



Bannau
Brycheiniog

Statement of Accounts

for the year ended
31st March 2024



**BRECON BEACONS NATIONAL PARK AUTHORITY
STATEMENT OF ACCOUNTS 2023/24**

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NARRATIVE REPORT

1. INTRODUCTION

The Statement of Accounts is a publication required by law that gives stakeholders, local funders, and members of the Authority clear information about the financial performance and position of Brecon Beacons National Park Authority.

The Statement of Accounts is produced to inform about the financial performance and standing of the Authority. This Narrative Report gives a summary of the Statement of Accounts. It contains key financial information including a summarised revenue account, in addition to supporting information, to set out the cost of services and how costs were funded.

The Authority is required by law to produce an annual Statement of Accounts in accordance with proper accounting practices as laid down by the Chartered Institute of Public Finance and Accountancy (CIPFA) in its Code of Practice on Local Authority Accounting 2022-23 (the Code). It is also required to comply with the Accounts and Audit (Wales) (Amended) Regulations 2018.

This Narrative provides a brief explanation of the more significant matters reported in the accounts. Accounting statements are set out on later pages and consist of: -

A Statement of Accounting Policies - the basis upon which amounts have been included in the accounts using accepted accounting principles.

The Core Financial Statements

- **The Comprehensive Income and Expenditure Statement (CIES)** - the income and expenditure during the financial year, accompanied by notes which explain the figures further. The Code requires that this statement is structured and is in line with the service breakdown of income and expenditure reported by the Authority. The CIES therefore reports an analysis of expenditure and income by Directorate.
- **The Statement of Movements in Reserves** – shows the movement in year on reserves held by the Authority, analysed into 'usable' reserves and 'unusable' reserves. The statement shows the true economic cost of providing the authority's services and how those costs are funded from the various reserves held.
- **The Balance Sheet** - the assets and liabilities, cash held, and amounts set aside in reserves at the financial year-end. Notes are provided to give further details of specific balances.
- **The Cash Flow Statement** - shows the changes in cash and cash equivalents of the Authority during the reporting period. Further explanation is provided in the notes to the statement.

The responsible finance officer signed the statement of accounts (subject to audit) on 30th August 2024. Significant events after the Balance Sheet date and up to the date of approval have been considered in preparing the Statement. The Statement has been audited by the Auditor General for Wales and a copy of his report is published with the Statement when this becomes available on completion of the audit. The Authority is also required to publish

a Governance Statement. For further information and explanation of items in this document, please contact the Authority's Finance team finance@beacons-npa.gov.uk

2. ABOUT BRECON BEACONS NATIONAL PARK AUTHORITY

The Authority covers 520 square miles and is one of three National Parks in Wales. The Authority became an independent Special Purpose Local Authority with effect from 1st April 1996 and has two statutory purposes and one duty:

Purposes:

- To conserve and enhance the natural beauty, wildlife and cultural heritage of the National Park.
- To promote opportunities for public enjoyment and understanding of the special qualities of the National Park.

Duty:

- To foster the economic and social well-being of communities living within the National Park.

The Authority is the statutory Local Planning Authority for the area and is responsible for preparation of the Local Development Plan and determining planning applications.

Each year the Authority is required to publish a Corporate Plan setting out how it intends to employ its resources for the coming year to fulfil the purposes and duty in line with its current Management Plan for the Brecon Beacons National Park 2022-2027. A review of the Authority's performance against the Corporate Plan is carried out annually. These documents are published on the Authority's website www.beacons-npa.gov.uk

3. INCOME AND EXPENDITURE

The gross cost to the Authority of providing its services, as reported to Members during the year for management purposes was £7,127k. The table below summarises expenditure and sources of funding and shows that £122k net was transferred from Earmarked Reserves.

The Welsh Government sets the Authority's approved level of net revenue expenditure for the year and pays 75% of this in National Park Grant. The remaining 25% can then be raised by the Authority by issuing a levy on the constituent Unitary Authorities. These are: Powys County Council, Carmarthenshire County Council, Monmouthshire County Council, Rhondda Cynon Taff County Borough Council, Merthyr Tydfil County Borough Council, Blaenau Gwent County Borough Council, and Torfaen County Borough Council. The Welsh Government provides specific revenue and capital funding for priority project delivery. Where this cannot be fully applied in the year in which it is received, it is held in an earmarked reserve and applied in future years.

Locally generated income and specific grants are allocated to individual services and are offset against the expenditure on those headings to arrive at the total net budgets and costs as reported to those responsible for management of the Authority. The table below shows how the net cost of services is derived from gross income and expenditure (see Note 1, Expenditure and Funding Analysis for a reconciliation of amounts reported to management on a directorate basis to the totals reported on the Comprehensive Income and Expenditure Statement).

The net costs for each service in the Comprehensive Income and Expenditure Statement include depreciation (the cost of wear and tear on buildings, equipment, etc.). Adjustments are also made for pension costs in accordance with the International Accounting Standard 19: Retirement Benefits (IAS19). These technical adjustments are intended to bring the Authority's accounts into line with UK Generally Accepted Accounting Policies. They indicate the full cost to the Authority in the relevant financial year of meeting all future commitments to its current and former employees under the Local Government Pension Scheme.

These adjustments do not affect the net revenue spend of the Authority, paid for by the Welsh Government and local taxpayers, supplemented by income generated by providing services. For a full explanation of the basis for the charges under IAS 19, see Note 30. The adjustments are not included in the budgeted figures as they have no impact on the cost of the Authority's operations for management purposes.

The IAS19 adjustments impact on the assets of the Authority as recorded in the Balance Sheet, increasing the Authority's overall net assets to a balance of £13.805m. Excluding the Pension Fund adjustments, the Authority's net assets would be £12.693m. In the CIES, the actuarial assessment of the Authority's assets and liabilities in the Fund has produced a net actuarial gain of £0.63m; last year an actuarial gain of £11.83m was advised.

Comparison of actual income and expenditure: Current and previous financial years

	2023/24	2022/23
	£000	£000
National Park Grant	3,309	3,144
National Park Levy	1,036	1,035
Government Grants and Contributions	1,576	1,253
Fees, Charges and other Service income	959	843
Interest Receivable	125	58
Total Income	7,005	6,333
Employee Expenses	4,504	4,105
Other Service Expenses	2,623	2,432
Total Expenditure	7,127	6,537
Transfers to/(from) Reserves	(122)	(76)
Total Expenditure after net transfers to/from Reserves	7,005	6,461
Net (cost)/income of Services (Contribn to/from General Fund)	0	(128)

While the 2023/24 National Park Grant from the Welsh Government and associated Levy funding remained at 2022/23 levels, the Authority did receive an additional Welsh Government in year grant of more than £2.6m. The grant is to be used and accounted for across several years and £200k was used to help support revenue expenditure during the year.

The total in year grant funding went up from £5.3m in 2022/23 to £5.9m in 2023/24. Similarly, fees, charges and services income increased from £843k to £959k in 2023/24. The Authority sought to deploy this funding to meet its statutory purposes and Governmental priorities.

Overall expenditure for the Authority of £7,127k increased by £590k, (9.0%), from 2022/23 to 2023/24 which was primarily due to increased employee costs of £399k and other operating costs of £191k.

Additional capital grants from various sources were successfully applied for during the year, and the Authority spent £1.2m on capitalised assets details of which are shown in the Non-Current Assets (see Note 14: Property, Plant and Equipment and Note 15: Intangible Assets).

Earmarked reserves allow the Authority to set aside contingency funds to meet future commitments, such as the costs of Project Support, the Local Development Plan Enquiry and Sustainable Landscapes Sustainable Places Fund commitments. These reserves are used where the timing of funding receipts does not match the financial year of the related expenditure.

The Authority's total usable reserves decreased between 31 March 2023 and 31 March 2024; from £3.886m to £3.480m. The majority of these reserves are ring-fenced for specific project work and other commitments. However overall, some £155k of earmarked reserves and £255k from capital reserves were applied during the year to fund revenue and capital activities.

A comparison between the budgeted and actual income and expenditure account by service for 2023/24 is produced below. The table is in line with CIPFA's current Code of Practice, which requires authorities to account for expenditure and income in the same objective structure as is used for reporting to management.

To enable comparisons between the revised budget and the outturn, year-end recharges for capital charges (depreciation), accumulated absences and actuarially assessed pension scheme costs (in accordance with international accounting standards) have been applied to the budget figures to give an adjusted total.

Summary of principal variances between 2023/24 budget as adjusted and the Statement of Accounts.

Net Service Costs	2023/24 Adjusted Budget*	2023/24 Out-turn*	2023/24 Variance against adjusted Budget
	£000	£000	£000
Chief Executive's Office and Communications	460	409	(51)
Monitoring Officer and Solicitor's Department	470	454	(16)
Nature and Climate Change	1890	1,528	(362)
Planning and Place	2,338	2,206	(132)
Programme Manager's Department	758	703	(55)
Adjusted net cost of services	5,916	5,300	(616)
Interest received	(50)	(125)	(75)
National Park Grant (Welsh Government)	(3,109)	(3,109)	
National Park Levy (Constituent Authorities)	(1,037)	(1,036)	1
National Park Capital Grant (Welsh Government)	(1,076)	(1,076)	
Transfer to/(from) Reserves	(773)	(122)	651
Adjusted net income	(6,245)	(5,668)	577
Accounting Adjustments reversed	329	368	39
Net Deficit /(Surplus)	0	0	0

*including notional depreciation, accounting standards adjustments for pension costs and other elements required by CIPFA for accounts preparation.

The above table shows that the Authority's net cost of services of £5,300k was £616k below budget of £5,916k. Favourable deposit rates in the year together with higher-than-expected cash balances meant the Authority received interest of £125k, £75k above that budgeted. The authority benefitted financially from carrying a significant number of vacancies which has reduced the impact of the salary pay awards in recent years. The SLSP grant contribution, receipt of a higher level of bank interest than anticipated and projects not being progressed at the projected rate meant a lower-than-expected impact on the General Reserve in 2023/24. The table show the Authority had anticipated the need to draw down circa £773k from its reserves to balance the 2023/24 budget, however in practice only £122k was required.

The main reason for the underspend was in relation to employment costs arising from vacant posts; actual salary costs of £3,415k were £212k below budget and an actual superannuation cost of £646k was £48k below that budgeted. An error in the budgeted employer National Insurance contributions resulted in further saving of £240k. An additional £200k of Welsh Government revenue grant was also accounted for in the year and this was used to cover both budgeted and additional expenditure.

Significant Variances by directorate reported to Management

Chief Executive's Office and Communications (£51k Underspend)

Total salary costs were under budget by £116k, largely due to salary savings arising from the vacant post of Business Development Manager, helped to offset a shortfall in an unexplained budgeted grant of £100k in the CEO's budget. Underspending on Public Affairs professional fees of £29k along with increased additional grant income, significantly impacted on the overall underspend in the directorate. There was a duplicate budgeted grant to National Parks UK of £10k which was not utilised, although there was an overspend on Audit Fees of £5k.

Monitoring Officer and Solicitor's Department (£16k Underspend)

Subscriptions, reference publications and professional fees were slightly overspent during the year and whilst legal services were overspent, democratic services had a significant underspend. The overspends on Professional Fees of £13k and Publications of £5k within the Legal service were also offset by savings in Member Salaries and Allowances of £27k.

Nature and Climate Change (£362k Underspend)

Employment costs within Nature and Climate Change of £1,390k were £98k under budget. Delays in the appointment of the Treescapes Policy Officer and the commencement of the Vital Signs Development project resulted in underspends in the Ecology department. Other operating costs of £972k were ahead of budget by £434K. While there were some budget overruns due to additional depot rental charges, grants paid to third parties and equipment purchases, most of the excess expenditure was in relation to additional grant funded projects. Fees charges and grants of £442k were ahead of budget for the year, with the additional grants coming from the Welsh Government Sustainable Landscapes Sustainable Places grant, the W.C.V.A. Local Places For Nature Fund, and the UK Government Shared Prosperity Fund.

Planning and Place (£142k Underspend)

Total staffing costs of £1,936k across the Planning and Place directorate was £161k below budget. There were several positions remaining vacant for part of the year, notably in Development management and Strategy, Policy and Heritage, which masked staff costs overruns at the Authority's centres. The total Waterfalls outturn was £58k above budget which was largely due to a shortfall of £45k in the General Hired budget for the Meet and Greet Staff. The overrun was partially compensated by income of £243k being £17k above budget. The National Parks visitor centre outturn was £56k over budget, although again total income exceeded budget by £26k. Both centres electricity costs were significantly above that budgeted. Unexpected building repairs at Craig Y Nos of £20k was funded by additional Welsh Government grant funding.

The Authority released Section 106 agreements to the value of £248k which had been retained for a number of years.

Programme Manager’s Department (£55k Underspend)

The Programme Manager’s department is where most of the Authority’s support services are recorded. A majority of underspend for the directorate is in relation to employment costs. The actual employment costs at £467k were £46k below budget and was mainly due to vacant posts and underspends in staff training costs.

Looking Forward

Looking to the future, the Authority core annual budgets for 2024/25 and beyond show annual deficits which are being balanced by drawing on the Authority reserves which clearly isn’t sustainable. Factors outside the Authority’s control continue to dominate the future expectations and the finances for the Authority remain challenging. In addition to the impact of inflationary pressures of recent years, the National Park Grant and other core incomes are expected to continue at standstill at best. Pay awards are also likely to provide further pressure and are outside of the control of the Authority. The Authority is however actively exploring options to grow alternative income streams and review its structural operating costs. However, organisational capacity is a limitation here.

In March 2024 the Authority received welcome and essential additional funding from Welsh Government of £2.5m. This was split £1.0m for revenue purposes and £1.5m for capital expenditure. £200k of the revenue funding was to help counter the projected revenue deficit for 2023/24 financial year. Similarly, the additional revenue funding will be used to offset the predicted operating deficits for the 2024/25 and 2025/26 financial years. It is worth emphasising that without this funding the deficits would have to be funded from the Authority own limited and finite reserves. The General Reserves balance as at the end of the 2023/24 financial year was £1,176k, expected to remain at this level until the end of 2024/25 and fall to £201k at the end of 2025/26 which is below the recommended reserve level set by the Authority.

4) CAPITAL EXPENDITURE

The Authority spent £1,222k on capital projects and a summary of expenditure qualifying as capital for accounting purposes is provided below:

	2023/24 Actual	2022/23 Actual
		£000
Upland Access and Rights of Way Improvement Projects	28	246
Peatland Restoration	516	389
Green Growth Fund – de-carbonisation of visitor centres	0	52
Fibre Cabling	0	50
Four Fall Trail Design (ongoing works)	72	5
Vehicles and Equipment	126	134
National Park Visitor Centre improvements	95	244
Enhancement at Bikers Corner	32	0

Enhancement of the Govilon Line	10	0
Enhancement work at Craig Y Nos	179	0
Redevelopment of Cwmporth Waterfall Reception Area	164	0
Total expenditure classified as capital under accounting definition and policies*	1,222	1,120
Less:		
Grants & Contributions received in year	996	(918)
Transfer from the Capital Grants Unapplied Account	172	(146)
Use of Capital Receipts Reserve	0	(24)
Use of Earmark Reserves	54	(31)
Revenue Financing	0	(1)
Net Expenditure	(1,222)	(1,120)

*Expenditure which meets the accounting definition of capital has been classified as capital and funded by in year grants, use of capital receipts, a legacy allocation and an appropriation from the Revenue Account. Expenditure meets the relevant accounting de minimis criteria (as outlined in the Authority's accounting policies). When projects are completed, the resulting asset is included in the Authority's Balance Sheet.

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STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

THE AUTHORITY'S RESPONSIBILITIES

The Authority is required to:-

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority that officer is the Chief Financial Officer (Section 151 Officer).
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

THE CHIEF FINANCIAL OFFICER'S RESPONSIBILITIES

The Chief Financial Officer/S151 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*.

In preparing the Statement of Accounts, the Chief Financial Officer has:-

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

The Chief Financial 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.

The Statement of Accounts gives a true and fair view of the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31 March 2024. To comply with the Accounts and Audit (Wales) Regulations 2014, the responsible financial officer is required to re-certify the Statement immediately before their adoption by the Authority and after the completion of the audit, while the Chairman certifies approval of the audited Statement by the Authority.

Section 151 Officer
Brecon Beacons National Park Authority

Date:

Chairman
Brecon Beacons National Park Authority

Date:

~~The independent auditor's report of the Auditor General for Wales to the members of Brecon Beacons National Park Authority~~

~~Opinion on financial statements~~

~~I have audited the financial statements of Brecon Beacons National Park Authority for the year ended 31 March 2024 under the Public Audit (Wales) Act 2004.~~

~~Brecon Beacons National Park Authority's financial statements comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, and the related notes, including a summary of significant accounting policies.~~

~~The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24.~~

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

- ~~• give a true and fair view of the financial position of Brecon Beacons National Park Authority as at 31 March 2024 and of its income and expenditure for the year then ended; and~~
- ~~• have been properly prepared in accordance with legislative requirements and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24.~~

~~Basis of opinion~~

~~I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under these standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. My staff and I am independent of Brecon Beacons National Park Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.~~

~~Conclusions relating to going concern~~

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

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

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

~~Other Information~~

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

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

~~work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.~~

~~I have nothing to report in this regard.~~

~~Report on other requirements~~

~~Opinion on other matters~~

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

- ~~• the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24;~~
- ~~• The information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Governance Statement has been prepared in accordance with guidance.~~

~~Matters on which I report by exception~~

~~In the light of the knowledge and understanding of Brecon Beacons National Park Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Governance Statement.~~

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

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

~~Responsibilities~~

~~Responsibilities of the responsible financial officer for the financial statements~~

~~As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 10, the responsible financial officer is responsible for~~

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

~~Auditor's responsibilities for the audit of the financial statements~~

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

~~My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.~~

~~Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and~~

~~are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.~~

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

~~My procedures included the following:~~

- ~~• Enquiring of management and those charged with governance, including obtaining and reviewing supporting documentation relating to Brecon Beacons National Park Authority's policies and procedures concerned with:
 - ~~▪ identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;~~
 - ~~▪ detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and~~
 - ~~▪ the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.~~~~
- ~~• Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in respect of the posting of unusual journals.~~
- ~~• Obtaining an understanding of Brecon Beacons National Park Authority's framework of authority as well as other legal and regulatory frameworks that Brecon Beacons National Park Authority operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Brecon Beacons National Park Authority.~~
- ~~• Obtaining an understanding of related party relationships.~~

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

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

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

~~The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Brecon Beacons National Park Authority's controls, and the nature, timing and extent of the audit procedures performed.~~

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

Other auditor's responsibilities

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

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Brecon Beacons National Park Authority in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales's Code of Audit Practice.

Adrian Crompton

1 Capital Quarter

Tyndall Street

Auditor General for Wales

Cardiff

15 February 2024

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Statement of Accounting Policies

General Principles

The Statement of Accounts summarises the Authority's transactions for the 2023/24 financial year and its financial position at the year-end of 31 March 2024. The purpose of the Statement of Accounting Policies is to explain the calculation bases of the figures in the accounts.

The accounts have been prepared in accordance with:

- The current year's Code of Practice on Local Authority Accounting in the United Kingdom (the Code).
- The guidance notes issued by CIPFA on the application of International Financial Reporting Standards (IFRS's); International Accounting Standards (IAS's).

Accounting Concepts

The accounts have been prepared in accordance with the following accounting principles and concepts.

Principles: relevance, reliability, comparability, understandability.

Concepts: materiality, faithful representation, timeliness, accruals, going concern, primary of legislative requirements.

These principles and concepts have been used in the selection and application of accounting policies and estimation techniques and in the exercise of professional judgement.

Accruals of Income and Expenditure

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

- Revenue from the sales 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.
- 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 reduced and a charge is made to the expenditure and income account for the income that might not be collected.

- Transactions with a value of less than £1,000 will not be accrued unless there are specific operational reasons for doing so, such as grant claim administration.

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 mature within 3 months or less from the date of acquisition 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.

Charges to Revenue for Non-Current Assets

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

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

Contingent Liabilities, Contingent Assets and Provisions

Contingent Liabilities

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

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

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 a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential and they are material.

Provisions

Provisions are made where both of the following conditions apply:-

- an event has taken place that imposes on the Authority a legal or constructive obligation that probably requires settlement or a transfer of economic benefits or service potential
- a reliable estimate can be made of the amount of the obligation

Provisions are charged as an expense in the appropriate service line in the Comprehensive Income and Expenditure Statement when a quantifiable potential obligation is identified. The value of the potential cost is estimated as at the balance sheet date and carried in the Balance Sheet as a liability. When a payment is eventually made, it is charged directly to the provision.

Estimated settlements and their probability are reviewed at the end of each financial year and if it becomes unlikely that the expense will be incurred or the amount is expected to be reduced, the reduction or removal of the provision will be credited back to the service originally charged. Where some, or all, of the expense associated with a provision is expected to be recoverable from a third party, such as an insurer, this related income will not be recognised unless it is virtually certain to be received on discharge of the obligation.

Employee Benefits

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

Termination benefits 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 relevant service line in the Comprehensive Income and Expenditure Statement at the earlier of when the authority can no longer withdraw the offer of those benefits or when the authority recognises the costs of a restructuring.

Post-employment benefits (pensions) are earned by employees during their working life in return for services to their employer. Employees of the Authority are members of the Local Government Pension Scheme, administered by Powys County Council. The scheme provides defined benefits to members (retirement lump sums and pensions) earned as employees work for the Authority and is accounted for as a defined benefits scheme.

The liabilities of the Powys 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 retirements benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of earnings for current employees.

Liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields. The assets of the Powys pension fund attributable to the Authority are included in the Balance Sheet at their fair value. As follows:

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

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

Service cost comprising:

current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked

past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.

Net interest on the net defined benefit liability (asset), ie net interest expense for the authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Re-measurements comprising:

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

actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

Contributions paid to the Powys Pension Fund – 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 General 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 General Reserve of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Events after the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period 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 – 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 audit certification are not reflected in the Statement of Accounts.

Foreign Currency

Where the Authority has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting material gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that the Authority will comply with the conditions attached to the payments, and the grants or contributions will be received.

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until there is reasonable certainty that 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. Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to Capital Grants Unapplied Account. Where a grant has been used to finance capital expenditure, it is posted to the Capital Adjustment Account.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as 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.

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 (eg software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

Intangible assets are measured initially at cost and carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Inventories

These have been included in the accounts at cost. This is a departure from the requirements of the CIPFA Code of Practice, which require stocks to be shown at the lower of actual cost or net realisable value, whichever is the lower. The difference is not considered to be material.

Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee and the value of the item of property, plant or equipment leased exceeds the de minimis threshold of £10,000. All other leases are classed as operating leases.

Lease payments are charged in full according to date payable on a straight line basis, ensuring an equal annual charge to the service revenue accounts throughout the life of the lease.

The Authority rents several properties in support of its services, and rental costs are accounted for on a straight-line basis in the relevant rental periods. The Authority also rents-out several owned properties that are not required for direct service provision. The properties are held as fixed assets in the balance sheet, and income relating to these properties is accounted for on a straight-line basis in the relevant rental periods.

Overheads and Support Services

In accordance with the current CIPFA Code of Practice, the cost of support services is accounted for in the same format as presented to Authority Members in the management accounts. Support services and departmental management costs are shown in the department under which they are managed.

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

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

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.

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.

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 (ie repairs and maintenance) is charged as an expense when it is incurred. The Authority has set a minimum level of £10,000 for capitalising expenditure, with the exception of land and buildings which are always capitalised. Expenditure below the minimum level is treated as revenue.

Measurement

Assets are initially measured at cost, comprising the purchase price and 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.

Assets are then carried in the Balance Sheet using the following measurement bases:
Infrastructure, community assets and assets under construction: depreciated historical cost.
All other assets: fair value, determined as the amount that would be paid for the asset in its existing use, existing use value.

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of fair value. Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value. 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, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Where decreases in value are identified, they are accounted for by:

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

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.

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:

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

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (ie freehold land and certain Community Assets) and assets that are not yet available for use (ie 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
- infrastructure (rights of way, trails and associated structures – straight-line allocation over the useful life of the asset as advised by a suitably qualified officer

In the absence of specific advice, the estimated asset lives used are as follows:

Vehicles and other equipment	5 years
IT equipment	3 years
Community and Infrastructure assets	20 years
Land and Buildings	20 years
Intangible Assets	3 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.

Disposals and Non-current 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 re-valued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale. When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (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 also as part of the gain or loss on disposal (ie 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. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement. As the Authority is debt free, 100% of any such receipts can be used to finance new capital expenditure.

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

Surplus Assets

Where an asset is no longer being used for operational purposes but is not being actively marketed, abandoned or scrapped, it is classified as a surplus asset. Surplus assets are valued at fair value (ie the price which would be received in an orderly transaction between market participants at the measurement date).

Reserves

The Authority sets aside specific amounts as usable reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts 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 in the Movement in Reserves Statement.

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

Value added Tax

The accounts have been prepared on a VAT exclusive basis. Where VAT on an item of expenditure cannot be reclaimed, it is charged to the related service or capital project. THE PRINCIPAL ACCOUNTING STATEMENTS

Explanatory note on the information included in the core financial statements.

The Statement of Accounts sets out details of the Authority's income and expenditure for the financial year 2023/24 and its Balance Sheet as of 31 March 2024. The four core financial statements reflect the National Parks activities including the specific projects undertaken and are as follows:

The **Comprehensive Income and Expenditure Statement** (CIES) 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. It also brings together all the gains and losses of the Authority for the year.

The **Movement in Reserves Statement** (MIRS) shows the movement in year on reserves held by the Authority, analysed into 'usable' reserves and 'unusable' reserves. The statement shows the true economic cost of providing the authority's services and how those costs are funded from the various reserves held.

The **Balance Sheet** shows the value of the assets and liabilities recognised by the National Park. The net assets of the National Park (assets less liabilities) are matched by the Usable and Unusable Reserves held by the National Park. Usable Reserves are those the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitation on their use. Unusable Reserves are not available to fund services and include 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.'

The **Cash Flow Statement** shows the changes in cash and cash equivalents of the National Park during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flow arising from operating activities is a key indicator of the extent to which the operating activities of the authority are funding by way of grant and levies or from the recipients of services provided by the National Park. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash follows by providers of capital (i.e., borrowing) to the authority.

The notes on pages (16 – 27) Accounting Policies and pages (34 – 69) form part of the statement of accounts. provide more details about items contained in the statements.

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**Comprehensive Income and Expenditure Statement
for the year ended 31st March 2024**

	2023/24	2023/24	2023/24	2022/23	2022/23	2022/23
	Gross Expenditure	Gross Income	Net	Gross Expenditure	Gross Income	Net
	£000	£000	£000	£000	£000	£000
Chief Executive's Office and Communications	531	(122)	409	545	(107)	438
Monitoring Officer and Solicitor's Department	462	(8)	454	513	(5)	508
Nature and Climate Change	2,673	(1,145)	1,528	2,380	(837)	1,543
Planning and Place	3,381	(1,174)	2,207	3,488	(1,146)	2,342
Programme Manager's Department	707	(4)	703	717	(2)	715
Cost of Services	7,754	(2,453)	5,301	7,643	(2,097)	5,546
Other Operating Expenditure (Note 6)			40			40
Financing and Investment Income and Expenditure (Note 7)			(115)			242
Taxation and Non-Specific Grant Income (Note 8)			(5,422)			(5,097)
(Surplus)/ Deficit on the Provision of Services			(196)			731
Surplus or deficit on revaluation of Fixed Assets			(112)			35
Actuarial (Gains)/Losses on Pension Assets/Liabilities (Note 30)			(1,740)			(5,270)
Other Comprehensive (Income) and Expenditure			(1,852)			(11,795)
Total Comprehensive (Income) and Expenditure			(2,048)			(11,064)

Movement in Reserves Statement
Year Ended 31st March 2024

	General Reserve	Earmarked Reserves	Capital Grants Unapplied Account	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2023	1,176	1,612	692	0	3,480	8,438	11,918
Movement in reserves during 2023/24							
Total Comprehensive Income and Expenditure	196				196	1,740	1,936
Adjustments between accounting basis and funding basis under regulations (Note 11)	(286)		(255)		(541)	541	
Net (Decrease)/Increase before Transfers to Earmarked Reserves	(90)		(255)		(345)	2,281	1,936
Transfers from Earmarked Reserves (Note 12)	90	(90)					
Roundings		(2)	(1)		(1)	3	2
(Decrease)/Increase in 2023/24		(92)	(254)	0	(346)		1,938
Balance at 31 March 2024	1,176	1,520	438	0	3,134	10,722	13,856

Movement in Reserves Statement
Year Ended 31st March 2023

	General Reserve	Earmarked Reserves	Capital Grants Unapplied Account	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2022	1,533	1,420	908	24	3,885	-3,033	852
Movement in reserves during 2022/23							
Total Comprehensive Income and Expenditure	(731)				(731)	11,795	11,064
Adjustments between accounting basis and funding basis under regulations (Note 11)	595		(216)	(24)	355	(355)	
Net (Decrease)/Increase before Transfers to Earmarked Reserves	(136)		(216)	(24)	(376)	11,440	11,064
Transfers from Earmarked Reserves (Note 12)	(221)	192			(29)	31	2
(Decrease)/Increase in 2022/23	(357)	192	(216)	(24)	(405)	11,471	11,066
Balance at 31 March 2023	1,176	1,612	692	0	3,480	8,438	11,918

Balance Sheet as at 31st March 2024

	2023/24 £000	2022/23 £000
Property, Plant And Equipment (Note 14)	9,742	9,112
Intangible Assets (Note 15)	25	31
TOTAL LONG-TERM ASSETS	9,767	9,143
Inventories (Note 18)	58	70
Short-term Debtors (Note 19)	1,656	1,393
Pension Fund Asset (Note 30)	1,112	0
Cash and Cash Equivalents (Note 20)	5,045	2,994
CURRENT ASSETS	7,871	4,457
Short-Term Creditors (Note 21)	(3,782)	(1,109)
CURRENT LIABILITIES	(3,782)	(1,109)
Liability - Defined Benefit Pension Schemes (Note 30)	0	(573)
LONG TERM LIABILITIES	0	(573)
NET ASSETS	13,856	11,918
Capital Grants Unapplied Account	(438)	(692)
Other Usable Reserves	(2,696)	(2,788)
Total Usable Reserves (Note 12)	(3,134)	(3,480)
Unusable Reserves (Note 13)	(10,722)	(8,438)
TOTAL RESERVES	(13,856)	(11,918)



Section 151 Officer

30th August 2024

Date:

Cash Flow Statement

	2023/24	2022/23
	£000	£000
Net (surplus) or deficit on the provision of services	(196)	731
Adjustments to net surplus or deficit on the provision of services for non-cash movements (note 22)	(924)	32
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	-	-
Net cash flow from operation activities	(1,120)	763
Investing activities (Note 23)	(930)	202
Financing activities (Note 24)	-	-
Net (Increase) or decrease in cash and cash equivalents	(2,051)	965
Cash and Cash equivalents at the beginning of the reporting period	2,994	3,959
Cash and Cash equivalents at the end of the reporting period (Note 20)	5,045	2,994

Notes to the Financial Statements

Note 1: Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate how funding available to the National Park (e.g., from national Park Core Grant, levies) for the year has been used in the provision of services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the National Park's Directorates. Income and Expenditure accounted for under generally accepted accounting practices is presented more fully in the CIES.

	Net Expenditure Chargeable to the General Reserve	Adjustments between the Funding and Accounting Basis	Net Expenditure in the CIES
	2023/24	2023/24	2023/24
	£000	£000	£000
Chief Executive's Office and Communications	407	- 2	409
Monitoring Officer and Solicitor's Department	452	- 2	454
Nature and Climate Change	1,214	- 315	1529
Planning and Place	1,914	- 292	2206
Programme Manager's Department	684	- 19	703
Net Cost of Services	4,671	- 630	5,301
Other Income and Expenditure	- 4,579	916	- 5,495
Deficit/(Surplus)	92	286	- 194
Movement on General Reserves and Earmarked Reserves:			
Opening Balance	2,788		
Movement	- 92		
Closing Balance	2,696		

	Net Expenditure Chargeable to the General Reserve	Adjustments between the Funding and Accounting Basis	Net Expenditure in the CIES
	2022/23	2022/23	2022/23
	£000	£000	£000
Chief Executive's Office and Communications	397	(41)	438
Monitoring Officer and Solicitor's Department	454	(54)	508
Nature and Climate Change	1,126	(417)	1,543
Planning and Place	1,867	(475)	2,342
Programme Manager's Department	598	(117)	715
Net Cost of Services	4,442	(1,104)	5,546
Other Income and Expenditure	(4,306)	509	(4,815)
Deficit/(Surplus)	136	(595)	731
Movement on General Reserves and Earmarked Reserves:			
Opening Balance	2,953		
Movement	(165)		
Closing Balance	2,788		

Adjustments between Funding and Accounting basis

The following explains the main adjustments from the Net Expenditure Chargeable to the Authorities General Reserve and Earmarked Reserves to arrive at the amounts in the CIES. Adjustments from Capital purposes include (where they have taken place in year) depreciation, impairments and revaluations gains and losses. It also adjusts for revenue contributions to capital expenditure that are not chargeable under generally accepted accounting practices to the General Reserve.

Pension Adjustment show where costs have been affected by the removal of pension contributions and replaced with IAS19 costs.

Other adjustments are items that cannot be allocated to either Capital or Pension adjustments.

	Adjustments for Capital Purposes	Net Change for the Pension Adjustments	Other Adjusts	Total Adjusts
	2023/24	2023/24	2023/24	2023/24
Adjustments between funding and accounting basis	£000	£000	£000	£000
Chief Executive's Office and Communications	0	0	-2	-2
Monitoring Officer and Solicitor's Department	0	-1	-1	-2
Nature and Climate Change	-312	0	-3	-315
Planning and Place	-276	0	-16	-292
Programme Manager's Department	-15	0	-4	-19
Cost of Services	-603	-1	-26	-630
Other Income and Expenditure	1,222	-54	-252	916
Difference between General Reserve surplus or deficit and CIES surplus or deficit on the provision of services	619	-55	-278	286

	Adjustments for Capital Purposes	Net Change for the Pension Adjustments	Other Adjusts	Total Adjusts
	2022/23	2022/23	2022/23	2022/23
Adjustments between funding and accounting basis	£000	£000	£000	£000
Chief Executive's Office and Communications	0	(48)	7	(41)
Monitoring Officer and Solicitor's Department	0	(46)	(8)	(54)
Nature and Climate Change	(200)	(209)	(8)	(417)
Planning and Place	(113)	(320)	(42)	(475)
Programme Manager's Department	(45)	(61)	(11)	(117)
Cost of Services	(358)	(684)	(62)	(1,104)
Other Income and Expenditure	918	(340)	(69)	509
Difference between General Reserve surplus or deficit and CIES surplus or deficit on the provision of services	560	(1,024)	(131)	(595)

NOTE 2: Accounting Standards Issued and Not Adopted

The 2023/24 Code requires the Authority to disclose information relating to the impact of an accounting change that will be required by new accounting standards that have been issued but not yet adopted by the Code. Amendments to the 2023/24 Code of Practice on Local Authority Accounting have been reviewed and are not considered to be relevant or are immaterial to the Authority.

A new standard International Financial Reporting Standard (IFRS) 16 – Leases, which is likely to impact the way the Authority accounts for its leases in the financial statements, was to have been introduced in 2022/23. The implementation date has been deferred and is currently offered as voluntary adoption. The Authority has not voluntarily adopted the new standard, which will become mandatory in 2024/25.

NOTE 3: Critical Judgements In Applying Accounting Policies

In applying the Authority's Accounting Policies, certain judgements have been made involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

There is uncertainty about future levels of funding for National Park Authorities in Wales beyond the 2024/25 financial year. However, the assumption has been made that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired because of a need to close facilities and reduce levels of services provision.

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

The Statement of Accounts contains estimated figures which are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made considering 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 valuation of the Authority's land and buildings took place in 2023/24.

Item	Uncertainties	Effect If Actual Results Differ from Assumptions
Pensions liability/Asset	Estimation of the net liability to pay pensions depends on several complex judgements relating to corporate bond yields, the discount rate used, projected rates of salary increase, mortality rates and expected returns on pension fund assets. An assessment of	Changes in assumptions may interact in several ways and may have a large impact on the pension net liability in the financial statements. The accounting standard governing the accounting basis for Pension Scheme costs is known to cause volatility in estimates of assets and liabilities

	the pension liability has been provided by AON Solutions UK Limited, who also provide actuarial advice on the assumptions to be applied and their effect.	between years and hence large swings in both the CIES total and net assets figure in the balance sheet.
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be carried out on individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets. Valuations ascribed to Property by the Authority's valuers are affected by market values which are substantially dependent on economic factors outside the Authority's control.	A reduction in useful life or identification of impairment increases the charge to the Cost of Services in the CIES and reduces the value of assets in the Balance Sheet. Changes in the market value of assets may result in the Authority's land and buildings being under- or over-valued. As a result of the economic impact of Covid19, the departure of the UK from the European Union and interest rate volatility, there is significantly more uncertainty in 2022/23 and 2023/24 in relation to property values. These impacts are potentially material but not yet quantifiable.

NOTE 5: Events after the Balance Sheet date

The Statement of Accounts was authorised for issue by Chief Financial Officer on 14th February 2024. Where events taking place before this date provided information about conditions existing on 31 March 2024, the figures in the Statements and notes have been adjusted in all material respects to reflect the impact of this information.

NOTE 6: Other Operating Income & Expenditure

	2023/24 £000	2022/23 £000
Pension Fund Administration Costs	40	40
Total	40	40

NOTE 7: Financing and Investment Income and Expenditure

	2023/24 £000	2022/23 £000
Interest on Pension Scheme net defined benefit liability	10	300
Interest receivable and similar income	(125)	(58)
Total	115	242

NOTE 8: Taxation and Non-Specific Grant Income (see also Note 9 - Total Grant Income)

	2023/24 £000	2023/24 £000	2022/23 £000	2022/23 £000
Levies on Constituent Local Authorities				
Powys County Council	609		609	
Carmarthenshire County Council	152		152	
Monmouthshire County Council	116		116	
Rhondda Cynon Taff County Borough Council	53		53	
Merthyr Tydfil County Borough Council	41		41	
Blaenau Gwent County Borough Council	32		32	
Torfaen County Borough Council	32		32	
Subtotal		1,035		1,035
Non-Specific Grant Income – National Park Grant		3,309		3,144
Capital Grants and Contributions applied in year		996		918
Other Grants		82		
Total		5,422		5,097

NOTE 9: Grant Income

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

	2023/24 £000	2022/23 £000
Credited to Taxation and Non-Specific Grant Income		
National Park Grant	3,309	3,144
National Park Capital Grant included in the Income and Expenditure Account	996	918
Other Wesh Government Grant	82	
Levies – Powys County Council	609	609
Carmarthenshire County Council	152	152
Monmouthshire County Council	116	116
Rhondda Cynon Taff County Borough Council	53	53
Merthyr Tydfil County Borough Council	41	41
Blaenau Gwent County Borough Council	32	32
Torfaen County Borough Council	32	32
Total	5,422	5,097

Credited to Services		
EU-funded Grants	3	53
Other Government Grants	993	840
Other Local Authority Grants and Contributions	189	256
Heritage Lottery Fund Grant	0	25
Other Grants	310	77
Donations and Legacies	0	3
Total credited to services	1,495	1,254
Total Grants, Contributions and Donations	6,917	6,351

Note 10 SUBJECTIVE ANALYSIS OF EXPENDITURE AND INCOME

This note explains the nature of expenditure and income of the Authority as shown in the CIES

	2023/24	2022/23
	£000	£000
Expenditure		

Employee benefits	4,532	4,852
Other services	2,663	2,472
Depreciation, amortisation, revaluations	599	358
Interest Payments	10	300
Total expenditure	7,804	7,982
Income		
Fees, charges & services income	(960)	(844)
Interest & investment income	(125)	(58)
Levies	(1,035)	(1,035)
Government grants and other contributions	(5,882)	(5,314)
Total Income	(8,002)	(7,251)
Surplus / (deficit) on provision of services	198	(731)

NOTE 11: 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. Below is a description of the General Reserve, against which the adjustments are made.

General Reserve

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

Adjustments between accounting basis and funding basis 2023/24	General Reserve	Capital Grants Unapplied Account	Capital Receipts Reserve	Movement in Unusable Reserves
	£000	£000	£000	£000
Adjustments to the revenue resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements.				
Pension Costs (transfers to/from Pensions Reserve)	57			(57)
Accumulated Absences	26			(26)
Reversal of entries included in the surplus or deficit on the provision of services in relation to capital expenditure	599			(599)
Total adjustment to revenue resources	682			(682)
Adjustments between revenue and capital resources				
Transfer of capital grants and contributions to capital grants unapplied				
Transfer of capital grants and contributions to revenue (non-qualifying items not capitalised)	82	(82)		
Capital expenditure financed from revenue balances				
Capital Grants through the CIES	(1,224)			1,224
Total adjustments between revenue and capital resources	(1,142)			1,224
Adjustments to capital resources				
Use of capital receipts to finance capital expenditure				
Application of capital grants to finance capital expenditure	174	(174)		
Total adjustments to capital resources	174	(174)		
Total adjustments	(286)	(256)		542

Adjustments between accounting basis and funding basis 2022/23	General Reserve	Capital Grants Unapplied Account	Capital Receipts Reserve	Movement in Unusable Reserves
	£000	£000	£000	£000
Adjustments to the revenue resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements.				
Pension Costs (transfers to/from Pensions Reserve)	1,025			1,025
Accumulated Absences	62			62
Reversal of entries included in the surplus or deficit on the provision of services in relation to capital expenditure	358			358
Total adjustment to revenue resources	1,445	-	-	1,445
Adjustments between revenue and capital resources				
Transfer of capital grants and contributions to capital grants unapplied	-	-	-	-
Transfer of capital grants and contributions to revenue (non-qualifying items not capitalised)	69	(69)	-	-
Capital expenditure financed from revenue balances	(1)	-	-	(1)
Capital Grants through the CIES	(918)	-	-	(918)
Total adjustments between revenue and capital resources	(850)	(69)	-	(919)
Adjustments to capital resources				
Use of capital receipts to finance capital expenditure	-	-	(24)	(24)
Application of capital grants to finance capital expenditure	-	(147)	-	(147)
Total adjustments to capital resources	-	(147)	(24)	(171)
Total adjustments	595	(216)	(24)	355

NOTE 12: Total Useable Reserves

	2023/24 £000	2022/23 £000
Capital Grants Unapplied Account	(438)	(692)
General Reserves	(1,176)	(1,176)
Earmarked Reserves	(1,520)	(1,612)
Total Usable Reserves	(3,134)	(3,480)

Movement In Earmarked Reserves

This note details the amounts set aside by the Authority out of its revenue resources to meet future costs whose timing and extent are uncertain. These reserves are held until required or until the Authority decides that the anticipated costs will not arise.

A summary of movements in earmarked reserves for the last two financial years is provided below:

	Balance at 31 Mar2022	Transfers out	Transfers in	Balance at 31 March 2023	Transfers out	Transfers in	Balance at 31 March 2024
	£000	£000	£000	£000	£000	£000	£000
Welsh Government Specific revenue grants committed to projects	395	(176)	34	253	(168)		85
S106/Affordable Housing sums received by the Authority but not yet applied	376	0	31	407	(146)		261
Other Earmarked Reserves	649	(67)	370	952	(71)	293	1,174
Total	1,420	(243)	435	1,612	(385)	293	1,520

The purposes of earmarked reserves, with balances greater than £30k, contained in the table above are given below.

Welsh Government Specific Revenue Funding 2017 £47k (2022/23 £52k) This reserve holds the unspent portion of revenue funding for a range of specific projects, provided to the Authority in addition to its core grant in 2016/17.

Welsh Government Specific Revenue Funding 2018 £12k (2022/23 £24k) This reserve holds the unspent portion of revenue funding for a range of specific projects, provided to the Authority in addition to its core grant in 2017/18.

Welsh Government Specific Revenue Funding 2019 £Nil (2021/22 £144k) This reserve holds the unspent portion of revenue funding for a range of specific projects, provided to the Authority in addition to its core grant in 2018/19.

Welsh Government Specific Revenue Funding £26k (2022/23 £34k) This reserve holds the unspent portion of revenue funding for a range of specific projects, provided to the Authority in addition to its core grant in 2022/23.

S106/Affordable Housing Reserve £272k (2022/23 £407k) This reserve has been established to retain S106 sums payable to the Authority in relation to property development pending their allocation to applicants for the provision of affordable housing.

Planned Deficit Reserve £393k (2022/23 £230k) This reserve for the planned deficit of the Authority was set up in 2022/23, to reflect the impact on the balance held in General Reserves. It is expected that future expenditure will be above income in core activities of the Authority, in the medium term. As the Authority has forecasted deficits for the forthcoming two years, it is prudent to prepare for this impact.

Legacy Receipts Reserve £104k (2022/23 £104k) This reserve was set up to earmark funding received in the form of bequests until it can be appropriately used to benefit the National Park. During 2022/23, it was agreed that £30,566 would be allocated in the bid for a 20:80 grant, which focussed on improved accessibility of the visitor centre.

Conservation Fund Reserve £83k (2022/23 £88k) Fees received by the Authority from organisations using Authority land for filming, net of any related costs, are set aside for use on environmental improvement projects and other expenditure to benefit the National Park.

Project Support £118k (2022/23 £118k) Established to funded additional demands and costs that may potentially arise on the implementation time specific projects.

Local Development Plan Enquiry Reserve £69k (2022/23 £74k) The Authority is legally required to publish a Local Development Plan periodically. This involves extensive consultation and data collection, a public enquiry held by an external Planning Inspector, and publication costs at intervals of 3-5 years. Funds were set aside each year to help fund these recurring costs. The current Plan was adopted in 2014 and an annual monitoring report is made to the Welsh Government.

Reserve provision for termination costs of temporary project officer posts £50k (2022/23 £50k) Established in recognition of the increasing proportion of employees who are temporarily employed for specific projects, to cover potential unfunded expenses incurred at termination of contracts.

Reserve provision for Pooled Vehicle Replacement £60k (2022/23 £60k). This reserve is held to fund the future replacement of pooled vehicles. The aim is to add each year to the balance where funds are available.

In addition to the above the following reserves were created in 2023/24; Peatland Project £30k, Nature Mission and Biodiversity Revenue Priorities Fund £72k, Knowledge Management Revenue Fund £17k

NOTE 13: Unusable Reserves

Unusable Reserves are those that are restricted and cannot be used to finance the Authority's operational activities.

This is due to one of two reasons:

- They represent assets recognised in the accounts, but which are not readily available to support current spend;
- or
- They represent future liabilities that will fall to the Authority in later years but under statute are not chargeable against the budget until they become due, e.g. pensions deficits.

	31 March 2023/24	31 March 2022/23
	£000	£000
Revaluation Reserve	3,397	3,406
Capital Adjustment Account	6,364	5,730
Accumulated Absences Account	(150)	(125)
Pensions Reserve	1,111	(573)
Total	10,722	8,438

Revaluation Reserve

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

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

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

	2023/24 £000	2022/23 £000
Balance at 1 April	3,405	3,450
Difference between fair value depreciation and historical cost depreciation	(10)	(10)
Revaluation in year	(1)	(35)
Amount written off to the Capital Adjustment Account	0	(10)
Balance at 31 March	3,396	3,405

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 additions to those assets under statutory provisions. The account is debited with the cost of acquisition, construction or subsequent costs as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement. The account is credited with the amounts set aside by the authority as finance for the costs of acquisition, construction and subsequent expenditure. The account contains accumulated gains and losses on investment properties and gains recognised on donated assets that have yet to be consumed by the Authority.

The Account also contains revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. The movement on the reserve during the year is as follows:"

	2024 £000	2023 £000

Balance at 1 April	5,730	4,958
Capital funded items charged to the CIES		
Charges for depreciation and impairment of non-current assets	(322)	(352)
Amortisation of intangible assets	(6)	(6)
Subtotal	(328)	(358)
Values released from revaluation reserve		
Depreciation costs funded from revaluation reserve	10	10
Revaluations Charged to Capital Adjustment Account	(271)	
Net costs of non-current assets used in year	(589)	(348)
Capital financing applied in the year		
Use of capital receipts reserve to finance capital expenditure	0	24
Capital grants and contributions from CIES	996	918
Funding from the capital grants unapplied account	173	146
Use of Earmarked Reserved	54	0
Legacy funding	0	31
Revenue contributions to capital costs from CIES	0	1
Subtotal	1,223	1,120
Balance at 31 March	6,364	5,730

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 CIES 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 statutory arrangements ensure that funding will have been set aside by the time the benefits come to be paid. During the year the Pension Reserve moved from a deficit of £573k to a surplus of £1,100k. A further explanation of the movement is provided in Note 30,

	2023/24 £000	2022/23 £000
Balance at 1 April	(573)	(11,378)
Actuarial gains/(losses) on funded pensions assets and liabilities	630	11,830
Adjustment for restrictions of surplus	1,110	0
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(700)	(1,650)
Employer's pension contributions and direct payments to pensioners payable in the year	644	625
Balance at 31 March Surplus / (Deficit)	1,111	(573)

The Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, eg annual leave entitlement due but untaken at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	2023/24 £000	2022/23 £000
Balance at 1 April	(125)	(63)
Net change in Accrual*; amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(25)	(62)
Balance at 31 March	(150)	(125)

NOTE 14: Property, plant and equipment

	Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets under Construction	Total Property, Plant and Equipment
Movements in 2023/24	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation:							
At 1 April 2023	5,657	907	2,187	1,570	0	143	10,464
Additions	438	197	587				1,222
Valuation increases/(decreases) recognised in the Revaluation Reserve	-128	0	0	0	0	0	-128
Valuation increases/(decreases) recognised in the surplus/deficit on the provision of services*	-271	0	0	0	0	0	-271
De-recognition (disposals and write-offs)	0	0	0	0	0	0	0
Transfers (assets re-classified)	78					-78	
At 31 March 2024	5,774	1,104	2,774	1,570		65	11,287
Accumulated depreciation and impairment							
At 1 April 2023	96	386	730	140	0	0	1,352
Less accumulated depreciation written out on revaluation/disposals	-129	0	0	0	0	0	-129
Depreciation written out to the revaluation reserve							
Depreciation written out to the surplus/deficit on the provision of services	35	111	114	62	0	0	322
Total depreciation charge for the year	-93	111	114	62	0	0	194
At 31 March 2024	2	497	844	202	0	0	1,545
Net Book Value							
At 31 March 2023	5,561	521	1,457	1,430	0	143	9,112
At 31 March 2024	5,772	607	1,930	1,368		65	9,742

	Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets under Construction	Total Property, Plant and Equipment
Movements in 2022/23	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation:							
At 1 April 2022	5,595	810	1,592	1,297	0	189	9,483
Additions	20	97	601	273	0	122	1,113
Valuation increases/(decreases) recognised in the Revaluation Reserve	(126)	0	0	0	0	0	(126)
Other movements in depreciation, derecognised and impairment	0	0	-6	0	0	0	-6
Valuation increases/(decreases) recognised in the surplus/deficit on the provision of services*	0	0	0	0	0	0	0
De-recognition (disposals and write-offs)	0	0	0	0	0	0	0
Transfers (assets re-classified)	168	0	0	0	0	(168)	0
At 31 March 2023	5,657	907	2,187	1,570	0	143	10,464
Accumulated depreciation and Impairment							
At 1 April 2022	152	235	614	90	0	0	1,091
Less accumulated depreciation written out on revaluation/disposals	(91)	0	0	0	0	0	(91)
Depreciation written out to the revaluation reserve	10	0	0	0	0	0	10
Depreciation written out to the surplus/deficit on the provision of services	25	151	116	50	0	0	342
Total depreciation charge for the year	(56)	151	116	50	0	0	261
At 31 March 2023	96	386	730	140	0	0	1,352
Net Book Value							
At 31 March 2022	5,443	575	978	1,207	0	189	8,392
At 31 March 2023	5,561	521	1,457	1,430	0	143	9,112

Asset Valuations as at 31 March 2024

Brecon Beacons National Park Authority's freehold and long leasehold properties were last valued on 1st April 2024 by External Valuers, Chris Hyde MSc MRICS FAAV and Elizabeth Hill BSc MRICS of Cooke & Arkwright Chartered Surveyors. The valuations were in accordance with the requirement of the RICS Valuation – Global Standards 2017 (The Red Book) and the International Valuation Standards 2017 (IVS) and the RICS Valuation, Global Standards 2017 – UK national supplement. The valuation of each property was on the bases and assumptions:

1. For Owner Occupied non specialist property plant and equipment: Valued to Existing Use Value assuming that the property would continue in existing use.
2. For Owner Occupied specialist property, plant and equipment: Valued to Existing Use Value using Depreciated Replacement Cost assuming that the properties would continue in existing use or
3. For investment Properties: Valued to Fair Value assuming that the properties would be sold subject to any existing leases

Gross Value as at last valuation	Land and Buildings	Vehicles, Furniture, Plant and Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets under Construction	TOTAL
	£000	£000	£000	£000	£000	£000	£000
Carried at historic cost		1,104	2,774	1,570	0	143	5,591
Valued at fair value as at 1 April 2024	5,776	0	0	0	0	0	5,776
TOTAL	5,776	1,104	2,774	1,570		143	11,367

See also Note 4 in relation to uncertainty affecting asset values.

Depreciation: All assets except land are depreciated, in line with the Authority's Statement of Accounting Policies.

Capital Commitments: As at 31 March 2024 the Authority £114,000 (£670,000 at 31 March 2023) of capital commitments.

NOTE 15: Intangible Assets

	2023/24	2022/23
	£000	£000
Balance at start of year		
Gross Carrying amounts	40	53
Less carrying amount of de-recognised asset		(13)
Balance at start of year	40	40
Accumulated amortisation	40	53
Less Accumulated amortisation on de-recognised asset		(13)
Net Amortisation at start of year	40	40
Net carrying amount at start of year	31	0
Additions – Purchases		7
Intangible Assets under construction transferred to Intangible Assets		24
Amortisation for the period	6	0
Net carrying amount at end of year	25	31

NOTE 16: Impairment Losses

The CIPFA Code of Practice requires the Authority to disclose any impairment losses or reversals charged to the Surplus or Deficit on the Provision of services and to Other Comprehensive Income and Expenditure. These disclosures are consolidated in Notes 14 and 15, reconciling the movement in the year in the Property, Plant and Equipment and Intangible Asset balances.

There were no impairments identified during 2023/24 (none in 2022/23). Land and Buildings were revalued as at 31 March 2024 and their asset lives reassessed. Any changes to asset lives have been taken into account when calculating depreciation.

NOTE 17: Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it. If capital expenditure were to be financed in future years by charges to revenue as assets were used by the Authority, the expenditure would require a calculation of the Capital Financing Requirement. As the Authority is currently debt-free, this calculation is not required.

	2023/24 £000	2022/23 £000
Opening capital financing requirement	-	-
Capital investment		
Expenditure on capital assets		
Property, Plant and Equipment	1,223	1,113
Intangible Assets	-	7
	1,223	1,120
Less: Sources of finance		
Transfer from Capital Grants Unapplied Account	(173)	(146)
Government grants and other contributions applied	(996)	(918)
Capital Receipts applied	(54)	(24)
Legacy Funds	-	(31)
Revenue contributions	-	(1)
Closing Capital Financing Requirement	0	0

NOTE 18: Inventories

	2023/24 £000	2022/23 £000
Opening Inventories	70	64
Purchases	95	99
Stock Write Adjustments	(1)	
Recognised as an expense in the year	(106)	(93)
Closing Inventories as at	58	70

NOTE 19: Short-Term Debtors

	31 March 2024 £000	31 March 2023 £000
Debtors falling due in less than one year		
Central Government Bodies	1,157	618
Other Local Authorities	294	235
Other	205	540
Total Short-Term Debtors	1,656	1,393

NOTE 20: Cash and Cash Equivalents

	31 March 2024 £000	31 March 2023 £000
Cash held by the Authority	2	2
Bank Current Accounts	5,043	2,992
Total	5,045	2,994

Note 21: Creditors falling due in less than one year

	31 March 2024 £000	31 March 2023 £000
Central Government Bodies	2,692	170
Local Authorities	101	167
Other Entities and Individuals	989	772
Total	3,782	1,109

NOTE 22: Cash Flow Statement: Operating Activities

	2023/24	2022/23
	£000	£000
Depreciation /Amortisation/ Revaluations	(599)	(358)
Increase/(decrease) in Inventories	(13)	6
Increase/(decrease) in Short Term Debtors	(176)	595
(Increase)/decrease in Short Term Creditors	(1,074)	(102)
Movement in Pension Liability	(57)	(1,025)
Capital Grants included in the CIES	996	918
Other non-cash movements	(1)	(2)
	(924)	32

NOTE 23: Cash Flow Statement - Investing Activities

	2023/24	2022/23
	£000	£000
Purchase of property, plant and equipment and intangible assets	1,223	1,120
Proceeds from the sale of property, plant and equipment and intangible assets	0	0
Other receipts from investing activities (Capital Grants)	(2,153)	(918)
Net cash flows from investing activities	(930)	202

NOTE 24: Cash Flow Statement - Financing Activities

The authority has no short or long-term borrowing and therefore no Financing activity transactions to disclose.

NOTE 25: Members' Allowances

The Authority paid the following amounts to members of the Authority during the year.

	2023/24	2022/23
	£000	£000
Allowances	104	86
Expenses	1	1
Total	105	87

NOTE 26: Officers' Remuneration and termination benefits

The remuneration paid to the Authority's senior employees is as follows:

2023/24	Salary	Taxable Expenses	Employer's Pension	Total
	£000	£000	£000	£000
Chief Executive	90	0	18	108
Director of Nature Recovery and Climate Change	72	0	15	87
Director of Planning & Place	71	0	14	85
Chief Legal Officer	67	0	14	81
Chief Finance Officer	26		5	31

2022/23	Salary	Taxable Expenses	Employer's Pension	Total
	£000	£000	£000	£000
Chief Executive	85	0	18	103
Director of Nature Recovery and Climate Change	65	0	14	79
Director of Planning & Place	65	0	14	79
Chief Legal Officer	65	0	14	79

There were five senior employees receiving remuneration of more than £60,000 per annum in 2023/24 (four in 2022/23). The Chief Financial Officer commenced employment with the Authority on 1st November 2023.

The annual salary of the Chief Executive as a multiple of the median salary of an Authority employee of £31,364 is 2.85. (2.89 in 2022/23 of the median salary of £29,439).

Termination Benefits

In 2023/24 the Authority did not pay any termination benefits as there were no redundancies, nor in 2022/23.

NOTE 27: External Audit Costs

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections provided by the Authority's external auditors.

Fees payable to Audit Wales, external auditors:	2023/24 £000 (expected)	2022/23 £000 (expected)
Financial Audit	41	66
Performance Audit	23	23
Total	64	89

NOTE 28: Related Parties

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

Central Government

The Welsh Government has effective control over the general operations of the Authority providing most of its funding in the form of grants and by determining the total Levy which the Authority may make on its Constituent Local Authorities. It also sets objectives for the Authority by means of the Memorandum of Understanding and the annual Strategic Grant Letter. The Authority's operations and management are also controlled by a statutory framework encompassing a range of legislation which includes a definition of its statutory purposes and duty. Government grant receipts in the years to 31 March 2023 and 2024 are included in Note 9.

Members

The 18 Members of the Authority have direct control over the Authority's financial and operating policies. The total of members' allowances paid in 2022/23 and in 2023/24 is

shown in Note 25. Where members are personally affected by decisions made by the Authority, they are required to declare an interest and refrain from taking part in those decisions and discussions relating to them. Details of members' interests are recorded in the Register of Members' Interests, available on the Authority's website, together with further details of expenses if paid to Members for the year. No material transactions between the Authority and parties where Members were in a position of joint control or influence, other than those referred to elsewhere in this note, were identified.

Other Public Bodies

The Constituent Local Authorities, within whose boundaries the Authority's own boundary runs, contribute to the finances of the Authority by means of a statutory levy, determined by the Welsh Government. Each of these authorities provides a number of Councillors to serve as members of the National Park Authority, broadly in proportion to the size of the levy they contribute and their area within the National Park. Grants for specific purposes are also received from or via local authorities and the total of these is shown in Note 9.

Senior Management

The Chief Executive and senior management of the Authority are in a position to influence the Authority's policies and allocation of its resources. Payments to senior officers with a remuneration of greater than £60,000 per annum are identified in Note 26. All staff are required to declare gifts and hospitality received.

Entities Controlled or Significantly Influenced by the Authority

The Authority gives grants for specific purposes to organisations under the Sustainable Development Fund Grant Scheme, but it is not considered that the Authority has control, joint control or significant influence over the entities assisted.

The Authority received income in 2023/24 totalling £2,500 from Brecknock Society and Museum Friends. A member of the Authority is also a member of Brecknock Society and Museum Friends. The Authority paid Beacons Water Group a total of £28,475 during 2023/24 for work on the Usk Catchment Project; two members of staff have relatives who are directors of Beacons Water Group. The Chair of the Authority is a non-executive member on the Welsh Government Board. The Authority's Section 151 Officer is also the S151 Officer at Pembrokeshire Coast National Park Authority. The Authorities exchange several services between themselves, but the Section 151 Officer is not directly involved in these arrangements.

NOTE 29: Leases

The Authority as Lessee

Finance Leases: The Authority currently has no material leases which are classified as finance leases under the terms of the CIPFA Code of Practice.

Operating Leases: The Authority's headquarters, some office equipment and some items in the vehicle fleet have been acquired under operating leases. The future minimum lease payments due under non-cancellable leases in future years are:

Total Commitments Under Operating Leases	31 March 2024		31 March 2023	
	£000		£000	
Payments within 1 year				
Buildings	22		22	
Vehicles	19		29	
Total		51		51
Payments 2-5 years				
Buildings	5		26	
Vehicles	4		4	
Total		9		30
Payments after 5 years		0		0
Total Commitments		60		81

The Authority as Lessor

Finance Leases: The Authority does not lease out property under terms which would be classified as finance leases under the terms of the current CIPFA Code of Practice. (Nor in 2022/23)

Operating Leases: The Authority leases out parts of its premises at the Craig y nos Country Park and the National Park Visitor Centre to catering providers and small businesses. The minimum amount receivable from the first group of tenants is estimated to be £20,000 within 1 year. Several small businesses currently lease premises at Craig y Nos Country Park on a rolling monthly basis.

Note 30: Defined Benefit Pension Schemes

Introduction

As part of the terms and conditions of employment of its officers, the Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not be payable until employees retire, the Authority has a commitment to make the payments that must be disclosed at the time when employees earn their future entitlement. In accordance with International Accounting Standards, disclosure of certain information concerning assets, liabilities, income and expenditure relating to pension schemes is required in relation to future amounts.

The disclosures that follow relate to the funded liabilities within the Powys County Council Pension Fund ("the Fund") which is part of the Local Government Pension Scheme (the

“LGPS”). The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a career average revalued earnings scheme. Details of the benefits to be paid for the period covered by this disclosure are set out in the LGPS Regulations 2013 and the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014.

Unfunded pension arrangements arise from termination benefits paid on a discretionary basis upon early retirement in respect of a member of the LGPS. Brecon Beacons National Park Authority recognises gains and losses in full, immediately through Other Comprehensive Income and Expenditure. The date of the last full actuarial valuation of the employer’s LGPS unfunded benefits was 31st March 2022. There is no further liability in relation to unfunded benefits as of 2023/24 and no disclosure is made in relation to unfunded benefits in the year of account.

Funding and Governance Arrangements of the LGPS

The funded nature of the LGPS requires Brecon Beacons National Park Authority and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS Regulations 2013 and the Fund’s Funding Strategy Statement. The last actuarial valuation was 31 March 2022 and the contributions to be paid until 31 March 2024 resulting from that valuation are set out in the Fund’s Rates and Adjustment Certificate. To calculate the level of contributions required to meet its share of the Fund’s liabilities and to obtain the disclosures and calculations required to complete the annual Statement of Accounts, the Authority uses the services of a qualified actuary: AON Solutions UK Limited. The Fund Administering Authority, Powys County Council is responsible for the management of the Fund.

Key Assumptions

	31 March 2024	31 March 2023
	(% per annum)	(% per annum)
Discount rate	4.8	4.7
CPI Inflation	2.6	2.7
Pension Increases	2.6	2.7
Pension Accounts revaluation rate	2.6	2.7
Salary increases	4.1	4.2

Mortality assumptions

The mortality assumptions are based on actual mortality experience of members within the Fund based on analysis carried out as part of the 2022 valuation and allow for expected future mortality improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are shown below.

Post-retirement mortality (retirement in normal health)	31 March 2024	31 March 2023
	years	years
Males		
Member aged 65 at accounting date	22.1	22.6
Member aged 45 at accounting date	23.0	23.5
Females		
Member aged 65 at accounting date	24.6	25.0
Member aged 45 at accounting date	25.9	26.3

Assets

The assets allocated to the Employer in the fund are notional and are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return to be applied to those notional assets over the accounting period. The Fund is large and holds a significant proportion of its assets in liquid investments. As a consequence, there will be no significant restriction on realising assets if a large payment is required to be paid from the fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole (based on data supplied by the Administering Authority) is shown in the disclosures split by quoted and unquoted investments.

The Administering Authority may invest in a small proportion of the Fund's investments in the assets of some of the employers participating in the fund if it forms part of their balanced investment strategy.

Asset allocation

	Value at 31/3/2024			Value at
	Quoted	Unquoted	Total	31/3/2023
				Total
Equities	40.9	7.4	48.3	49.1
Property	5.9	0	5.9	6.9
Government Bonds	9.2	0	9.2	8.7
Corporate Bonds	0	0	0	0
Multi Asset Credit	7.2	0	7.2	7.2
Cash	4.2	0	4.2	1.3
Other	23.3	1.9	25.2	26.8
Total	90.7	9.3	100.0	100.0

Reconciliation of funded status to Balance Sheet

	Value as at 31 March 2024	Value as at 31 March 2023
	£m	£m
Fair value of assets	29.15	27.06
Present value of funded defined benefit obligation	28.04	27.63
Pension asset/(liability) recognised on the Balance Sheet	1.11	(0.57)

The Pension Fund liabilities increased from £27.0m as at March 2023 to £28.0m at the end of March 2024. The increase was due to a decrease of 0.1% p.a. in assumed C.P.I.,. However, the increase in asset values from £27.1m to £29.1m, resulted in the overall pension position moving from a deficit of £0.5m to a surplus of £1.1m at the end of the year.

The split of the liabilities at the last valuation between the various categories of members is as follows:

Active Members	36%
Deferred Pensioners	26%
Pensioners	38%

Breakdown of amounts recognised in CIES (deficit on the Provision of Services) and Other Comprehensive Income and Expenditure

	Period ending 31 March 2024	Period ending 31 March 2023
	£m	£m
Operating Cost		
Current service cost(1)	0.69	1.35
Financing Cost		
Interest on net defined benefit liability	0.01	0.30
Pension expense recognised in the deficit on provision of services	0.70	1.65
Re measurements in Other Comprehensive Income and Expenditure		
Return on plan assets (in excess of)/below that recognised in net interest.	(1.09)	2.08
Actuarial (gains)/losses due to changes in financial assumptions	(0.97)	(15.57)
Actuarial (gains)/losses due to changes in demographic assumptions	0.00	0.33
Actuarial (gains)/losses due to changes in liability experience	0.32	1.33
Adjustment loss (gain) due to restrictions of surplus	1.11	0.0
Total Amount Recognised in Other Comprehensive Income and Expenditure (2)	(0.63)	(11.83)
Total Amount Recognised	0.07	(10.18)

Changes to the present value of the defined benefit obligation

	Period ending 31 March 2024	Period ending 31 March 2023
	£m	£m
Opening defined benefit obligation	27.63	39.82
Current service cost	0.69	1.35

Interest expense on defined benefit obligation	1.28	1.07
Contributions by participants	0.21	0.20
Actuarial (gains)/losses due to changes in financial assumptions	(0.97)	(15.57)
Actuarial (gains)/losses due to changes in demographic assumptions	0.00	0.33
Actuarial (gains)/losses due to liability experience	0.32	1.33
Net benefits paid out	(1.12)	(0.90)
Closing defined benefit obligation	28.04	27.63

Changes to the fair value of assets	Period ending 31 March 2024 £m	Period ending 31 March 2023 £m
Opening fair value of assets	27.06	28.44
Interest Income on assets	1.27	0.77
Re-measurement gains/(losses) on assets	1.09	(2.08)
Contributions by the employer	0.64	0.63
Contributions by participants	0.21	0.20
Net benefits paid out	(1.12)	(0.90)
Closing fair value of assets	29.15	27.06

Actual return on assets	Period ending 31 March 2024 £m's	Period ending 31 March 2023 £m's
Interest Income on assets	1.27	0.77
Re-measurement gains/(losses) on assets	1.09	(2.08)
Actual return on assets	2.36	(1.31)

Risks associated with the fund in relation to accounting Asset volatility

The liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields. If assets underperform, this yield will create a deficit in the accounts. The Fund holds a significant proportion of growth assets which are expected to outperform corporate bonds in the long term creates volatility and risk in the short term in relation to the accounting figures.

Changes in bond yield

A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in the assets as a result.

Inflation risk

The majority of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are either unaffected or loosely correlated with inflation meaning that an increase in inflation will increase the deficit.

Life Expectancy

The majority of the Fund's obligations are to provide benefits for the life of the member following retirement, so increase in life expectancy will result in an increase in the liabilities.

Exiting employers

An employer who leaves the Fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer (or guarantor) is not able to meet this exit payment, the liability may in certain circumstances fall on the other employers in the Fund. Further, the assets at exit in respect of 'orphan' liabilities' may in retrospect not be sufficient to meet the liabilities. This risk may also fall on other employers in the Fund. 'Orphan liabilities' are currently a small proportion of the overall liabilities in the Fund.

Sensitivity Analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation at 31 March 2024 and the projected service cost for the period ending 31 March 2025 is set out below. In each case only the assumption mentioned is altered; all other assumptions remain the same and are summarised in Section 1.

Discount Rate Assumption Adjustment to discount rate	+0.1% p.a.	Base Figure	-0.1% p.a.
Present value of total obligation (£m)	27.56	28.04	28.52
% Change in present value of total obligation	-1.70		1.70
Projected service cost (£m)	0.64	0.67	0.70
Approximate % change in projected service cost	-3.80		3.90
Rate of general Increases in salaries Adjustment to salary increase rate	+0.1% p.a.	Base Figure	-0.1% p.a.

Present value of total obligation (£m)	28.07	28.04	28.01
% Change in present value of total obligation	0.1		-0.1
Projected service cost (£m)	0.67	0.67	0.67
Approximate % change in projected service cost	0.0		0.0
Rate of increase to pensions in payment, deferred pensions assumption and rate of revaluation of pension accounts assumption Adjustment to pension increase rate	-1 year	Base Figure	+ 1 year
Present value of total obligation (£m)	28.49	28.04	27.62
% Change in present value of total obligation	1.6		-1.5
Projected service cost (£m)	0.70	0.67	0.64
Approximate % change in projected service cost	3.9		-3.8
Post retirement mortality assumption Adjustment to mortality age rating assumption*	-1 year	Base Figure	+ 1 year
Present value of total obligation (£m)	28.77	28.04	27.31
% change in present value of total obligation	2.6		-2.6
Projected service cost (£m)	0.69	0.67	0.65
	3.6		-3.6
/* a rating of + 1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them			

Estimated pension expense in future periods	Period ending 31 March 2025 £m's	Period ending 31 March 2026 £m's
Current service cost	0.67	0.70
Interest on net defined benefit liability/(asset)	(0.02)	(0.02)
Total estimated pension expense	0.65	0.67

Allowance for admin expenses included in current service cost	0.04	0.05
Estimated pensionable payroll over the period:	3.34	3.48

Contributions for the period ending 31 March 2025:

The Authority's regular contributions to the Fund for the accounting period to 31st March 2025 are estimated to be £0.67m. Additional contributions may also become due in respect of any employer discretions to enhance members' benefits in the Fund over the next accounting period. The duration of funded liabilities is 16.9 years.

NOTE 31: NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Authority has no financial instruments of its own, but its activities expose it to three principal 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
- Market risk – the possibility that financial loss might arise for the Authority because of changes in such measures as interest rates and stock market movements.

The Authority, being debt-free and placing its surplus funds, in accordance with its Treasury Management Strategy, in instantly accessible accounts or on short-term deposit, with a bank which has a very high credit rating has minimised its exposure to the risk of failure by another party to repay funds deposited.

The risk of losses from the failure of customers to pay the Authority is minimised through the Authority's debt management procedures. The majority by value of the Authority's debtors are other public bodies which are considered to have good credit ratings. (See Note 19: Short-Term Debtors).

As the Authority has funds in a mixture of immediately accessible bank accounts, short-term deposits and fixed notice accounts it has some limited exposure to liquidity risk. Interest rates and cash balances are regularly reviewed, and consideration given to placing further funds on deposit should interest rates become more favourable.

The Authority is not exposed to market risk except in relation to its share of the Powys Pension Fund. See Note 30 for further details.

Note 32: Contingent Liabilities

None were identified in 2023/24, nor in 2022/23.

GLOSSARY OF TERMS

ACCRUALS: The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

CAPITAL CHARGE: A charge to service revenue accounts to reflect the cost of fixed assets used in the provision of service.

CAPITAL EXPENDITURE: Expenditure on the acquisition of a fixed asset or expenditure which adds to and not merely maintains the value of an existing fixed asset.

CAPITAL RECEIPTS: Proceeds of not less £10,000 from the sale of fixed assets. They may be used to finance new capital expenditure or repay debt. They cannot be used to finance normal day to day revenue spending.

COMMUNITY ASSETS: Assets that the authority intends to hold in perpetuity, that have no determinable useful life, and that may have restrictions on their disposal.

CONTINGENT LIABILITIES/ASSETS: These arise from a past event which is dependent upon future uncertain events and timing prior to being recognised in the accounts.

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE: Expenditure classified as capital for funding purposes but which does not result in the expenditure being carried on the balance sheet as a fixed asset. These items are generally grants and expenditure on property not owned by the Authority.

DEFINED BENEFIT SCHEME: A pension scheme where the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme.

FINANCE LEASE: A lease that transfers all of the risk and rewards of ownership of a fixed asset to the lessee.

OPERATING LEASE: A lease other than a finance lease.

FIXED ASSETS: Tangible assets that yield benefits to the authority and the services it provides for a period of more than one year.

USEFUL LIFE: The period over which the authority will derive benefits from the use of a fixed asset.

ABBREVIATIONS:

CIPFA Chartered Institute of Public Finance and Accountancy

LASAAC Local Authority (Scotland) Accounts Advisory Committee

IFRS International Financial Reporting Standard IAS International Accounting Standard

PARC CENEDLAETHOL BANNAU BRYCHEINIOG/BRECON BEACONS NATIONAL PARK AUTHORITY DRAFT ANNUAL GOVERNANCE STATEMENT 2023-24

Executive Summary

Governance Framework

Parc Cenedlaethol Bannau Brycheiniog/Brecon Beacons National Park Authority (BBNPA) as an organisation aspires to high standards of governance, behaviour and compliance through a partnership of members, officers, stakeholder organisations and individuals as outlined in its [Code of Corporate Governance](#).

The Code of Corporate Governance incorporates the sustainable development principles and the goals set out in the Well-being of Future Generations (Wales) Act 2015. Accordingly, our decision-making processes will ensure that we keep the following principles at the heart of planning and delivering our work in order to contribute to the Wellbeing Goals.

Responsibility for a sound system of governance sits with the National Park Authority which comprises 18 members; 12 appointed from the seven constituent Local Authorities (Six from Powys County Council, and one each from Carmarthenshire County Council, Monmouthshire County Council, Rhondda Cynon Taff County Borough Council, Merthyr Tydfil County Borough Council, Blaenau Gwent County Borough Council, and Torfaen County Borough Council) and six appointed by the Welsh Government. In doing this, it commits to the seven principles of good governance defined by the Chartered Institute of Public Finance and Accountancy (CIPFA) in its Delivering Good Governance in Local Government Framework 2016. The Authority has decided to adopt the CIPFA Framework and Annual Governance Statement approach.

Overall opinion on the level of assurance and if fit for purpose

This consists of opinions from internal audit (TIAA), external audit (Audit Wales), and the Authority.

Internal Audit Opinion

"TIAA is satisfied that, for the areas reviewed during the year, Bannau Brycheiniog National Park Authority has reasonable and effective control processes in place.

This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by the Bannau Brycheiniog National Park Authority from its various sources of assurance.

In 2023/24 a piece of work was undertaken by the Authority to review and revise the governance and risk management arrangements with the support of an appointed advisor. TIAA had no involvement in this review or the adequacy and appropriateness of any new arrangements and have not undertaken any audit work in relation to the Authority's overarching governance and risk management arrangements during the year."

External Audit Opinion

Audit Wales published their [Annual Audit Summary for 2023](#) in March 2024 which identifies planned work for 2023-24 on Promoting Equality & Diversity of Access, and ongoing monitoring of progress delivering Statutory Recommendations.

"In conclusion, we are of the opinion that the Authority is making progress in addressing the Auditor General's Statutory Recommendations but needs to address some urgent risks in the next year. At this time, we do not intend to make any further recommendations but will continue to monitor progress in 2023-24. Within the next 12 months, and by April 2024, we would expect to see substantial progress being made in addressing the risks highlighted in this letter. If progress is not being made, then we will consider what further action is required to support improvement."

A letter from Audit Wales on [Progress in delivering Statutory Recommendation](#) was published in May 2023. The letter addresses three core issues:

- Progress in delivering the Audit Wales Action Plan;
- Work to strengthen governance and decision making; and
- Organisational capacity and resilience to deliver improvement.

Their letter to the Chair and Chief Executive summarises their view:

"We have concluded that the Authority is in a better place than a year ago and there are clear green shoots of recovery. However, there remain some significant challenges going forward which makes the prospects for improvement in the short-term uncertain."

The Authority's Opinion

It is recognised that the Authority continues to face and needs to continue to address a number of urgent risks if improvement is to be sustained.

Two significant twin challenges are undoubtedly hampering progress in addressing risks. The first is the financial position of the organisation. The Authority currently has a budget which draws heavily on reserves, and which is not sustainable long-term. New capacity in the form of the Chief Finance and Resources Officer / s151 who took up post on 1 November 2023 will be key to financial planning and management following a lengthy period with significant gaps. However, with high inflation, a number of budget pressures and a flat cash settlement from Welsh Government the level of challenge is high. The second part of the challenge is organisational capacity. The Authority is seeking to deliver a programme of organisational change and capacity building and is carrying significant gaps against a backdrop of a shrinking budget. Effective working relationships are in place between the Chief Executive and her team and the Chair and Members, but addressing the scale of the task with very limited resources is extremely challenging. However, there is a clear determination to face that challenge and to broaden the Authority's income base to meet the gaps. During the transition however, many staff are stretched, and process improvements are slow to be realised.

Signatures

Canon Aled Edwards (Chair)
Date:

Catherine Mealing-Jones (CEO)
Date:

Identification of key governance arrangements

There are a number of key systems, processes and policies within the Authority that provide a body of evidence required to support continuous assessment of the effectiveness of its governance arrangements.

The Authority has identified 24 assurance areas and how they relate to the key principles of Good Governance ([CIPFA](#)).

- *Principle 1:* behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- *Principle 2:* ensuring openness and comprehensive stakeholder engagement.
- *Principle 3:* defining outcomes in terms of sustainable economic, social and environmental benefits.
- *Principle 4:* determining the interventions necessary to optimise the achievement of the intended outcomes.
- *Principle 5:* developing the entity's capacity, including the capability of its leadership and the individuals within it.
- *Principle 6:* managing risks and performance through robust internal control and strong public financial management.
- *Principle 7:* implementing good practice in transparency, reporting, and audit to deliver effective accountability.

Service managers are required to take overall responsibility for delivering their services in line with the Code of Corporate Governance and are required to provide assurance statements for their areas of responsibility.

Service managers are also responsible for setting the Corporate Oversight Function, which is separate from frontline delivery and provides assurance on:

- Corporate Process in Place: the existence and currency of key policies and procedures.
- Effectiveness: the effectiveness of key policies and procedures.

	Corporate Process in Place	Effectiveness
	<i>Substantial Assurance:</i> policies and processes have been put in place, cover the requirements of the Code of Corporate Governance and are up to date.	<i>Substantial Assurance:</i> policies and procedures are working effectively across the Authority.
	<i>Reasonable Assurance:</i> policies and processes have been put in place, cover the majority of the requirements of the Code of Corporate Governance.	<i>Reasonable Assurance:</i> there may be some examples of ineffectiveness or lapses of compliance across the Authority, but not significant.

	<i>Limited Assurance:</i> policies and processes may be considered to be insufficiently robust, consistent or up to date.	<i>Limited Assurance:</i> there are significant examples of ineffectiveness or lapses of compliance across the Authority which represent a risk to effectively meeting objectives.
	<i>No Assurance:</i> policies and procedures are absent or significantly lacking.	<i>No Assurance:</i> policies and procedures are ineffective and there is evidence that this has significantly impacted on performance in meeting objectives.

Evaluation of the Effectiveness of Governance

Governance Framework

- Principles 6 and 7

The Authority has a [Code of Corporate Governance](#) and while the document is still fit for purpose, it requires amending to reflect the updated Scheme of Delegation and new Governance Assurance Framework, so only offers reasonable assurance. A Governance Assurance Framework is being developed, which will ensure governance arrangements are reviewed periodically, and will be signed off by NPA in September 2024. This was due Spring 2024 but has been delayed due to capacity constraints, and currently this offers limited assurance as training and embedding is still needed.

An Annual Governance Statement is prepared annually and published the with Statement of Accounts.

Corporate Processes in Place:

Reasonable

Effectiveness:

Limited

Legal Framework

- Principle 1

The Authority has a legal framework ([Standing Orders](#), [Policy & Procedures](#)) which sets out the rules and procedures that are to be followed by Members and Officers. This details how the Authority will utilise its powers to the benefit of the community, whilst observing the requirements of legislation and general responsibilities placed on it.

Corporate Processes in Place:

Substantial

Effectiveness:

Limited

Shared Values

- Principle 1

New values are in place which have been developed by and with staff and are aligned with the Authority's new brand. They are not yet fully embedded and need to be reflected in the Authority's approach to performance management and in its ways of working.

A [Strategic Equality Plan](#) sets out how statutory duties are met in relation to the Equality Act 2010 and provides a clear starting point to ensure delivery on high standards of service fairly across all sectors of communities, user groups, businesses and visitors. The Authority is committed to promoting diversity, inclusiveness, equality of access and eliminate inequalities in all its work.

A Wellbeing Strategy is underway with a Wellbeing Group in place to progress this work. An away day with all staff took place in June 2024 that took place over three sessions and an inform session was delivered to staff in September 2024.

Corporate Processes in Place:

Reasonable

Effectiveness:

Limited

Policy Framework

- Principles 3, 4 and 5

The overarching policy framework for the geographic area of the National Park (the [Management Plan](#)) is in place and will be reviewed 2027/28. An Annual Plan has been produced which seeks to identify key areas the NPA needs to progress in order to underpin delivery of the Management Plan. The Annual Plan identifies the critical nature of this year in developing organisational capacity to fully embody the principles of the Management Plan. The Annual Plan is not a full business plan and producing a business plan or corporate plan for subsequent years which is aligned to the budget is key.

Whilst the Authority has an extant Local Development Plan, it was adopted in December 2013 and covers a period to 2022. Strategic spatial plans are now the remit of CJsCs however these are slow to materialise. Only by moving ahead with the development of a Local Development Plan can BBNPA ensure a spatial development plan for the whole NP area. This would likely be the most effective mitigation. However, this will take significant resourcing in terms of time and money. Further mitigation can also be provided by place planning approaches more locally and a place planning toolkit is being piloted and developed to this end. Members have discussed this risk through the Member Development Day workshop in October 2023 and a further discussion took place at a development day in February 2024. The recent Member decision to write to the Cabinet Secretary to set out the Authority's intention to withdraw the first replacement Local Development Plan (LDP) is the first step on a statutory process which will enable the Authority to start work on a new LDP which will be based on the policy objectives of *Dyfodol y Bannau*.

Corporate Processes in Place:

Reasonable

Effectiveness:

Limited

Decision Making, Delegation of Duties, Roles and Responsibilities

- Principles 1, 6 and 7

[All agendas, reports and minutes are published online](#) to evidence and record decisions made in connection with the discharge of its functions and publish those appropriately.

The Authority is clear about the roles and responsibility of Members to plan, run, monitor and develop Authority business, and Officers to effectively deliver services and optimise the use of the full powers available for the benefit of the Park, citizens, communities and other stakeholders.

The Authority has a [Scheme of Delegation](#) (implemented February 2022), however, there still remains outstanding actions for training and embedding amongst Officers and Members and currently the effectiveness of the Scheme remains limited.

A new Operating Model was approved by Members 1 December 2023. The Model sets out at a strategic level how information and decision-making flows work from the National Park Authority to Committees and to Officers and back again. It is an important document in supporting understanding of BBNPA's governance arrangements. Further embedding of this new Model is required to ensure optimum effectiveness.

Statutory roles of Head of Paid Service (CEO), Section 151 Officer (in post as of 1 November 2023) and Monitoring Officer are all in place.

Corporate Processes in Place: **Reasonable** Effectiveness: **Limited**

Internal Audit, Audit & Risk Committee and Member Scrutiny

- Principles 6 and 7

This work is undertaken via a contract with TIAA. The terms of reference for internal audit require that work is conducted in accordance with standards as set out in the CIPFA Code of Practice for Internal Audit in Local Government. TIAA provide an audit opinion which is reported to the Authority.

The Authority has an effective [Audit and Risk Committee](#), which operates in compliance with CIPFA guidance. The Audit & Risk Working Group (established December 2022) has met infrequently throughout the year and is currently on hiatus pending a review (due Q3-4) to reset the purpose and direction of this group.

[Standing Orders](#) are in place ensure constructive challenge and debate on policies, performance and decision making.

Corporate Processes in Place: **Substantial** Effectiveness: **Reasonable**

Conduct

- Principle 1

The Authority has adopted the National Model Code of Conduct. Officers and members behave in line with the [Code of Conduct](#) and lead a culture of acting in the public interest.

The Authority has a [Local Resolution Policy](#) and there were no instances during 2023-24 where this procedure was invoked.

The [Standards Committee](#) is tasked with promoting high standards of conduct by Members and Officers. It does this by advising on and promoting awareness and understanding of the Code of Conduct for Members and Officers, both of which have been adopted by the Authority. The Standards Committee met twice during the year (October 2023 and March 2024). No cases were brought to the Committee during the year. The Committee has a statutory duty to prepare an annual report to the Authority, which went to the Authority AGM in July 2024. The Independent Chair of the Standards Committee resigned in July 2023 and recruitment of a third Independent Member is still outstanding, however, the recruitment process is in progress and the position is schedule to be filled before the end of 2024.

Corporate Processes in Place: **Substantial** Effectiveness: **Reasonable**

Declarations of Interest, Gifts & Hospitality

- Principle 1

The Authority maintains an Annual Registers of Interests for both Members and Officers, and Members Declarations made at committee meetings are also logged through an automated form. Annual reminders are sent to Members and Officers.

The Authority maintains registers of gifts and hospitality for Members and Officers to ensure that appropriate safeguards are in place.

Corporate Processes in Place: **Substantial** Effectiveness: **Limited**

Member & Officer Induction, Training & Development

- Principle 5

Members and Officers receive induction training to assist them in effectively executing their duties.

Key staff are members of relevant professional bodies and are able to access personal and professional support and CPD to facilitate their work and help maintain professional standards.

A new Personal Development Review process has been designed through consultation with the Wellbeing Group and is due to be rolled out 2024-25.

Member engagement days were held throughout the year (Waterfalls – November 2023, Tourism – July 2024). Training was delivered by Welsh Government to all three Welsh Parks via three sessions on Governance, Equality Diversity & Inclusion, and Climate & Nature Emergencies – these sessions were recorded and made available online for those unable to attend. A Member Development Framework in place, but the scheduled review of this has not taken place due to capacity constraints.

[Member attendance](#) is recorded and published, alongside remuneration, annually. Average attendance was for the year was 80%. All meetings were held online via MS Teams.

Corporate Processes in Place: **Reasonable** Effectiveness: **Limited**

Risk Management

- Principle 6

The corporate Risk Register and Legal Risk Register are reported to the Audit & Risk Committee quarterly.

A new Risk Framework was approved by Members (26 February 2024). The three documents that make up the framework are:

- Risk Management Policy: explains why risk management is important and provides a commitment to driving and maturing risk management through the Authority.
- Risk Management Framework: sets out how the principles and best practice must be applied by all staff for effective risk management to enable informed decision making.
- Risk Appetite Statement: provides parameters of what level of risk the organisation is willing to operate within in pursuit of its objectives.

Risk is reported quarterly to the Audit & Risk Committee and these reports are compiled through consultation set out in the Operating Model. While the processes in place are substantial, there is still no dedicated Officer in place to shepherd this work and as such the effectiveness is considered reasonable.

Corporate Processes in Place: **Substantial** Effectiveness: **Reasonable**

Performance Management

- Principles 2, 3, 4 and 7

Officers provide a report on progress with the Annual Plan to each meeting of the Finance and Performance Committee, but at present this is not integrated with financial reporting. Additionally, some project finance and progress information are also reported on an ad hoc basis.

There is no dedicated post responsible for the system of performance management and processes are weak. There are clear examples where performance has been affected as a result and the Authority is working to address this.

Corporate Processes in Place: **Limited** Effectiveness: **Limited**

Counter Fraud and Corruption Arrangements

- Principle 6

The Authority will ensure that effective Counter Fraud and corruption arrangements are embedded across the organisation and will investigate suspected or identified fraud.

Counter Fraud and Corruption training for Officers remains and outstanding action from 2021-22. Following the recruitment of the S151 Officer, this action is scheduled to be completed 2024-25.

Corporate Processes in Place **Limited** Effectiveness **Limited**

Whistleblowing Arrangements

- Principles 1 and 6

A revised Whistleblowing Policy was taken to Members (for information) in April 2024 and an audit on Whistleblowing arrangements was conducted by internal auditors in August 2024. The overall assessment of arrangements was rated as reasonable.

Corporate Processes in Place:

Limited

Effectiveness:

Limited

ICT Infrastructure and Strategy

- Principles 6 and 7

Strategies and policies relating to ICT infrastructure are in place (*Technology & Digital Strategy 2021-26, IT User Policy and Mobile Phones Policy*).

Corporate Processes in Place:

Substantial

Effectiveness:

Limited

Effective Information Governance

- Principle 6

The Authority ensures that effective information governance arrangements are embedded across the organisation and is committed to investigating suspected or identified breaches.

A [Data Protection Policy](#) is in place and there is a designated Data Protection Officer.

Corporate Processes in Place:

Reasonable

Effectiveness:

Reasonable

Access to Information

- Principles 2 and 7

The Authority ensures transparency by providing appropriate and legal access to information. A [Publication Scheme](#) is available online and is due to be reviewed. There is a [Privacy Statement for Planning Services](#) available online.

Corporate Processes in Place:

Limited

Effectiveness:

Limited

Financial Management

- Principles 4 and 6

The Authority regularly reviews and updates its Financial Standards and Contract Standing Orders, the purpose of which is to provide a financial and procurement framework within which the Authority can operate. These will assist the Authority in ensuring that:

- Legislation is complied with.
- The assets of the Authority are safeguarded.
- The funds available are spent wisely and efficiently.
- Appropriate income generation is undertaken.
- Best value is achieved.

The signed Draft Statement of Accounts for 2023-24 is published online. Audit of these accounts is due to start in November 2024.

Budget for 2024-25 was approved by Members (24 April 2024) and quarterly reports are taken to the Finance and Performance Committee.

All decisions are taken in the public domain (except those deemed to be exempt under the Local Government Act 1972).

The new S151 commenced his role in November 2023 with the expectation of an overhaul of financial procedures and protocols over the next few financial years.

Corporate Processes in Place: **Reasonable** Effectiveness: **Reasonable**

Partnership Working, Consultation and Stakeholder Engagement

- Principle 7

The Authority consulted widely on the development of the National Park Management Plan. This process and the Authority's response to it is outlined on its [website](#).

Since the publication of *Dyfodol Y Bannau* BBNPA has continued to develop partnership working arrangements to support delivery of the Plan. The Authority has engaged with a range of stakeholders including inter alia [farming allies](#) continuing to meet and work with the Friends of the Brecon Beacons and with the [Historic Environment Partnership](#).

The Authority works with a number of external bodies helping to improve value for money and in communicating with other interest groups to deliver common projects:

- BBNPA works across the National Park and designated landscape families as part of National Parks Wales, National Parks UK, the National Parks Partnership and with Landscapes Wales.
- The Authority chairs a partnership Dark Skies Board to support the status as an international dark sky reserve and to secure the benefits of darkness for the park area.
- The Authority engages closely with the tourism business community and runs an ambassador scheme and events to support these relationships and their role in delivery of the National Park Management Plan.

A community involvement strategy is available and will be updated for the Replacement Local Development Plan. Stakeholder mapping has been developed around the missions of the National Park Management Plan and an engagement strategy will be developed. A new Destination Management Officer started in post February 2024 and progress on this work is being made.

The Authority has a [Public Speaking Scheme](#) in place and all Committee meetings are webcast and available to watch [online](#).

Corporate Processes in Place: **Reasonable** Effectiveness: **Limited**

Asset Management

- Principles 4 and 6

The Authority's approach is still maturing to ensure all assets are compliant, sustainable, fit for purpose and support the delivery of Authority services and strategic objectives, and assurances remain limited as a result of there being no dedicated Officer in place to shepherd this work.

Corporate Processes in Place:

Limited

Effectiveness:

Limited

Comments, Compliments and Complaints

- Principles 1, 2, 6 and 7

The Authority recognises feedback as a valuable resource for improving the experiences of citizens and users and shaping the design and delivery of services for the future.

Comments and Compliments are reported quarterly to the Audit and Risk Committee.

A revised Complaints & Concerns Policy was taken to Members (for information) in September 2024. The policy was revised to reflect the new procedure for providing information on how to make a complaint or provide positive feedback to the Authority.

Corporate Processes in Place:

Reasonable

Effectiveness:

Limited

Programme and Project Management

- Principles 4 and 5

A program board and approach to programme management is in place, but there is no dedicated lead Officer.

Corporate Processes in Place:

Reasonable

Effectiveness:

Limited

Health & Safety

- Principle 6

Required policies and procedures are in mostly in place but the Health and Safety Management System requires updating and reviewing to reflect new organisation structure and working arrangements (home and hybrid working).

Current systems are being implemented however we recognise the need for a refresh and training across the organisation for embedding our internal systems and also for those who require specific training.

A Risk Assessment training day was delivered to Officers in Q3 by Thomas Carroll as part of efforts to rejuvenate internal policies and procedures

Corporate Processes in Place:

Reasonable

Effectiveness:

Limited

Procurement

- Principles 6 and 7

The Authority will ensure that effective procurement arrangements are embedded to enable it to demonstrate good practice, compliance with legislation, realise value for money and public accountability. The Authority has adopted revised Contract Standing Orders.

Corporate Processes in Place

Reasonable

Effectiveness

Reasonable

Workforce Planning and Strategy

- Principles 4 & 5

Executive Board have been leading a process of organisational development, to ensure an adequate supply of people with skills, knowledge and experience required to achieve the Authority's strategic objectives efficiently and effectively are in place. Resources and capacity are recognised significant issues and the risk in this area is increasing. The Authority has engaged staff in embedding wellbeing at the heart of workforce engagement and development and held a wellbeing event open to all staff in June 2024.

Corporate Processes in Place:

Limited

Effectiveness:

Limited

Conclusion

The Authority recognises the challenges as set out above and is putting in place plans to deal with the more significant governance risks. Overall, we can take reasonable assurance on governance arrangements notwithstanding there is more to do to embed the improvements that are being progressed.

The Authority is committed to monitoring its governance framework through the development and adoption of a Governance Assurance Framework. It will actively manage and monitor the implementation of improvements following identification of the significant governance issues highlighted above and report back on these in the Annual Governance Statement for 2024-25.

Accountability & Action Plans to address significant governance issues

Report on actions taken in 2022 to address significant governance issues from previous year

Issue	Action	Status
Governance & Assurance	Adopt and embed a Governance Assurance Framework. Develop a Reporting System. Implement Operational Structure.	Ongoing – while good progress has been made in this area, the decision to carry this recommendation into the 2024-25 Action Plan has been agreed given its importance to achieving good governance and decision-making.
Organisational Development	Deliver Organisational Development Plan. Develop Standard Operating Procedures. Develop mechanism for improving internal communications and corporate learning. Deliver training on Scheme of Delegation to Officers to aid better understanding of duties (<i>carried over from previous action plan</i>)	Ongoing. Actioned – Standard Operating procedures have been developed at a Team level throughout the organisation. Actioned – All Staff briefing sessions are delivered regularly by the CEO and an internal newsletter is sent out weekly. Outstanding – Scheme of Delegation is currently being revised and a plan to deliver training on this will be developed once the revised document has been approved.
Recommendations from Audit of Accounts 2021-22	Fixed Asset Register is updated appropriately. Annual Related Party Declarations completed. Regular Fraud training provided for Officers. Condensed Annual Governance Statement.	Actioned. Actioned. Outstanding – to be picked up and actioned by S151 Officer in 2024-25. Actioned.

Action plan to address significant governance issues in 2024-25

Issue	Action	Responsible
Governance & Assurance	<i>Carried over from 2023-24 Action Plan.</i> Adopt and embed a Governance Assurance Framework. Develop a Reporting System.	Executive Board with assistance from Welsh Government appointed Governance Consultant and Democratic Services.

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	Implement Operational Structure.	
Member Engagement	<p>Adopt and embed Member Charter.</p> <p>Members to support Officer capacity constraints through better engagement and taking on Ambassador roles with stakeholders.</p> <p>Support the embedding of the Operational Model to ensure effective governance and decision-making.</p>	<p>Executive Board with assistance from Welsh Government appointed Governance Consultant and Democratic Services.</p>
