silent Valley Waste Services Ltd.. As the shareholding is unquoted the Authority is not exposed to losses arising from movements in the prices in the shares. The £250,000 shares are 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.

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

The Teachers' Pension Scheme is an unfunded scheme, in which pension benefit payments from the scheme are funded by current employee and employer contributions. The difference between these contributions and scheme expenditure are financed by the Exchequer. As an indication of the scale of the fund and the sums involved, for 2015/2016, the net cash requirement was £3.550bn and total net scheme liabilities amounted to £271.9bn.

Employer contributions are set by the Secretary of State, on the advice of the fund actuary. Following the recommendations of Lord Hutton on public sector pensions, a valuation as at 31 March 2012 has been undertaken by the Government Actuary's Department in line with the revised valuation directions determined by Her Majesty's Treasury. As a result of this valuation, the standard contribution rate (SCR) was assessed at 20.4% and the supplementary contribution rate (which funds the accumulated shortfall of liabilities within a period of up to 15 years) was set at 5.6% (a total contribution rate of 26.0%). Consequently, the employers rate has been increased from 14.1% of employees pensionable pay to 16.4%, effective from 1 September 2015, with employees contributing an average 9.6%. The next actuarial valuation is for the period ending 31 March 2016, with future valuations to be undertaken on a four-yearly basis.

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.

The Authority is not required to include entries in its Balance Sheet relating to assets and liabilities for the Teachers' Pensions Scheme, as the liability for payment of these pensions rests ultimately with the Department for Education.

Teachers employed by the Authority are members of the Teachers' Pension Scheme (a defined benefit scheme) administered by Capita Teachers' Pensions. The Authority contributes towards the costs of retirement benefits by making contributions based on a percentage of employees' pensionable salaries.

The TPS is a multi-employer scheme comprising 7,722 contributing employers that administers over 1.2 million active/deferred members and makes payments to 695,044 pensioners. Given the complexities involved in administering pension arrangements for this volume of employees, it is not possible to disaggregate the scheme liabilities for each employer. Consequently, there is insufficient information available to account for the TPS as a defined benefit plan and as a result it has been accounted for as a defined contribution scheme.

In 2015/2016, the Authority paid employers contributions of £2.977 million to Capita Teachers' Pensions in respect of teachers' pension costs, representing 15.5% of teachers' pensionable pay (2014/2015: £2.730 million, representing 14.1%). At 31 March 2016, £0.262 million remained payable to the Teachers' Pension Scheme relating to contributions arising in the March payroll (31 March 2015: £0.230m).

The total employers contributions to be made by the Authority to the Teachers' Pension Scheme in the year to 31 March 2017 is estimated at £3.201m.

The Authority made total contributions (employees and employers) to the TPS amounting to £4.820m in 2015/2016, which represented approximately 0.08% of the total contributions receivable by the TPS.

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 43.

Further details of the Teachers' Pension Scheme for 2015/2016 can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/538459/TPS_Annual_report_and_Accounts_2015-16_-_web_ready.pdf

43. 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 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 42).

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 2013, with a review to 31 March 2016 currently in progress.

Pension benefits under the LGPS are summarised below:

	Service pre 1 April 2008	Service between 1 April 2008 and 31 March 2014	Service after 31 March 2014
Pension	Each year worked is worth 1/80th of final pensionable salary.	Each year worked is worth 1/60th of final pensionable salary.	Each year worked is worth 1/49th of career average revalued earnings.
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.	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.	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 Superannuation Act 1972 and administered in accordance with the following secondary legislation:-

- the LGPS (Benefits, Membership and Contributions) Regulations 2007 (as amended);
- the LGPS (Administration) Regulations 2008 (as amended); and
- the LGPS (Management and Investment of Funds) Regulations 2009.

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. The Council has also established a Pension Fund Management Group to provide wider stakeholder representation and communication in matters relating to the Fund. As required by the Public Services Pension Act 2013, a Pension Fund Board has being 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.

To meet the requirements of the Regulations the Administering Authority's long term funding objective is for the Fund to achieve and then maintain sufficient assets to cover 100% of projected accrued liabilities (the" funding target") assessed on an ongoing basis including allowance for projected final pay. The funding objective as set out in the FSS (Funding Strategy Statement) is to achieve and maintain a funding level of 100% of liabilities (the Funding Target). In line with the FSS, where a shortfall exists at the effective date of the actuarial valuation (31 March 2013), a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall. The maximum deficit recovery period has been set as 25 years.

The 2013 Actuarial Valuation reported the level of total fund assets compared to liabilities (the funding level) as 71% (2010 Valuation: 74%), although this had improved to 76% by 30 September 2013. As a result, employer contribution levels have been calculated for implementation from 1 April 2014 that will, subject to future revaluations, eliminate this deficit by 2039. 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.

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 11.6% of the total contribution receivable by the Fund in 2015/2016 (2014/2015: 12.3%).

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 Assistant Chief Executive (Resources), Torfaen County Borough Council, Civic Centre, Pontypool, NP4 6YB, or from the Greater Gwent Pensions Fund website:

https://www.gwentpensionfund.co.uk

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 5 years 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 regulations) 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 and the Movement in Reserves Statement during the year:

Pension Scheme Transactions	2015/2016 Local Government Pension Scheme £000	2015/2016 Teachers' Unfunded Discretionary Pensions £000	2015/2016 Total £000	2014/2015 Local Government Pension Scheme £000	2014/2015 Teachers' Unfunded Discretionary Pensions £000	2014/2015 Total £000
Comprehensive Income & Expenditure Statement:						
Cost of Services:						
Current Service Costs	9,544	0	9,544	7,819	0	7,819
Past Service Costs and Curtailments	761	0	761	1,291	276	1,567
Settlements	0	0	0	(2,709)	0	(2,709)
Administration Expenses	164	0	164	168	0	168
Total Service Cost:	10,469	0	10,469	6,569	276	6,845
Financing and Investment Income and Expenditure:						
Interest on plan assets	(9,538)	0	(9,538)	(12,053)	0	(12,053)
Interest on defined benefit liabilities	15,866	991	16,857	18,031	1,275	19,306
Net Interest:	6,328	991	7,319	5,978	1,275	7,253
Total Charged to the Surplus/Deficit on Provision of Services:	16,797	991	17,788	12,547	1,551	14,098
Remeasurement of the Net Defined Liability, comprising:						
Return on plan assets (excluding amounts included in Net Interest)	17,426	0	17,426	(19,275)	0	(19,275)
Actuarial Gains/(Losses) arising from changes in demographic assumptions	0	0	0	0	0	0
Actuarial Gains/(Losses) arising from changes in financial assumptions	141	11	152	67,065	2,644	69,709
Experience Gains/(Losses) on defined benefit liabilities	(5,684)	3,302	(2,382)	0	0	0
Total remeasurements recognised in Other Comprehensive Income & Expenditure	11,883	3,313	15,196	47,790	2,644	50,434
Total Charged to the Comprehensive Income & Expenditure Statement:	28,680	4,304	32,984	60,337	4,195	64,532
Movement in Reserves Statement:						
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(16,797)	(991)	(17,788)	(12,547)	(1,551)	(14,098)
Actual Amount Charged Against Council Tax for Pensions in year:						
Employers' Contributions Payable to Scheme	10,762	0	10,762	10,740	0	10,740
Retirement Benefits Payable to Pensioners	0	1,868	1,868	0	1,871	1,871

At 31 March 2016, £0.984m remained payable to the LGPS relating to contributions arising in the March payroll (31 March 2015: £0.999m). This amount has been excluded from the Pensions Asset in the Balance Sheet.

Assets and Liabilities in Relation to Post-Employment Benefits

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

	2015/2016			2014/2015		
Reconciliation of the Movements in Fair Value of Scheme Assets	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000
Balance at 1 April:	289,892	0	289,892	272,675	0	272,675
Interest on Plan Assets	9,538	0	9,538	12,053	0	12,053
Administration Expenses	(164)	0	(164)	(168)	0	(168)
Employer Contributions	10,789	1,868	12,657	11,087	1,871	12,958
Member Contributions	2,625	0	2,625	2,663	0	2,663
Settlements	0	0	0	(11,600)	0	(11,600)
Benefits Paid	(15,436)	(1,868)	(17,304)	(16,093)	(1,871)	(17,964)
Remeasurement Gains/(Losses):						
Return on Plan Assets (excluding amounts included in Interest)	(17,426)	0	(17,426)	19,275	0	19,275
Balance at 31 March:	279,818	0	279,818	289,892	0	289,892

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

Reconciliation of the Movements in Present Value of Scheme Liabilities	2015/2016 Local Government Pension Scheme £000	2015/2016 Teachers' Unfunded Discretionary Pensions £000	2015/2016 Total £000	2014/2015 Local Government Pension Scheme £000	2014/2015 Teachers' Unfunded Discretionary Pensions £000	2014/2015 Total £000
Balance at 1 April:	(480,238)	(32,905)	(513,143)	(413,771)	(30,581)	(444,352)
Current Service Cost	(9,544)	0	(9,544)	(7,819)	0	(7,819)
Past Service Costs and Curtailments	(761)	0	(761)	(1,291)	(276)	(1,567)
Interest Cost	(15,866)	(991)	(16,857)	(18,031)	(1,275)	(19,306)
Member Contributions	(2,625)	0	(2,625)	(2,663)	0	(2,663)
Benefits Paid	15,436	1,868	17,304	16,093	1,871	17,964
Settlements	0	0	0	14,309	0	14,309
Remeasurement Gains/(Losses):						
Experience Gains/(Losses)	5,684	(3,302)	2,382	0	0	0
Actuarial Gains/(Losses) arising from changes in demographic assumptions	0	0	0	0	0	0
Actuarial Gains/(Losses) arising from changes in financial assumptions	(141)	(11)	(152)	(67,065)	(2,644)	(69,709)
Balance at 31 March:	(488,055)	(35,341)	(523,396)	(480,238)	(32,905)	(513,143)

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

Pension Assets and Liabilities Recognised in the Balance Sheet	31 March 2016 £000	31 March 2015 £000
Present Value of Scheme Liabilities:		
Local Government Pension Scheme	(488,055)	(480,238)
Teachers' Unfunded Discretionary Pensions	(35,341)	(32,905)
Total Present Value of Scheme Liabilities:	(523,396)	(513,143)
Fair Value of Scheme Assets:		
Local Government Pension Scheme	279,818	289,892
Teachers' Unfunded Discretionary Pensions	0	0
Total Fair Value of Scheme Assets:	279,818	289,892
Net Liability:		
Local Government Pension Scheme	(208,237)	(190,346)
Teachers' Unfunded Discretionary Pensions	(35,341)	(32,905)
Total Net Liability arising from Defined Benefit Scheme Obligations	(243,578)	(223,251)

There are no assets to cover the discretionary benefits awarded to Teachers (Unfunded Teachers' Discretionary Pensions). Assets held by the Local Government Pension Scheme can be categorised as follows:

Local Government Pension Scheme Asset Categorisation		31 March 2016				31 March 2015			
		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:		53,991	0	53,991	19.30	56,239	0	56,239	19.40
Investment Funds and Unit Trusts:									
	Equities	0	162,892	162,892	58.21	0	169,587	169,587	58.50
	Bonds	0	43,224	43,224	15.45	0	44,933	44,933	15.50
	Other	0	9,415	9,415	3.36	0	9,712	9,712	3.35
Real Estate:	Uk Property Funds	0	8,246	8,246	2.95	0	7,827	7,827	2.70
Cash and Cash Equivalents:		0	2,050	2,050	0.73	0	1,594	1,594	0.55
Total:		53,991	225,827	279,818	100.00	56,239	233,653	289,892	100.00

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

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. From 1 April 2015, Hymans Robertson LLP have assumed the role of Actuary for the Greater Gwent Local Government Pension Scheme, replacing Mercer Ltd., and has calculated attributable assets and liabilities (including those for Unfunded Teachers' Discretionary Pensions) using the following principal assumptions:

Principal Assumptions		31 March 2016		31 March 2015	
		Local Government Pension Scheme	Teachers' Unfunded Discretionary Pensions	Local Government Pension Scheme	Teachers' Unfunded Discretionary Pensions
Financial Assumptions:					
Rate of CPI Inflation		-	-	2.0%	2.0%
Rate of Increase in Salaries		3.7%	-	3.5%	-
Rate of Increase in Pensions		2.2%	2.2%	2.0%	2.0%
Discount Rate		3.5%	3.5%	3.3%	3.1%
Mortality Assumptions:					
Current Pensioners:	Males	CMI 2012 Tables with 1.5%p.a. long-term improvements	CMI 2012 Tables with 1.5%p.a. long-term improvements	98% S1PA_CMI_2012_1.5%	98% S1PA_CMI_2012_1.5%
	Females	CMI 2012 Tables with 1.5%p.a. long-term improvements	CMI 2012 Tables with 1.5%p.a. long-term improvements	97% S1PA_CMI_2012_1.5%	97% S1PA_CMI_2012_1.5%
Future Pensioners:	Males	CMI 2012 Tables with 1.5%p.a. long-term improvements	-	98% S1PA_CMI_2012_1.5%	-
	Females	CMI 2012 Tables with 1.5%p.a. long-term improvements	-	97% S1PA_CMI_2012_1.5%	-
Life Expectancy:					
Longevity of current pensioners aged 65:					
Males		23.0	23.0	23.0	23.0
Females		25.4	25.4	25.5	25.5
Longevity of future pensioners aged 65 in 20 years' time:					
Males		25.2	-	25.3	-
Females		27.8	-	27.9	-

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.

The date of the last full actuarial valuation was 31 March 2013. A valuation dated 31 March 2016 is currently being undertaken by the fund actuary.

Sensitivity Analysis

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

	31 March 2016					31 March 2015				
Sensitivity Analysis	Base	Discount Rate: -0.5% p.a.	Pension Increase: +0.5% p.a.	Pay Growth: +0.5% p.a.	Life Expectancy: +1 Year	Base	Discount Rate: -0.5% p.a.	Pension Increase: +0.5% p.a.	Pay Growth: +0.5% p.a.	Life Expectancy: +1 Year
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Liabilities	(523,396)	(581,641)	(558,131)	(545,750)	(539,138)	(513,143)	(558,963)	(559,798)	(525,263)	(566,043)
Assets	279,818	279,818	279,818	279,818	279,818	289,892	289,892	289,892	289,892	289,892
Net Deficit	(243,578)	(301,823)	(278,313)	(265,932)	(259,320)	(223,251)	(269,071)	(269,906)	(235,371)	(276,151)

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 figures should not therefore be construed as providing accurate outturn figures for future accounting periods.

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 (Benefits, Membership and Contributions) Regulations 2007. Contributions are additionally made by Fund employers which are set by the Fund's triennial actuarial valuations. The last such valuation was at 31 March 2013.

In terms of funding via investment earnings then 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.

To meet the requirements of the Regulations the Administering Authority's long term funding objective is for the Fund to achieve and then maintain sufficient assets to cover 100% of projected accrued liabilities (the" funding target") assessed on an ongoing basis including allowance for projected final pay. The funding objective as set out in the FSS (Funding Strategy Statement) is to achieve and maintain a funding level of 100% of liabilities (the Funding Target). In line with the FSS, where a shortfall exists at the effective date of the actuarial valuation (31 March 2013), a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall. The maximum deficit recovery period has been set as 25 years.

The 2013 Actuarial Valuation reported the level of total fund assets compared to liabilities (the funding level) as 71% (2010 Valuation: 74%), although this had improved to 76% by 30 September 2013. As a result, employer contribution levels have been calculated for implementation from 1 April 2014 that will, subject to future revaluations, eliminate this deficit by 2039.

The Authority holds total usable reserves of £26.181m at 31 March 2016 (£27.972m at 31 March 2015). The effect of applying the net superannuation fund deficit of £243.578m to the Authority's usable reserves would be a deficit of £217.397m (2014/2015: the superannuation deficit of £223.251m exceeded usable reserves by £195.279m).

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).

The total contributions expected to be made by the Authority to the Local Government Pension Scheme in the year to 31 March 2016 are estimated by the Fund Actuary as £8.785m.

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.

Contingent Liabilities (see also note 38.3, page 102)

Monwel Hankinson Ltd.

The Authority agreed to act as guarantor to enable Monwel Ltd. to enter the Greater Gwent (Torfaen) Pension Fund as an admitted body. On transfer to a social enterprise, the Actuary estimated liabilities relating to Monwel Ltd. to be £0.110m. Further to the closure of Monwel Ltd. in July 2015, this has been retained on a contingent basis since at this time there continues to be uncertainty regarding the amount & timing of pension liabilities.

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 on pages 113 & 114 for 2014/2015 that relate to Aneurin Leisure Trust do not reflect a fully funded position, but indicate 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.

44. Reserves

44.1 Usable Reserves

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

Fund Balances:

Council Fund General Reserve	The cumulative amount available to meet the future costs of Council services.

Usable Earmarked Revenue Reserves:

Anvil Court	To meet future premises-related expenditure.
Budget Contingency Fund	To provide initial assistance in meeting new and emerging budget pressures.
Budget Implementation	To provide the investment required to deliver business transformation projects over 2015/2016 and 2016/2017.
Building Control Fees	To hold surpluses generated for future re-investment to improve the quality and performance of the Building Control Service.
Corporate Services Portfolio	To provide for a variety of specific costs falling to the Corporate Services Portfolio, including: CCTV camera repairs; additional future costs of elections; job evaluation; review of the Authority's asset management systems; and maintenance of retaining walls across the County Borough.
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 Portfolio	To provide for a variety of specific costs falling to the Economy Portfolio including: utilisation of income generated from town centre commercial bookings.
Learning Portfolio	To provide for a variety of specific costs falling to the Learning Portfolio including: delivery of the Welsh Government national model for school improvement through the Education Achievement Service (EAS).
Environment Portfolio	To provide for a variety of specific costs falling to the Environment Portfolio including: maintaining a stable transport oncost rate; and ensuring application of full cost recovery principles to the catering service.
Financial Management & Strategy Portfolio	To provide for a variety of specific costs falling to the Financial Management & Strategy Portfolio including: funding the Digital Inclusion project; implementation of payroll system functionallity; holding deposits & bonds; maintaining stable stores oncost rates; and meeting taxation liabilities.
Future Interest Rate Increase Protection	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.

Usable Earmarked Revenue Reserves (Continued):	
I.C.T.	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.
I.C.T. for Elected Members	To enable elected members to access information & communication technology.
Individual Schools Budget (ISB)	To fund cost pressures relating to school expenditure including insurance and school reorganisation.
Infrastructure Portfolio	To provide for a variety of specific costs falling to the Infrastructure Portfolio including: rent reviews in relation to Ebbw Vale multi storey car park; and costs associated with clearing the highways network in adverse winter weather.
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.
Land & Property Charges	To mitigate the impact of establishing Land & Property charge debtors for Social Services, 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.
Local Development Plan	To fund the review of the Local Development Plan.
Members Local Grants	To hold unallocated grant monies prior to distribution by Members.
Procurement Savings Deficit	To mitigate against planned procurement savings for the 2015/2016 financial year not being achieved.
Prudential Borrowing	To fund prudential borrowing costs related to highways infrastructure assets, with the aim of reducing future highways related insurance claims.
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.
Social Services Portfolio	To provide for a variety of specific costs falling to the Social Services Portfolio including: funding for a social worker in relation to Deprivation of Liberty Safeguards; and printing of materials required by the Social Services & Wellbeing Act.
Superannuation	To cover the shortfall in employer's contributions during previous years.
Waste Services	To fund any financial penalties received, due to a shortfall below the 58% recovery target set for 2015/2016 in relation to recycling.

Usable Reserves Earmarked for Capital Purposes:	
Accommodation Review	To fund future capital expenditure arising from the Accommodation Review.
Bryn Bach Park	To meet any future liabilities that may arise in respect of problems with the lake at Bryn Bach Park.
Canolfan yr Afon	To meet renovation costs at the Canolfan yr Afon centre in Ebbw Vale, in order to provide facilities for the benefit of vulnerable pupils.
Deminimus 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 Efficiency	To provide ring-fenced funding for proven energy saving projects with a payback of less than five years.
Flying Start	To fund capital expenditure on approved Flying Start projects.
Highways	To fund capital expenditure on Safer Routes and Local Transport Fund Grant projects.
IT Infrastructure	To fund capital expenditure in relation to the upgrade of IT infrastructure to support workplace transformation.
Landfill Directive	To meet future expenditure in respect of the Landfill Directive targets.
Leisure Facilities Refurbishment	To fund future leisure capital assets.
Structural Maintenance Work	To fund expenditure on structural maintenance work in relation to education.
Victoria End Use	To fund future capital expenditure together with any future liabilities that may arise in respect of claims from developers.

Capital Accounting Reserves:	
Capital Grants Unapplied	Representing the balance of capital grants received (or receivable) for which grant conditions have been met but which have yet to be applied to match relevant capital expenditure.
Usable Capital Receipts	The proceeds of fixed asset sales available to meet future capital investment.

Movements on fund balances and reserves were as follows:

Fund Balances	1 April 2014 £000	Net transfers (to) or from Fund Balances £000	31 March 2015 £000	Adjustments to Balances Bfwd £000	Revised Balance at 1 April 2015 £000	Net transfers (to) or from Fund Balances £000	31 March 2016 £000
Council Fund	(5,819)	575	(5,244)	(130)*	(5,374)	(698)	(6,072)
Total: Fund Balances	(5,819)	575	(5,244)	(130)	(5,374)	(698)	(6,072)

**: Adjustment to Balances Brought Forward, 1 April 2015*

The Authority acts as sole trustee for a number of charitable trusts. In 2014/2015, Reserve contributions relating to the funding of capital expenditure at Bedwellty House & Park in 2013/2014 and 2014/2015 were transferred from the Authority's CIES to the Charitable Trust. However, on further examination it has been necessary to reduce the level of these transfers and consequently the Council Fund General Reserve balance as at 1 April 2015 has been increased by £0.130m.

Usable Earmarked Revenue Reserves	1 April 2014 £000	Net transfers (to) or from Reserves £000	31 March 2015 £000	Adjustments to Balances Bfwd £000	Revised Balance at 1 April 2015 £000	Net transfers (to) or from Reserves £000	31 March 2016 £000
Anvil Court	(179)	0	(179)	0	(179)	0	(179)
Budget Contingency Fund	(867)	592	(275)	0	(275)	(52)	(327)
Budget Implementation	0	(2,000)	(2,000)	0	(2,000)	425	(1,575)
Building Control Fees	(159)	(77)	(236)	0	(236)	(46)	(282)
Corporate Services Portfolio	(600)	457	(143)	0	(143)	21	(122)
Downsizing, Redundancy & Transitional Costs	(784)	(580)	(1,364)	0	(1,364)	469	(895)
Economy Portfolio	0	(3)	(3)	0	(3)	0	(3)
Learning Portfolio	(227)	184	(43)	0	(43)	12	(31)
Environment Portfolio	(167)	50	(117)	0	(117)	9	(108)
Financial Management & Strategy Portfolio	(1,095)	372	(723)	0	(723)	458	(265)
Future Interest Rate Increase Protection	0	(224)	(224)	0	(224)	24	(200)
I.C.T	(319)	(82)	(401)	0	(401)	(353)	(754)
I.C.T for Elected Members	(24)	(77)	(101)	0	(101)	0	(101)
Individual Schools Budget (ISB)	0	(45)	(45)	0	(45)	(252)	(297)
Infrastructure Portfoio	(26)	(104)	(130)	0	(130)	25	(105)
Insurance Liabilities	(1,499)	63	(1,436)	0	(1,436)	164	(1,272)
Land & Property Charges	(114)	(24)	(138)	0	(138)	19	(119)

Usable Earmarked Revenue Reserves (Continued)	1 April 2014 £000	Net transfers (to) or from Reserves £000	31 March 2015 £000	Adjustments to Balances Bfwd £000	Revised Balance at 1 April 2015 £000	Net transfers (to) or from Reserves £000	31 March 2016 £000
LMS Balances	(1,446)	283	(1,163)	(214)*	(1,377)	385	(992)
Local Development Plan	0	(73)	(73)	0	(73)	(33)	(106)
Members Local Grants	(32)	(15)	(47)	0	(47)	(10)	(57)
Prudential Borrowing	(200)	0	(200)	0	(200)	0	(200)
Revenue Grants & Contributions Unapplied	(1,365)	(22)	(1,387)	0	(1,387)	62	(1,325)
Social Services Portfolio	0	0	0	0	0	(47)	(47)
Superannuation	(708)	41	(667)	0	(667)	2	(665)
Waste Services	0	(121)	(121)	0	(121)	(521)	(642)
Total: Usable Earmarked Revenue Reserves	(9,811)	(1,405)	(11,216)	(214)	(11,430)	761	(10,669)

*: *Adjustment to Balances Brought Forward, 1 April 2015*

The balance of LMS Reserves has been adjusted by £0.214m to correct for the elimination of prior year internal creditors between the Authority and schools that operate their finances on an arms-length 'cheque book' arrangement.

Usable Revenue Reserves Earmarked for Capital Purposes	1 April 2014 £000	Net transfers (to) or from Reserves £000	31 March 2015 £000	Net transfers (to) or from Reserves £000	31 March 2016 £000
Accommodation Review	(50)	50	0	0	0
Bryn Bach Park	(140)	84	(56)	34	(22)
Canolfan yr Afon	0	(30)	(30)	30	0
Deminimus Capital Works	(206)	85	(121)	13	(108)
Energy Efficiency	(2)	2	0	0	0
Flying Start	(25)	(20)	(45)	38	(7)
Highways	(5)	5	0	(197)	(197)
IT Infrastructure	0	(738)	(738)	193	(545)
Landfill Directive	(217)	11	(206)	206	0
Leisure Facilities Refurbishment	(80)	80	0	0	0
Structural Maintenance Work	0	(61)	(61)	(48)	(109)
Victoria End Use	(206)	175	(31)	0	(31)
Total: Usable Revenue Reserves Earmarked for Capital Purposes	(931)	(357)	(1,288)	269	(1,019)

Usable Capital Reserves	1 April 2014 £000	Net transfers (to) or from Reserves £000	31 March 2015 £000	Net transfers (to) or from Reserves £000	31 March 2016 £000
Capital Grants Unapplied	(1,151)	59	(1,092)	426	(666)
Usable Capital Receipts	(10,450)	1,318	(9,132)	1,377	(7,755)
Total: Usable Capital Reserves	(11,601)	1,377	(10,224)	1,803	(8,421)

Summary: Usable Reserves	1 April 2014 £000	Net Transfers 2014/2015 £000	31 March 2015 £000	Adjustments to Balances Bfwd £000	Revised Balance at 1 April 2015 £000	Net Transfers 2015/2016 £000	31 March 2016 £000
Fund Balances	(5,819)	575	(5,244)	(130)	(5,374)	(698)	(6,072)
Earmarked Revenue Reserves	(9,811)	(1,405)	(11,216)	(214)	(11,430)	761	(10,669)
Revenue Reserves Earmarked for Capital Purposes	(931)	(357)	(1,288)	0	(1,288)	269	(1,019)
Capital Reserves	(11,601)	1,377	(10,224)	0	(10,224)	1,803	(8,421)
Total: Usable Reserves	(28,162)	190	(27,972)	(344)	(28,316)	2,135	(26,181)

44.2 Unusable Reserves

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

Unusable Reserves	1 April 2014 £000	Net transfers (to) or from Reserves £000	31 March 2015 £000	Adjustments £000	01 April 2015 Revised £000	Net transfers (to) or from Reserves £000	31 March 2016 £000
Revaluation Reserve	(15,758)	(2,221)	(17,979)	0	(17,979)	4,499	(13,480)
Capital Adjustment Account	(140,929)	(4,001)	(144,930)	510	(144,420)	36,452	(107,968)
Financial Instruments Adjustment Account	4,052	(46)	4,006	0	4,006	(46)	3,960
Deferred Capital Receipts Reserve	(4,612)	(325)	(4,937)	0	(4,937)	323	(4,614)
Pensions Reserve	170,613	51,921	222,534	0	222,534	20,354	242,888
Unequal Pay Back Pay Account	146	0	146	0	146	0	146
Accumulated Absences Account	2,068	(256)	1,812	0	1,812	(371)	1,441
Total Unusable Reserves:	15,580	45,072	60,652	510	61,162	61,211	122,373

44.2.1 Revaluation Reserve

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

Revaluation Reserve	2015/2016 £000	2015/2016 £000	2014/2015 £000	2014/2015 £000
Balance at 1 April		(17,979)		(15,758)
Upward revaluation of assets	(733)		(1,931)	
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	9,567		3,603	
Depreciation - write back revaluation reserve	(5,164)		(4,489)	
Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services		3,670		(2,817)
Difference between fair value depreciation and historical cost depreciation	760		417	
Accumulated gains on assets sold or scrapped	69		179	
Amount written off to the Capital Adjustment Account		829		596
Balance at 31 March		(13,480)		(17,979)

The balance is reduced when assets with accumulated gains are:

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

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

44.2.2 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.

Note 8 (pages 48 & 51) provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

Capital Adjustment Account	2015/2016		2014/2015	
	£000	£000	£000	£000
Balance at 1 April	(144,930)		(140,929)	
Adjustments to Opening Balance	510*		0	
Revised Balance at 1 April		(144,420)		(140,929)
Reversal of items relating to capital expenditure debited or credited to the CIES:				
Charges for depreciation & impairment of non-current assets	13,590		13,346	
Revaluation losses on Property, Plant & Equipment	37,746		3,888	
Amortisation of intangible assets	0		9	
Revenue expenditure funded from capital under statute	7,274		5,416	
Non-current assets written off on disposal or sale as part of the gain/loss on disposal	325		1,438	
Capital grants and contributions applied to capital financing	(12,947)		(17,819)	
		45,988		6,278

Capital Adjustment Account (Continued)	2015/2016		2014/2015	
	£000	£000	£000	£000
Items not debited or credited to the CIES:				
Statutory provision for the financing of capital investment charged against the Council Fund	(3,623)		(5,017)	
Capital expenditure charged against the Council Fund	(630)		(602)	
		(4,253)		(5,619)
Capital financing applied in the year:				
Use of the Capital Receipts Reserve to finance new capital expenditure	(2,030)		(1,932)	
Use of the Major Repairs Reserve to finance new capital expenditure	0		0	
Application of grants to capital financing from the Capital Grants Unapplied Account	(2,424)		(2,132)	
		(4,454)		(4,064)
Sub-Total: Capital Adjustment Transactions included in the Movement in Reserves Statement:		37,281		(3,405)
Adjusting Amounts written out of the Revaluation Reserve:				
Charges for depreciation & impairment of non-current assets	(760)		(417)	
Non-current assets written off on disposal or sale as part of the gain/loss on disposal	(69)		(179)	
		(829)		(596)
Balance at 31 March		(107,968)		(144,930)

*: *Adjustment to Balances Brought Forward, 1 April 2015*

The Authority acts as sole trustee for a number of charitable trusts. In 2014/2015, Capital expenditure and grant funding on assets at Bedwellty House and Park was transferred to the accounts of the Charitable Trust. However, on further examination it has been necessary to adjust these transfers and consequently the Capital Adjustment Account balance has been decreased by £0.510m on 1 April 2015.

44.2.3 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	2015/2016		2014/2015	
	£000	£000	£000	£000
Balance at 1 April		4,006		4,052
Premiums incurred in the year and charged to the Comprehensive Income & Expenditure Statement	0		0	
Proportion of premiums incurred in previous financial years to be charged against the Council Fund Balance in accordance with statutory requirements	(46)		(46)	
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		(46)		(46)
Balance at 31 March		3,960		4,006

44.2.4 Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Authority 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	2015/2016	2014/2015
	£000	£000
Balance at 1 April	(4,937)	(4,612)
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal	0	70
Transfer to the Capital Receipts Reserve upon receipt of cash	323	(395)
Balance at 31 March	(4,614)	(4,937)

44.2.5 Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The 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	2015/2016	2014/2015
	£000	£000
Balance at 1 April	222,534	170,613
Remeasurement of pensions assets & liabilities	15,196	50,434
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	17,788	14,098
Employer's pensions contributions and direct payments to pensioners payable in the year	(12,630)	(12,611)
Balance at 31 March	242,888	222,534

44.2.6 Unequal Pay Back Pay Account

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

Unequal Pay Back Pay Account	2015/2016		2014/2015	
	£000	£000	£000	£000
Balance at 1 April		146		146
Increase/(Decrease) in provision for back pay in relation to Equal Pay cases	0		0	
Cash settlements paid in the year	0		0	
Amount by which amounts charged for Equal Pay claims to the Comprehensive Income & Expenditure Statement are different from the cost of settlements chargeable in the year in accordance with statutory requirements		0		0
Balance at 31 March		146		146

44.2.7 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.

Accumulated Absences Account	2015/2016		2014/2015	
	£000	£000	£000	£000
Balance at 1 April		1,812		2,068
Settlement or cancellation of accrual made at the end of the preceding year	(1,812)		(2,068)	
Amounts accrued at the end of the current year	1,441		1,812	
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		(371)		(256)
Balance at 31 March		1,441		1,812

45. 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.

45.1 Non-Cash Movements

Cash Flow - Adjustments for Non-Cash Movements	2015/2016		2014/2015	
	£000	£000	£000	£000
Depreciation & Impairment	51,336		17,234	
REFCUS (deferred charges)	7,274		5,416	
Intangible fixed asset write downs	0		9	
Effective interest adjustment	(38)		(40)	
Net IAS19 charges made for Retirement Benefits	(17,788)		(14,098)	
IAS19 Employers Contributions Paid to Pension Fund	12,630		12,611	
		53,414		21,132
Increase/(Decrease) in Provisions		(36)		(7,137)
(Increase)/Decrease in Inventories		124		556
(Increase)/Decrease in Revenue Debtors		1,997		3,819
Increase/(Decrease) in Revenue Creditors		(1,743)		225
Total		53,756		18,595

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

Cash Flow - Adjustments for Investing & Financing Activities	2015/2016	2014/2015
	£000	£000
Gain/(Loss) on Disposal of fixed assets	(55)	897
Capital Grants credited to CIES	(14,945)	(19,812)
Total	(15,000)	(18,915)

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

46.1 Operating Activities

The cash flows for operating activities were as follows:

Cash Flow - Operating Activities	2015/2016			2014/2015		
	£000	£000	£000	£000	£000	£000
Cash Outflows						
Employee Costs	(86,720)			(89,663)		
Other Operating Costs	(99,724)			(96,436)		
Precepts Paid	(4,533)			(4,337)		
Housing Benefit Paid Out	(26,676)			(26,990)		
		(217,653)			(217,426)	
Cash Inflows						
Rents (after Rebates)	0			1		
Council Tax Income	25,538			24,240		
Receipts from NNDR Pool	20,201			22,056		
Revenue Support Grant	90,003			91,041		
DWP Grants for Rebates	28,149			24,924		
Other Government Grants	19,178			45,928		
Cash Received for Goods & Services	25,592			11,721		
Other Operating Cash Receipts	7,430			3,403		
		216,091			223,314	
Net Cash inflow from Revenue Activities			(1,562)			5,888
Dividends from Subsidiaries						
Dividends Received			0			0
Returns on Investments & Servicing of Finance						
Interest Paid		(4,209)			(3,895)	
Interest Element of Finance Lease Rental Payments		(16)			(32)	
Interest Received		63			74	
			(4,162)			(3,853)
Net Cash Inflow from Operating Activities			(5,724)			2,035

46.2 Investing Activities

The cash flows for investing activities consist of the following:

Cash Flow - Investing Activities	2015/2016			2014/2015		
	£000	£000	£000	£000	£000	£000
Cash Outflows						
Purchase of Non-Current Assets	(17,820)			(26,848)		
Other Capital Cash Payments	(295)			0		
		(18,115)			(26,848)	
Cash Inflows						
Sale of Non-Current Assets	379			801		
Capital Grants Received	14,479			19,519		
Other Capital Cash Income	0			0		
		14,858			20,320	
Total			(3,257)			(6,528)

46.3 Financing Activities

The cash flows for financing activities consist of the following:

Cash Flow - Financing Activities	2015/2016			2014/2015		
	£000	£000	£000	£000	£000	£000
Cash Outflows						
Repayments of Amounts Borrowed	(62,413)			(133,345)		
Capital Element of Finance Lease Rental Payments	(243)			(316)		
		(62,656)			(133,661)	
Cash Inflows						
New Loans Raised	11,683			24,268		
New Short Term Loans	61,991			113,250		
Long Term Investments Repaid	26			26		
		73,700			137,544	
Total			11,044			3,883

47. Cash and Cash Equivalents

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

Cash and Cash Equivalents	2015/2016 £000	2014/2015 £000
Cash Held by the Authority	42	39
Bank Accounts	4,167	2,107
Total Cash & Cash Equivalents	4,209	2,146

Other Notes

48. Joint Arrangements

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 particpates, 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:

	2015/2016			2014/2015		
Joint Arrangements	Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Greater Gwent Cremation Joint Committee	0	(132)	(132)	0	(132)	(132)
Gwent Joint Records Committee	143	0	143	134	0	134
Gwent Transport Unit	1,354	0	1,354	1,324	0	1,324
South East Wales Strategic Planning Group	1	0	1	0	0	0
Welsh Purchasing Consortium	0	0	0	12	0	12
Total	1,498	(132)	1,366	1,470	(132)	1,338

48.1 Gwent Transport Unit (GTU)

Of these arrangements, only the transactions with the Gwent Transport Unit (GTU) are material. 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 (98% in 2015/2016) 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 BGC for the GTU is also 49.54%.

Summarised accounting statements for the Gwent Transport Unit, highlighting this Authority's apportioned share of administrative costs and allocation of directly attributable costs, are as follows:

Summary GTU Comprehensive Income & Expenditure Statement:

	GTU Total 2014/2015			Blaenau Gwent CBC 2014/2015		
Gwent Transport Unit Comprehensive Income and Expenditure Statement	Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Highways & Transport Services	5,027	(5,029)	(2)	1,324	(1,325)	(1)
Cost of Services	5,027	(5,029)	(2)	1,324	(1,325)	(1)
(Surplus) on Provision of Services			(2)			(1)
Other Comprehensive Income & Expenditure			0			0
Total Comprehensive Income & Expenditure			(2)			(1)

	GTU Total 2015/2016			Blaenau Gwent CBC 2015/2016		
	Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Highways & Transport Services	5,046	(5,047)	(1)	1,354	(1,354)	0
Cost of Services	5,046	(5,047)	(1)	1,354	(1,354)	0
(Surplus) on Provision of Services			(1)			0
Other Comprehensive Income & Expenditure			0			0
Total Comprehensive Income & Expenditure			(1)			0

Summary GTU Movement in Reserves Statement:

Gwent Transport Unit Movement in Reserves Statement	Gwent Transport Unit: Total			Blaenau Gwent CBC		
	GTU Fund Reserve £000	Unusable Reserves £000	Total GTU Reserves £000	GTU Fund Reserve £000	Unusable Reserves £000	Total GTU Reserves £000
Balance at 31 March 2014	0	(133)	(133)	0	(66)	(66)
Movement in Reserves 2014/2015						
Surplus on the Provision of Services	(2)	0	(2)	(1)	0	(1)
Other Comprehensive Income and Expenditure	0	0	0	0	0	0
Total Comprehensive Income and Expenditure	(2)	0	(2)	(1)	0	(1)
Adjustments between Accounting basis & Funding basis under regulations	0	0	0	0	0	0
(Increase)/Decrease in 2014/2015	(2)	0	(2)	(1)	0	(1)
Balance at 31 March 2015	(2)	(133)	(135)	(1)	(66)	(67)
Movement in Reserves 2015/2016						
Surplus on the Provision of Services	(1)	0	(1)	0	0	0
Other Comprehensive Income and Expenditure	0	0	0	0	0	0
Total Comprehensive Income and Expenditure	(1)	0	(1)	0	0	0
Adjustments between Accounting basis & Funding basis under regulations	1	0	1	0	0	0
(Increase)/Decrease in 2015/2016	0	0	0	0	0	0
Balance at 31 March 2016	(2)	(133)	(135)	(1)	(66)	(67)

Summary GTU Balance Sheet:

Gwent Transport Unit Balance Sheet	2015/2016 Gwent Transport Unit £000	2015/2016 Apportioned Share £000	2014/2015 Gwent Transport Unit £000	2014/2015 Apportioned Share £000
Non-Current Assets	320	161	327	162
Current Assets	1,073	541	415	205
Current Liabilities	(1,073)	(541)	(415)	(205)
Non-Current Liabilities	(185)	(94)	(192)	(95)
Total Net Assets	135	67	135	67
Usable Reserve	(2)	(1)	(2)	(1)
Unusable Reserve	(133)	(66)	(133)	(66)
Total Reserves	(135)	(67)	(135)	(67)

48.2 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.

48.3 Gwent Joint Records Committee (GJRC)

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.

48.4 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 2015/2016, Blaenau Gwent was the host authority, overseeing the following transactions:

South East Wales Strategic Planning Group	2015/2016 £000
Balance transferred to Blaenau Gwent as at 1 April	80
Receipts (Member Subscriptions)	5
Payments	(17)
Balance at 31 March	68

The balance of £0.068m at 31 March 2016 will be passed to the next host authority.

48.5 Welsh Purchasing Consortium (WPC)

The Welsh Purchasing Consortium was created in 1974 to support its member authorities in providing joint, collaborative contracts and framework agreements for the procurement of goods and services which would deliver best value for money at all times and maximise efficiency savings. In 2008 the member Authorities agreed to provide funding over a three year period to support the setting up and operation of a central management team to be based in Cardiff Council. All member Authorities gave twelve months notice to leave the consortium on 31 March 2016, at which point the Consortium disbanded.

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 has recently been subject to a £5 million restoration project and is now a public open access space available for events such as weddings, art exhibitions and displays.

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

The summarised transactions for these charitable trusts are as follows:

Charitable Trusts	2015/2016 Gross Expenditure £000	2015/2016 Gross Income £000	2015/2016 Net Expenditure £000	2014/2015 Gross Expenditure £000	2014/2015 Gross Income £000	2014/2015 Net Expenditure £000
Bedwellty House & Park	655	(359)	296	499	(272)	227
Ebbw Vale Recreation Ground	83	0	83	284	(4)	280
Tredegar Recreation Ground	55	0	55	62	0	62
Total	793	(359)	434	845	(276)	569

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

Charitable Trusts - Property, Plant & Equipment	2015/2016 Gross Book Value £000	2015/2016 Accumulated Depreciation £000	2015/2016 Net Book Value £000	2014/2015 Gross Book Value £000	2014/2015 Accumulated Depreciation £000	2014/2015 Net Book Value £000
Bedwellty House and Park	5,571	(226)	5,345	5,571	(15)	5,556
Ebbw Vale Recreation Ground	313	(29)	284	313	(15)	298
Tredegar Recreation Ground	86	(32)	54	86	(25)	61
Total	5,970	(287)	5,683	5,970	(55)	5,915

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	2015/2016 £000	2014/2015 £000
Investments	4	10
Cash	52	44
Balance at 31 March	56	54

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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 Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Group, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and unusable reserves. The *(Surplus) or Deficit on the Provision of Services* line shows the true economic cost of providing the Group's services, more details of which are shown in the Group Comprehensive Income and Expenditure Statement.

Group Movement in Reserves Statement 2014/2015	Fund Balances: Council Fund £000	Earmarked Council Fund Reserves £000	Capital Reserves £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000	Authority's share of Reserves of Subsidiary £000	Total Group Reserves £000	Note	Page
Balance at 31 March 2014 (Restated)	(6,711)	(10,742)	(11,601)	(29,054)	15,580	(13,474)	(2,993)	(16,467)		
(Surplus)/Deficit on the Provision of Services	(2,355)	0	0	(2,355)	0	(2,355)	236	(2,119)	GCIES	144
Other Comprehensive Income and Expenditure	0	0	0	0	47,617	47,617	118	47,735	4	151
Total Comprehensive Income and Expenditure	(2,355)	0	0	(2,355)	47,617	45,262	354	45,616	GCIES	144
Adjustments between Group Accounts and Authority Accounts	324	0	0	324	0	324	(324)	0		
Net (Increase)/Decrease before transfers	(2,031)	0	0	(2,031)	47,617	45,586	30	45,616		
Adjustments between Accounting basis & Funding basis under regulations	1,168	0	1,377	2,545	(2,545)	0	0	0		
Net (Increase)/Decrease before transfers to Earmarked Reserves	(863)	0	1,377	514	45,072	45,586	30	45,616		
Transfers (to)/from Earmarked Reserves	1,761	(1,761)	0	0	0	0	0	0		
Transfers to/from Council Fund	0	0	0	0	0	0	0	0		
(Increase)/Decrease in 2014/2015	898	(1,761)	1,377	514	45,072	45,586	30	45,616	15	163
Balance at 31 March 2015	(5,813)	(12,503)	(10,224)	(28,540)	60,652	32,112	(2,963)	29,149	15	163

Group Movement in Reserves Statement 2015/2016	Fund Balances: Council Fund £000	Earmarked Council Fund Reserves £000	Capital Reserves £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000	Authority's share of Reserves of Subsidiary £000	Total Group Reserves £000	Note	Page
Balance at 31 March 2015	(5,813)	(12,503)	(10,224)	(28,540)	60,652	32,112	(2,963)	29,149		
Adjustments to balances brought forward	(128)	(215)	0	(343)	510	167	0	167	15	163
Revised Balance at 1 April 2015	(5,941)	(12,718)	(10,224)	(28,883)	61,162	32,279	(2,963)	29,316		
(Surplus)/Deficit on the Provision of Services	44,480	0	0	44,480	0	44,480	286	44,766	GCIES	144
Other Comprehensive Income and Expenditure	0	0	0	0	18,866	18,866	48	18,914	4	151
Total Comprehensive Income & Expenditure	44,480	0	0	44,480	18,866	63,346	334	63,680	GCIES	144
Adjustments between Group Accounts and Authority Accounts	180	0	0	180	0	180	(180)	0		
Net (Increase)/Decrease before transfers	44,660	0	0	44,660	18,866	63,526	154	63,680		
Adjustments between Accounting basis & Funding basis under regulations	(44,148)	0	1,803	(42,345)	42,345	0	0	0		
Net (Increase)/Decrease before transfers to Earmarked Reserves	512	0	1,803	2,315	61,211	63,526	154	63,680		
Transfers (to)/from Earmarked Reserves	(1,030)	1,030	0	0	0	0	0	0		
Transfers to/from Council Fund	0	0	0	0	0	0	0	0		
(Increase)/Decrease in 2015/2016	(518)	1,030	1,803	2,315	61,211	63,526	154	63,680	15	163
Balance at 31 March 2016	(6,459)	(11,688)	(8,421)	(26,568)	122,373	95,805	(2,809)	92,996	15	163

Group 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.

Group Comprehensive Income & Expenditure Statement	2015/2016			2014/2015			Note:	Page:
	Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Gross Expenditure £000	Gross Income £000	Net Expenditure £000		
Continuing Operations								
Central Services	16,402	(2,973)	13,429	16,511	(3,872)	12,639		
Cultural and Related Services	9,537	(1,467)	8,070	5,885	(304)	5,581		
Environmental and Regulatory Services	12,416	(3,350)	9,066	12,067	(4,081)	7,986		
Planning Services	7,384	(2,522)	4,862	7,139	(3,395)	3,744		
Children's & Education Services	117,562	(15,919)	101,643	83,434	(12,462)	70,972		
Highways & Transport Services	12,105	(1,201)	10,904	8,971	(1,551)	7,420		
Housing Services	32,709	(31,889)	820	31,262	(28,912)	2,350		
Adult Social Care	36,976	(10,114)	26,862	36,822	(10,280)	26,542		
Corporate and Democratic Core	4,060	(35)	4,025	4,017	(6)	4,011		
Non-Distributed Costs	832	0	832	13,311	(14,309)	(998)		
Cost of Services (excluding transferred services)	249,983	(69,470)	180,513	219,419	(79,172)	140,247		
Transferred Services								
Cultural and Related Services	0	0	0	4,323	(1,863)	2,460		
Children's & Education Services	0	0	0	975	(925)	50		
Sub Total: Transferred Services	0	0	0	5,298	(2,788)	2,510		
Total Deficit on Continuing Services	249,983	(69,470)	180,513	224,717	(81,960)	142,757		

Group Comprehensive Income & Expenditure Statement (Continued)	2015/2016 Gross Expenditure £000	2015/2016 Gross Income £000	2015/2016 Net Expenditure £000	2014/2015 Gross Expenditure £000	2014/2015 Gross Income £000	2014/2015 Net Expenditure £000	Note:	Page:
Total Deficit on Continuing Services	249,983	(69,470)	180,513	224,717	(81,960)	142,757		
Other Operating Income and Expenditure	8,123	(493)	7,630	10,019	(2,046)	7,973	5	152
Financing and Investment Income and Expenditure	21,214	(9,884)	11,330	23,540	(12,517)	11,023	6	152
Taxation and Non-Specific Grant Income	0	(154,707)	(154,707)	0	(163,872)	(163,872)	7	153
(Surplus)/Deficit on Provision of Services	279,320	(234,554)	44,766	258,276	(260,395)	(2,119)		
(Surplus) Arising on the Revaluation of Non-Current Assets			3,670			(2,817)		
Remeasurement (Gains) / Losses on Pension Assets / Liabilities			15,244			50,552		
Other Comprehensive Income & Expenditure			18,914			47,735	4	151
Total Comprehensive Income & Expenditure			63,680			45,616		

Group Balance Sheet

The Group Balance Sheet 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 2016		31 March 2015		Note:	Page:
	£000	£000	£000	£000		
Property, Plant & Equipment	279,317		313,321		9	154-156
Heritage Assets	413		413			
Non-Current Debtors	5,313		4,720			
Sub Total: Non-Current Assets		285,043		318,454		
Assets Held for Sale	1,056		765			
Current Investments	4		4			
Inventories	1,119		1,243			
Current Debtors	21,640		26,959		10	157
Cash and Cash Equivalents	10,552		9,844		18	166
Sub Total: Current Assets		34,371		38,815		

Group Balance Sheet (Continued)	31 March 2016		31 March 2015		Note:	Page:
	£000	£000	£000	£000		
Current Borrowing	(37,407)		(21,493)			
Current Creditors	(12,709)		(17,269)		11	157
Current Provisions	(4,178)		(4,496)		12	158
Sub Total: Current Liabilities		(54,294)		(43,258)		
Non-Current Borrowing	(110,124)		(114,738)			
Non-Current Provisions	(3,422)		(4,080)		12	158
Other Non-Current Liabilities	(244,570)		(224,342)		13	159
Sub Total: Non-Current Liabilities		(358,116)		(343,160)		
Total Net Assets		(92,996)		(29,149)		
Usable Reserves	(29,377)		(31,503)		15	163
Unusable Reserves	122,373		60,652		15	163
Total Reserves		92,996		29,149		

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.

- 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.

Group Cash Flow Statement	2015/2016		2014/2015		Note:	Page:
	£000	£000	£000	£000		
Net surplus/(deficit) on the provision of services	(44,766)		2,119		GCIES	144
Adjustments to the provision of services for non-cash movements	52,676		17,382		16.1	164
Adjustments for items included in the provision of services that are investing and financing activities	(15,042)		(18,934)		16.2	164
Net Cash Inflows from Operating Activities		(7,132)		567		
Investing activities		(3,204)		(6,414)	17.1	165
Financing activities		11,044		3,883	17.2	165
Net increase or (decrease) in cash and cash equivalents		708		(1,964)		
Cash and cash equivalents at the beginning of the reporting period		9,844		11,808	18	166
Cash and cash equivalents at the end of the reporting period		10,552		9,844	18	166

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1. Group Accounting Policies

1.1 General Principles

The Group Accounts summarise the transactions of the Authority and it's Subsidiaries for the 2015/2016 financial year and its position at the year-end of 31 March 2016. The Accounts have been prepared in accordance with proper accounting practices as required by the Accounts and Audit (Wales) Regulations 2014.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2015/2016 and the Service Reporting Code of Practice 2015/2016, 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 accounting 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 two constituent entities. The Group Policies are largely the same as those used in preparing the Accounts for the Parent Authority, as recorded on pages 27-42. However, where Policies differ, the Group Policy is included in this section.

1.2 Intra Group Transactions and Balances

To the extent that balances and transactions have been identified and agreed between Silent Valley Waste Services Ltd and Blaenau Gwent CBC, these have been eliminated as part of the consolidation process. As total transactions between the parties amount to £0.558m (2014/2015: £0.481m) and are therefore not considered to be material, any differences between identified and actual sums are therefore also not material.

1.3 Acquisitions and Discontinued Operations

The principal activities of Silent Valley Waste Services Ltd. are waste management, disposal and ancillary services such as recycling and waste collection.

All operations were classified as continuing in 2015/2016 and there were no acquisitions or discontinuations of service (or transfers under machinery of government arrangements) during the financial year.

1.4 Employee Benefits

1.4.1 Benefits Payable During Employment

The annual leave entitlement year for staff at SVWS Ltd. ends on 31 March with limited opportunity to carry forward unused balances. No staff carried forward leave at the end of 2015/2016 and consequently no short term compensated absences accrual has been calculated.

1.5 Post Employment Benefits

Employees of Silent Valley Waste Services Ltd. are members of the following pension schemes:

- The Local Government Pensions Scheme, as an admitted body, administered by Torfaen County Borough Council; and
- Silent Valley Defined Contribution Scheme.

Both schemes provide benefits to members (retirement lump sums and pensions), earned as employees work for the company.

The required accounting treatments are as follows:

The Local Government Pension Scheme

As required for a defined benefit scheme, the employers pension costs that are charged to the Group's accounts are equal to the actuarially-calculated liabilities arising as a result of the service effected by employees. Additional costs arising for discretionary benefits paid to staff on retirement have also been accounted for on a liability basis, with the full amount of any such payments being recorded in service accounts in the year of occurrence.

Silent Valley Defined Contribution Scheme

In a defined contribution scheme, the employer has no obligation beyond payment of the agreed contributions. Therefore, the net cost of services in the Group Comprehensive Income and Expenditure Statement is charged with the amount of contributions payable for the year of account. Prepayments or accruals are recorded in the Group Balance Sheet if required.

Further details of the transactions undertaken and required disclosures for the Local Government Pension Scheme, Teachers Pension Scheme and Silent Valley Defined Contribution Scheme can be found in the notes to the Group Accounts.

1.6 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.

1.6.1 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.

Only expenditure in excess of £50,000 has been capitalised by the Parent Authority, with amounts below this threshold being charged directly to revenue. The exception to this are highways assets that individually fall below this de-minimus level but are capitalised because they are treated as one single item of expenditure in the year.

1.6.2 Measurement

Tangible Non-Current Assets attributable to the Subsidiary are recorded in the accounts on the basis of depreciated historic cost.

1.6.3 Depreciation

For assets held by Silent Valley Waste Services Ltd., the following standard lives are used in calculating depreciation:

- Leasehold land and buildings – 10 - 15 years; and
- Plant and Machinery – 5 - 13 years.

These standard lives are not significantly different from those used by the Parent Authority, and any differences in calculated depreciation sums are not expected to be material. 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.

1.7 Aftercare and Capping Provisions

Provision for the cost of aftercare and site capping was made by establishing a consumption factor which aimed to write off the estimated future costs over the anticipated useful life of the site.

2. 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 subsidiary undertaking; or
- the note relates solely to the activities of the subsidiary and has not been included in the Accounts of the Local Authority.

3. Intra Group Transactions & Balances

Where necessary, transactions between the constituent parts of the Group have been eliminated from the Accounting Statements and Notes, so as not to overstate the level of income or expenditure. Similarly, balances owing to/from other Group members have been eliminated in the preparation of the Group Balance Sheet. From the perspective of the Parent, the following transactions and balances have been eliminated:

Comprehensive Income and Expenditure Statement	2015/2016 £000	2014/2015 £000
Sales to Blaenau Gwent CBC	558	481
Payments to SVWS - NNDR refund	13	0
Contribution - Leachate	(150)	(150)
Income received from SVWS - Directors' Fees	(23)	(23)

Balance Sheet		2015/2016 £000	2014/2015 £000
Non current investment in SVWS		250	250
Debtor balances		3	3
Creditor balances		(55)	(39)
Usable Reserves:	Dividends received	(725)	(725)
	Retained Profit	662	948

4. Other Comprehensive Income and Expenditure

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

Other Comprehensive Income and Expenditure	2015/2016 £000	2014/2015 £000
Surplus arising on the revaluation of Non-Current Assets	3,670	(2,817)
Remeasurement of Pension fund assets and liabilities	15,244	50,552
Other Comprehensive Income and Expenditure	18,914	47,735

5. Other Operating Income and Expenditure

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

Other Operating Income and Expenditure		2015/2016 Gross Expenditure £000	2015/2016 Gross Income £000	2015/2016 Net Expenditure £000	2014/2015 Gross Expenditure £000	2014/2015 Gross Income £000	2014/2015 Net Expenditure £000
(Gains)/losses on the Disposal of Non-Current Assets		325	(379)	(54)	2,362	(1,928)	434
Precepts & Levies:	Gwent Police Authority Precept	4,193	0	4,193	3,997	0	3,997
	Community Council Precepts	340	0	340	340	0	340
	South Wales Fire Authority Levy	3,162	0	3,162	3,232	0	3,232
	Other Levies	103	0	103	88	0	88
Subsidiary's Other Operating Income		0	(114)	(114)	0	(118)	(118)
Total		8,123	(493)	7,630	10,019	(2,046)	7,973

6. Financing and Investment Income and Expenditure

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

Financing and Investment Income and Expenditure	2015/2016 Gross Expenditure £000	2015/2016 Gross Income £000	2015/2016 Net Expenditure £000	2014/2015 Gross Expenditure £000	2014/2015 Gross Income £000	2014/2015 Net Expenditure £000
Interest payable and similar charges	4,346	0	4,346	4,183	0	4,183
Interest receivable and similar Income	0	(346)	(346)	0	(424)	(424)
Net Pensions Interest	16,868	(9,538)	7,330	19,357	(12,093)	7,264
Total	21,214	(9,884)	11,330	23,540	(12,517)	11,023

7. Taxation and Non-Specific Grant Income

Taxation and Non-Specific Grant income in the Group Comprehensive Income and Expenditure Statement consists of the following:

Taxation & Non Specific Grant Income	2015/2016 £000	2014/2015 £000
Non-Specific grants		
Council Tax Income	(34,184)	(32,990)
Non-Domestic Rates	(20,201)	(22,056)
Revenue Support Grant/OAG	(90,735)	(91,782)
Total Non-Specific grants	(145,120)	(146,828)
Capital grants and contributions	(9,587)	(17,044)
Total	(154,707)	(163,872)

8. External Audit Fees

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

External Audit Fees	2015/2016 £000	2014/2015 £000
Fees payable in respect of:		
External audit services - Final Accounts	201	201
External audit services - Local Government Measures	109	109
Certification of grant claims and returns	70	80
Other services	0	0
Total Audit Fees	380	390

External Audit services for Blaenau Gwent CBC are provided by the Wales Audit Office; for Silent Valley Waste Services Ltd. by Broomfield & Alexander Limited.

9. Property Plant & Equipment

The gross carrying amount and accumulated depreciation relating to Property, Plant and Equipment was:

Property, Plant & Equipment	31 March 2016 £000	31 March 2015 £000
Gross Carrying Amount	314,261	351,536
Accumulated Depreciation	(34,944)	(38,215)
Net Book Value	279,317	313,321

Movements in 2015/2016:

Property, Plant & Equipment Movements	Operational Assets						Total Property, Plant & Equipment £000
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	
Cost or Valuation as at 1 April 2015	205,010	8,916	119,377	131	8,271	9,831	351,536
Appropriations	3,770	607	2,965	0	(478)	(6,864)	0
Assets reclassified to/from held for sale	(438)	0	0	0	(295)	0	(733)
Additions	0	3,374	2,088	0	0	2,826	8,288
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(7,592)	0	0	7	(596)	0	(8,181)
Revaluation increases/(decreases) recognised in the Provision of Services	(42,067)	0	0	0	(1,982)	0	(44,049)
Capital expenditure written off	(5,421)	0	(186)	0	0	(16)	(5,623)
Derecognition - disposals	(51)	(365)	0	0	0	0	(416)
Other movements in cost or valuation *	5,421	0	313	0	0	7,705	13,439
Cost or Valuation as at 31 March 2016	158,632	12,532	124,557	138	4,920	13,482	314,261

Property, Plant & Equipment Depreciation & Impairment	Operational Assets						Total Property, Plant & Equipment £000
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	
Accumulated Depreciation & Impairment as at 1 April 2015	(10,523)	(6,599)	(20,940)	(8)	(145)	0	(38,215)
Depreciation Charge & Appropriations	(5,034)	(759)	(2,809)	(1)	(95)	0	(8,698)
Depreciation written out to the Revaluation Reserve	5,063	0	0	0	101	0	5,164
Depreciation written out to the Surplus/Deficit on the Provision of Services	6,356	0	0	0	98	0	6,454
Impairment losses/(reversals) recognised in the Revaluation Reserve	0	0	0	0	0	0	0
Derecognition - disposals	4	347	0	0	0	0	351
Accumulated Depreciation & Impairment as at 31 March 2016	(4,134)	(7,011)	(23,749)	(9)	(41)	0	(34,944)
Net Book Value as at 31 March 2016	154,498	5,521	100,808	129	4,879	13,482	279,317
Net Book Value as at 31 March 2015	194,487	2,317	98,437	123	8,126	9,831	313,321
Net Book Value as at 31 March 2014	199,128	2,892	84,438	124	8,107	12,175	306,864

Movements in 2014/2015:

Property, Plant & Equipment Movements	Operational Assets						Total Property, Plant & Equipment £000
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	
Cost or Valuation as at 1 April 2014	212,197	11,017	102,829	131	8,120	12,175	346,469
Appropriations	604	0	13,488	0	1,623	(15,777)	(62)
Assets reclassified to/from held for sale	(933)	0	0	0	(870)	0	(1,803)
Additions	0	287	1,445	0	0	7,116	8,848
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(662)	0	0	0	105	0	(557)
Revaluation increases/(decreases) recognised in the Provision of Services	(6,166)	0	0	0	(707)	0	(6,873)
Capital expenditure written off	(10,399)	(2)	(167)	0	0	(1)	(10,569)
Derecognition - disposals	(30)	(2,460)	0	0	0	0	(2,490)
Other movements in cost or valuation **	10,399	74	1,782	0	0	6,318	18,573
Cost or Valuation as at 31 March 2015	205,010	8,916	119,377	131	8,271	9,831	351,536

Property, Plant & Equipment Depreciation & Impairment	Operational Assets						Total Property, Plant & Equipment £000
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	
Accumulated Depreciation & Impairment as at 1 April 2014	(13,069)	(8,125)	(18,391)	(7)	(13)	0	(39,605)
Depreciation Charge & Appropriations	(5,073)	(518)	(2,549)	(1)	(148)	0	(8,289)
Depreciation written out to the Revaluation Reserve	4,489	0	0	0	0	0	4,489
Depreciation written out to the Surplus/Deficit on the Provision of Services	1,283	0	0	0	0	0	1,283
Impairment losses/(reversals) recognised in the Revaluation Reserve	1,847	0	0	0	16	0	1,863
Derecognition - disposals	0	2,044	0	0	0	0	2,044
Accumulated Depreciation & Impairment as at 31 March 2015	(10,523)	(6,599)	(20,940)	(8)	(145)	0	(38,215)

Notes * & **: Amounts included in 'Other movements in cost or valuation' relates to capital expenditure incurred during the year, £7.8 million of which has been added to the asset base and £5.6 million of which has been written off as there has been no increase to the asset value in 2015/2016(*); £8.0 million of which has been added to the asset base and £10.6 million of which has been written off as no increase to the asset value resulted in 2014/2015(**).

10. Current Debtors

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

Current Debtors	31 March 2016 £000	31 March 2015 £000
Central Government	9,682	15,188
Local Authorities	2,875	1,337
NHS	524	113
Other Current Debtors	8,559	10,321
Total Current Debtors:	21,640	26,959

11. Current Creditors

Amounts owed by the Group were as follows:

Current Creditors	31 March 2016 £000	31 March 2015 £000
Central Government	(3,261)	(5,760)
Local Authorities	(703)	(1,228)
NHS	(92)	(120)
Other Current Creditors	(8,653)	(10,161)
Total Current Creditors:	(12,709)	(17,269)

12. Provisions

Details of the purposes of the Authority's provisions can be found in notes 38.1-38.2, pages 99-101. Silent Valley Waste Services Ltd. hold a provision for Aftercare to provide for estimated costs of maintaining the landfill site after capping works have been completed. The timescale for utilisation of the provision is over a period of 60 years following closure of the site. Due to the timescales involved there are inherent uncertainties regarding the level and value of aftercare works required. Movements in the Group provisions during 2015/2016 were as follows:

Provision Movements	Balance at 1 April 2014 £000	Net Movements 2014/2015 £000	Balance at 1 April 2015 £000	Additional Provisions made in 2015/2016 £000	Amounts Used in 2015/2016 £000	Unused Amounts Reversed in 2015/2016 £000	Unwinding of Discount in 2015/2016 £000	Balance at 31 March 2016 £000
Current Provisions								
Employee Provisions:								
Back Pay	(146)	0	(146)	0	0	0	0	(146)
Early Terminations	(1,385)	416	(969)	(530)	595	374	0	(530)
Employment Tribunal	(8)	8	0	0	0	0	0	0
Short Term Compensated Absences	(2,068)	256	(1,812)	(1,441)	1,812	0	0	(1,441)
Other Provisions:								
Carbon Reduction Commitment	(167)	(11)	(178)	(274)	222	0	0	(230)
EV Leisure Centre Insurance Claim	0	0	0	(406)	0	0	0	(406)
Insurance	(520)	(9)	(529)	(585)	219	0	0	(895)
Monwel Liquidation	0	(231)	(231)	0	129	30	0	(72)
Part 1 & Land Compensation Claims	(754)	273	(481)	0	75	0	0	(406)
Reservoir Act	(750)	637	(113)	(92)	190	0	0	(15)
Silent Valley Capping Costs	(37)	0	(37)	0	0	0	0	(37)
Valuation of Contracts	(5,708)	5,708	0	0	0	0	0	0
	(11,543)	7,047	(4,496)	(3,328)	3,242	404	0	(4,178)
Non-Current Provisions								
Silent Valley Aftercare (Subsidiary)	(4,944)	1,251	(3,693)	0	940	0	0	(2,753)
Insurance	(477)	90	(387)	(860)	578	0	0	(669)
	(5,421)	1,341	(4,080)	(860)	1,518	0	0	(3,422)
Total Provisions:	(16,964)	8,388	(8,576)	(4,188)	4,760	404	0	(7,600)

13. Non-Current Liabilities

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

Non-Current Liabilities	2015/2016 £000	2014/2015 £000
Deferred Liabilities	(583)	(746)
Receipts in Advance	(11)	0
Net Pensions Liability	(243,976)	(223,596)
Total Non-Current Liabilities	(244,570)	(224,342)

14. Post-Employment Benefits

Retirement benefits are offered to the Group's employees which, although not actually payable until employees retire, represent a commitment by the Group 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 Group participates in three formal schemes: an independently administered defined contribution scheme for employees of Silent Valley Waste Services Ltd., the Teachers' Pension Scheme administered by Capita Teachers' Pensions and the Local Government Pension Scheme administered by Torfaen CBC. A number of employees of Silent Valley Waste Services Ltd. are members of the Local Government Pension Scheme, of which the company is an admitted body.

14.1 Defined Contribution Schemes

Silent Valley

A defined contribution scheme was established by the Company in November 1995. The assets of the scheme are held separately from the Company in independently administered funds. Employer contributions to this fund are at a rate of between 6% and 12% of members' pensionable earnings.

In 2015/2016, the total pension costs payable in respect of the defined contribution scheme was £0.047m (2014/2015: £0.068m). Outstanding contributions to the scheme at 31 March 2016 were £0 (2014/2015: £0).

Teachers' Pension Scheme

Teachers employed by Blaenau Gwent CBC are members of the Teachers' Pension Scheme administered by Capita Teachers' Pensions.

Further details of this Scheme and the Authority's contributions can be found in the notes to the Single Entity Core Statements (notes 42&43, pages 109-119)

14.2 Defined Benefit Scheme

The Local Government Scheme is a funded defined benefit Career Average Revalued Earnings (CARE) scheme, in which the Group 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 review being 31 March 2013. A valuation dated 31 March 2016 is currently being undertaken by the fund actuary.

Further information can be found in the Greater Gwent (Torfaen) Pension Fund's Annual Report which is available upon request from the Chief Financial Officer, Torfaen County Borough Council, Civic Centre, Pontypool, NP4 6YB.

The cost of retirement benefits are recognised in the 'Net Cost of Services' section of the Group Comprehensive Income & Expenditure Statement when those benefits are earned by employees, rather than when the benefits are actually paid as pensions.

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

Pension Scheme Transactions	2015/2016 Local Government Pension Scheme £000	2015/2016 Teachers' Unfunded Discretionary Pensions £000	2015/2016 Total £000	2014/2015 Local Government Pension Scheme £000	2014/2015 Teachers' Unfunded Discretionary Pensions £000	2014/2015 Total £000
Group Comprehensive Income & Expenditure Statement:						
Cost of Services:						
Current Service Cost	9,568	0	9,568	7,837	0	7,837
Past Service Costs and Curtailments	761	0	761	1,291	276	1,567
Settlements	0	0	0	(2,709)	0	(2,709)
Administation Expenses	164	0	164	168	0	168
Total Service Cost:	10,493	0	10,493	6,587	276	6,863
Financing and Investment Income and Expenditure:						
Interest on Plan Assets	(9,527)	0	(9,527)	(12,002)	0	(12,002)
Interest on Defined Benefit Liabilities	15,866	991	16,857	17,991	1,275	19,266
Net Interest:	6,339	991	7,330	5,989	1,275	7,264
Total Charged to the Surplus/Deficit on Provision of Services:	16,832	991	17,823	12,576	1,551	14,127
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement:						
Return on Plan assets (excluding amounts included in Net Interest)	17,426	0	17,426	(19,275)	0	(19,275)
Actuarial Gains/(Losses) arising from changes in demographic assumptions	0	0	0	0	0	0
Actuarial Gains/(Losses) arising from changes in financial assumptions	141	11	152	67,065	2,644	69,709
Experience Gains/(Losses) on defined benefit liabilties	(5,636)	3,302	(2,334)	118	0	118
Total remeasurement recognised in Other Comprehensive Income & Expenditure	11,931	3,313	15,244	47,908	2,644	50,552
Total Charged to the Group Comprehensive Income & Expenditure Statement:	28,763	4,304	33,067	60,484	4,195	64,679
Group Movement in Reserves Statement:						
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(16,797)	(991)	(17,788)	(12,547)	(1,551)	(14,098)
Actual Amount Charged Against Council Tax for Pensions in year:						
Employers' Contributions Payable to Scheme	10,762	-	10,762	10,740	-	10,740
Retirement Benefits Payable to Pensioners	-	1,868	1,868	-	1,871	1,871

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

	2015/2016			2014/2015		
Pension Scheme Assets	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000
Balance at 1 April:	290,903	0	290,903	273,565	0	273,565
Interest on Plan Assets	9,572	0	9,572	12,093	0	12,093
Administration Expenses	(164)	0	(164)	(168)	0	(168)
Employer Contributions	10,819	1,868	12,687	11,122	1,871	12,993
Member Contributions	2,631	0	2,631	2,669	0	2,669
Benefits Paid	(15,462)	(1,868)	(17,330)	(16,119)	(1,871)	(17,990)
Settlements	0	0	0	(11,600)	0	(11,600)
Remeasurement Gains/(Losses):						
Return on Plan assets (excluding amounts included in interest)	(17,488)	0	(17,488)	19,341	0	19,341
Balance at 31 March:	280,811	0	280,811	290,903	0	290,903
Reconciliation of the Movements in Present Value of Scheme Liabilities	£000	£000	£000	£000	£000	£000
Balance at 1 April:	(481,594)	(32,905)	(514,499)	(414,894)	(30,581)	(445,475)
Current Service Cost	(9,568)	0	(9,568)	(7,837)	0	(7,837)
Past Service Cost & Curtailments	(761)	0	(761)	(1,291)	(276)	(1,567)
Settlements	0	0	0	14,309	0	14,309
Interest Cost	(15,911)	(991)	(16,902)	(18,082)	(1,275)	(19,357)
Member Contributions	(2,631)	0	(2,631)	(2,669)	0	(2,669)
Benefits Paid	15,462	1,868	17,330	16,119	1,871	17,990
Remeasurement Gains/(Losses):						
Experience gains /(losses)	5,684	(3,302)	2,382	(184)	0	(184)
Actuarial (Gains)/Losses arising from changes in demographic assumptions	0	0	0	0	0	0
Actuarial (Gains)/Losses arising from changes in financial assumptions	(127)	(11)	(138)	(67,065)	(2,644)	(69,709)
Balance at 31 March:	(489,446)	(35,341)	(524,787)	(481,594)	(32,905)	(514,499)

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

Pension Assets & Liabilities Recognised in the Balance Sheet	31 March 2016 £000	31 March 2015 £000
Present Value of Scheme Liabilities:		
Local Government Pension Scheme	(489,446)	(481,594)
Teachers' Unfunded Discretionary Pensions	(35,341)	(32,905)
Total Present Value of Scheme Liabilities:	(524,787)	(514,499)
Fair Value of Scheme Assets:		
Local Government Pension Scheme	280,811	290,903
Teachers' Unfunded Discretionary Pensions	0	0
Total Fair Value of Scheme Assets:	280,811	290,903
Net Liability:		
Local Government Pension Scheme	(208,635)	(190,691)
Teachers' Unfunded Discretionary Pensions	(35,341)	(32,905)
Total Net Liability arising from Defined Benefit Scheme Obligations:	(243,976)	(223,596)

Entries are included in the Group Balance Sheet for the Group'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 Group has in the long term to pay retirement benefits.

The Group holds total usable reserves of £29.377m at 31 March 2016 (£31.503m at 31 March 2015). The effect of applying the net superannuation fund deficit of £243.976m to the Authority's usable reserves would be a deficit of £214.599m (2014/2015: the superannuation deficit of £223.596m exceeded usable reserves by £192.093m).

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 Pension Scheme is being addressed over a number of years by staged increases to employer contributions. Consequently, the liability would not arise in total 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).

15. Reserves

Details of the Authority's Reserves can be found in note 44, pages 120-131.

The Silent Valley Waste Services Ltd. Profit & Loss Reserve represents the balance of accumulated profit made on trading activities. The transactions and balances on this reserve in the Group Accounts have been adjusted to remove the profit element relating to the Parent.

Movements on the Group Reserves were as follows:

Summary: Group Reserves	1 April 2014	Net Transfers 2014/2015	31 March 2015	Adjustments	1 April 2015	Net Transfers 2015/2016	31 March 2016
	£000	£000	£000	£000	£000	£000	£000
Council Fund	(6,710)	898	(5,812)	(129)*	(5,941)	(518)	(6,459)
Silent Valley Profit & Loss Reserve	(2,993)	30	(2,963)	0	(2,963)	154	(2,809)
Parent's Usable Reserves	(22,343)	(385)	(22,728)	(214)**	(22,942)	2,833	(20,109)
	(32,046)	543	(31,503)	(343)	(31,846)	2,469	(29,377)
Parent's Unusable Reserves	15,580	45,072	60,652	510***	61,162	61,211	122,373
Total: Reserves	(16,466)	45,615	29,149	167	29,316	63,680	92,996

**: Adjustment to Council Fund Balance Brought Forward, 1 April 2015*

The Authority acts as sole trustee for a number of charitable trusts. In 2014/2015, Reserve contributions relating to the funding of capital expenditure at Bedwellty House & Park in 2013/2014 and 2014/2015 were transferred from the Authority's CIES to the Charitable Trust. However, on further examination it has been necessary to reduce the level of these transfers and consequently the Council Fund General Reserve balance as at 1 April 2015 has been increased.

***: Adjustment to Parent's Usable Reserves Balance Brought Forward, 1 April 2015*

The balance of LMS Reserves has been adjusted by £0.214m to correct for the elimination of prior year internal creditors between the Authority and schools that operate their finances on an arms-length 'cheque book' arrangement.

****: Adjustment to Parent's Unusable Reserves Balance Brought Forward, 1 April 2015*

The Authority acts as sole trustee for a number of charitable trusts. In 2014/2015, Capital expenditure and grant funding on assets at Bedwellty House and Park was transferred to the accounts of the Charitable Trust. However, on further examination it has been necessary to adjust these transfers and consequently the Capital Adjustment Account balance has been decreased by £0.510m on 1 April 2015.

16. 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.

16.1 Non-Cash Movements

Cash Flow - Adjustments for Non-Cash Movements	2015/2016		2014/2015	
	£000	£000	£000	£000
Depreciation & Impairment	51,368		17,273	
REFCUS (deferred charges)	7,274		5,416	
Intangible fixed asset write downs	0		9	
Effective interest adjustment	(38)		(40)	
Net IAS19 charges made for Retirement Benefits	(17,788)		(14,098)	
IAS19 Employers Contributions Paid to Pension Fund	12,635		12,587	
		53,451		21,147
Increase/(Decrease) in Provisions		(975)		(8,388)
(Increase)/Decrease in Inventories		124		556
(Increase)/Decrease in Revenue Debtors		1,988		3,769
Increase/(Decrease) in Revenue Creditors		(1,912)		298
Total		52,676		17,382

16.2 Investing or Financing Activities included in the Deficit on Provision of Services

Cash Flow - Adjustments for Investing & Financing Activities	2015/2016	2014/2015
	£000	£000
Gain/(Loss) on Disposal of fixed assets	(97)	878
Capital Grants credited to CIES	(14,945)	(19,812)
Total	(15,042)	(18,934)

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

17.1 Investing Activities

The cash flows for investing activities consist of the following:

Cash Flow - Investing Activities	2015/2016			2014/2015		
	£000	£000	£000	£000	£000	£000
Cash Outflows						
Purchase of Non-Current Assets	(17,862)			(26,848)		
Other Capital Cash Payments	(295)			27		
		(18,157)			(26,821)	
Cash Inflows						
Sale of Non-Current Assets	421			820		
Capital Grants Received	14,479			19,519		
Other Capital Cash Income	53			68		
		14,953			20,407	
Total			(3,204)			(6,414)

17.2 Financing Activities

The cash flows for financing activities consist of the following:

Cash Flow - Financing Activities	2015/2016			2014/2015		
	£000	£000	£000	£000	£000	£000
Cash Outflows						
Repayments of Amounts Borrowed	(62,413)			(133,345)		
Capital Element of Finance Lease Rental Payments	(243)			(316)		
		(62,656)			(133,661)	
Cash Inflows						
New Loans Raised	11,683			24,268		
New Short Term Loans	61,991			113,250		
Long Term Investments Repaid	26			26		
		73,700			137,544	
Total			11,044			3,883

18. Cash and Cash Equivalents

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

Cash and Cash Equivalents	2015/2016 £000	2014/2015 £000
Cash Held by the Authority	42	39
Bank Accounts	10,510	9,805
Total Cash & Cash Equivalents	10,552	9,844

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