

T: 01495 355100 Ext./Est: 5100

E: leeann.turner@blaenau-gwent.gov.uk

Contact:/Cysylltwch â: Democratic Services



THIS IS A MEETING WHICH THE PUBLIC ARE ENTITLED TO ATTEND

4th September 2020

Dear Sir/Madam

CORPORATE OVERVIEW SCRUTINY COMMITTEE

A meeting of the Corporate Overview Scrutiny Committee will be held in remotely via Microsoft Teams on Friday, 11th September, 2020 at 10.00 am.

Please note that a pre and post meeting will be held 30 minutes prior to the start and following the conclusion of the meeting for members of the committee.

Yours faithfully

Michelle Morris
Managing Director

AGENDA

Pages

1. SIMULTANEOUS TRANSLATION

You are welcome to use Welsh at the meeting, a minimum notice period of 3 working days is required should you wish to do so. A simultaneous translation will be provided if requested.

We welcome correspondence in the medium of Welsh or English. / Croesawn ohebiaith trwy gyfrwng y Gymraeg neu'r Saesneg.

2. **APOLOGIES**
To receive.
3. **DECLARATIONS OF INTERESTS AND DISPENSATIONS**
To consider any declarations of interests and dispensations made.
4. **CORPORATE OVERVIEW SCRUTINY COMMITTEE MINUTES** 5 - 12
To receive the Minutes of the Corporate Overview Scrutiny Committee held on 12th February, 2020.
(Please note that the Minutes are submitted for points of accuracy only)
5. **ACTION SHEET - 12TH FEBRUARY 2020** 13 - 14
To receive the Action Sheet.
6. **CORPORATE OVERVIEW SCRUTINY COMMITTEE MINUTES** 15 - 20
To receive the Minutes of the Corporate Overview Scrutiny Committee held on 3rd March, 2020.
(Please note that the Minutes are submitted for points of accuracy only)
7. **TIME OF FUTURE MEETINGS**
To consider.
8. **PROPOSED SCRUTINY FORWARD WORK PROGRAMME** 21 - 28
To consider the report of the Chair of the Corporate Overview Scrutiny Committee.
9. **TREASURY MANAGEMENT ANNUAL REVIEW 1ST APRIL 2019 TO 31ST MARCH 2020** 29 - 46
To consider the report of the Chief Officer Resources.
10. **POSITION STATEMENT ON THE COUNCIL'S CCTV** 47 - 54

SYSTEM (APRIL TO AUGUST 2020)

To consider the report of the Chief Officer Resources, the Head of Community Services and the Head of Governance and Partnerships.

11. SUPPORTING FINANCIAL RESILIENCE - AUDIT WALES FOLLOW UP REVIEW

55 - 78

To consider the report of the Chief Officer Resources.

To: Councillor S. Healy (Chair)
Councillor M. Cook (Vice-Chair)
Councillor P. Baldwin
Councillor M. Cross
Councillor G. A. Davies
Councillor P. Edwards
Councillor J. Hill
Councillor H. McCarthy
Councillor C. Meredith
Councillor J. Millard
Councillor J. P. Morgan
Councillor K. Pritchard
Councillor L. Parsons
Councillor G. Paulsen
Councillor D. Wilkshire

All other Members (for information)
Manager Director
Chief Officers

This page is intentionally left blank

COUNTY BOROUGH OF BLAENAU GWENT

REPORT TO: **THE CHAIR AND MEMBERS OF THE
CORPORATE OVERVIEW SCRUTINY
COMMITTEE**

SUBJECT: **CORPORATE OVERVIEW SCRUTINY
COMMITTEE – 12TH FEBRUARY, 2020**

REPORT OF: **DEMOCRATIC SUPPORT OFFICER**

PRESENT: COUNCILLOR S. HEALY (CHAIR)

Councillors: M. Cook
M. Cross
P. Edwards
C. Meredith
J.P. Morgan
J. Wilkins

AND: Corporate Director of Social Services
Chief Officer – Commercial
Chief Officer - Resources
Head of Community Services
Head of Governance & Partnerships
Head of Exchequer
Organisational Manager – HR
Communications & Marketing Manager
Service Manager, Policy & Partnerships
Scrutiny & Democratic Officer / Advisor

ALSO: Wales Audit Office
Non Jenkins
Charlotte Owen

ITEM	SUBJECT	ACTION
----	<u>BEREAVEMENT</u> As a mark of respect the Committee stood and observed a one minute silence for former Councillor David White.	

No. 1	<p><u>SIMULTANEOUS TRANSLATION</u></p> <p>It was noted that no requests had been received for the simultaneous translation service.</p>	
No. 2	<p><u>APOLOGIES</u></p> <p>Apologies for absence were received from Councillors G. Paulsen, J. Hill, M. Moore, L. Parsons and D. Wilkshire.</p>	
No. 3	<p><u>DECLARATIONS OF INTEREST AND DISPENSATIONS</u></p> <p>There were no declarations of interest or dispensations reported.</p>	
No. 4	<p><u>CORPORATE OVERVIEW SCRUTINY COMMITTEE</u></p> <p>The Minutes of the Corporate Overview Scrutiny Committee Meeting held on 19th November, 2019 were submitted.</p> <p>The Committee AGREED that the Minutes be accepted as a true record of proceedings.</p>	
No. 5	<p><u>ACTION SHEET – 5TH DECEMBER, 2019</u></p> <p>The action sheet arising from the meeting of the Corporate Overview Scrutiny Committee held on 5th December, 2019 was submitted, whereupon:-</p> <p><u>Action Sheet – 26th September, 2019</u></p> <p>A Member requested that the information provided on the details of incidents, be updated with the latest information.</p> <p>Members raised serious concerns in relation to violence and aggression towards staff and requested that a Member Briefing Session be arranged to discuss the Health and Safety of staff and the measures that are in place to safeguard them.</p> <p>The Committee AGREED this course of action.</p> <p>The Committee AGREED, subject to the foregoing, that the action sheet be noted.</p>	<p>Head of Exchequer</p> <p>Head of OD</p>

No. 6

**WALES AUDIT OFFICE REVIEW OF CORPORATE
ARRANGEMENTS FOR THE SAFEGUARDING OF
CHILDREN**

Consideration was given to the report of the Corporate Director of Social Services which presented the findings of the Wales Audit Office (WAO) follow up review of corporate arrangements for the safeguarding of children and the management response to the proposals for improvement.

The Corporate Director of Social Services presented the report and the WAO representative highlighted the main points contained therein.

The Director of Social Services reported that the All Wales Safeguarding procedures had been updated in November 2019 and therefore the Corporate Safeguarding Policy needed to be updated to ensure that staff with safeguarding responsibilities were kept updated and made aware of any issues within safeguarding. A Welsh Government training programme was due to be rolled out shortly and consideration would need to be given to what level of staff needed to undertake the training across all directorates. Third parties and stakeholders who delivered services on behalf of the Authority would also need to be included in the safeguarding training. The Director referred to the Management Response and the actions to take forward and referred to Recommendation R2, item 2 – development of options for Scrutiny Committees moving forward and felt that broadening the remit of the Joint Education & Learning and Social Services Safeguarding Scrutiny Committee to become a Corporate Safeguarding Scrutiny Committee was the best way forward.

A Member supported the Director's view and commented that safeguarding was an integral part of the Council and Members needed to collectively ensure that safeguarding arrangements were strengthened.

A Member enquired if the development of options for Scrutiny Committees moving forward would be considered at the Annual General Meeting in May 2020. The Head of Governance & Partnerships explained that changes to Committees would need to go through the AGM process, there was a constituted Joint Education & Learning and

	<p>Social Services Scrutiny Committee already in place and this could be developed as a whole Joint Safeguarding Scrutiny Committee. This was referenced in the Management Response actions to take forward.</p> <p>The Committee AGREED to recommend, subject to the foregoing, that the report be accepted and endorse Option 2; namely that Members of the Corporate Overview Scrutiny Committee:</p> <ul style="list-style-type: none"> • Considered the WAO follow up review of corporate arrangements for the safeguarding of children and the management response and provide comment prior to it being submitted to the Executive Committee; • Following approval by the Executive Committee the report would be presented to Audit Committee for assurance; and • Receive a 6 monthly review of the progress of the management response as part of the Committee's Forward Work programme. <p>The WAO representatives left the meeting at this juncture.</p>	
No. 7	<p><u>COMMERCIAL STRATEGY 2020-2025</u></p> <p>Consideration was given to the report of the Chief Officer Commercial which presented the Blaenau Gwent Commercial Strategy for the period 2020-2025.</p> <p>The Chief Officer Commercial spoke to the report and highlighted the main points contained therein.</p> <p>The Chair said this was a positive report and the Commercial Strategy was a new venture for the Council going forward with an emphasis on value for money.</p> <p>In response to a Member's question, the Chief Officer Commercial said that being a commercially minded Council helped to focus on the customer experience with greater visibility on what the Council purchased which helped the local economy.</p> <p>A Member referred to insurance claims and damage to street furniture e.g. lamp posts etc. and enquired how these costs could be recovered and how Members could report</p>	

	<p>such incidents. The Head of Community Services said that a programme had been introduced recently and a company had been engaged to pursue insurance claims regarding damage to street furniture and cost recovery. Contact details for reporting of such incidents would be forwarded to Members for information.</p> <p>The Committee AGREED to recommend that the report be accepted and endorse Option 1; namely that the Commercial Strategy and associated work programme be supported prior to approval by Executive and Council.</p>	Head of Community Services
No. 8	<p><u>CORPORATE COMMUNICATIONS STRATEGY 2020-2025</u></p> <p>Consideration was given to the report of the Communications and Marketing Manager which presented the Corporate Communications Strategy 2020–2025.</p> <p>The Chief Officer Commercial spoke to the report and highlighted the main points contained therein.</p> <p>A Member commented that the Council were promoting digital and social media communications, however, there was no mention of ‘My Council Services’ App in the report. The Chief Officer Commercial said My Council Services App was an important tool for reporting incidents and maintaining a flow of work and this needed to be referenced in the strategy. There were some issues with the service regarding feedback to customers and more work needed to be undertaken in this area. The Officer would pick up specific issues with Members as it was vital to have Members perspective on the service the public received.</p> <p>In relation to the social media campaign ‘Keeping up with the Joneses’, the Chief Officer Commercial commented that potentially an evaluation of this approach could be undertaken to look at what worked.</p> <p>The Communications and Marketing Manager informed Members that they would be working with Merthyr Council on a joint national ‘WRAP’ campaign over the next few months and would share this information with Members to gain their views.</p>	Communications & Marketing Manager

	<p>The Committee AGREED to recommend that the report be accepted and endorse Option 1, namely that the Communications Strategy and associated work programme be supported for approval by Executive and Council.</p>	
No. 9	<p><u>POSITION STATEMENT ON THE COUNCIL'S CCTV SYSTEM</u></p> <p>Consideration was given to the report of the Chief Officer Resources (SIRO for CCTV) Head of Community Services and Head of Governance and Partnerships which was presented to provide a position statement on the Council's new overt CCTV system.</p> <p>The Head of Governance & Partnerships spoke to the report and highlighted the main points contained therein which included that the Council now operated a 'record only' system.</p> <p>In response to a Member's enquiry regarding the location of cameras, the Chief Officer Resources said that consultation had been undertaken with Gwent Police on camera locations with a focus on town centres based on evidence of crime and anti-social behaviour and locations would be reviewed annually. Cameras could be relocated if necessary and would need to have a Data Protection Impact Assessment (DPIA) in place to evidence that the camera was needed in relation to crime prevention and appropriate signage would also need to be visible.</p> <p>A Member enquired regarding the timeframe for downloading data. The Service Manager, Policy & Partnerships explained that the new system used digital technology with new high definition cameras utilising wireless technology and, as yet, there had been no significant delays in downloading footage to accommodate police requests.</p> <p>A Member enquired if plans were in place for Gwent Police to have direct access to download footage. The Chief Officer Resources said that discussion between the police and SRS partners was ongoing but no decision had yet been made.</p>	

In response to a Member's enquiry regarding the number of CCTV cameras, the Head of Governance & Partnerships clarified that currently there were 53 CCTV cameras installed throughout the county borough with four deployable cameras to use for crime hot spots. The original number of cameras agreed in the Council report in 2018 had been 32. The increase was due to on-site surveys and the pre-tender design process which identified technical restrictions associated with wireless transmission, site lines at specific locations and camera fields of view to ensure effective coverage.

A Member commented that CCTV helped identify crime and disorder across the local areas as the images were of good quality. The Member requested that a Members briefing session be held for further updates and the police be invited to attend to highlight the number of prosecutions made.

The Head of Governance & Partnerships supported this view as it was important to have police involvement at the briefing session due to their work within the communities of Blaenau Gwent.

The Committee AGREED this course of action.

The Chief Officer Resources reaffirmed to Members that the police had been consulted regarding the location of the cameras and a review could be undertaken to check if locations were still appropriate or if some cameras needed to be relocated for better coverage to ensure communities are kept safe.

The Chair enquired if funding had been received from Gwent Police. The Chief Officer Resources said that no funding had been received as yet.

The Committee AGREED to recommend, subject to the foregoing, that the report be accepted and endorse Option 2, namely that Committee:

- Considered and provided comment on the position statement on the overt CCTV function;
- Included the draft Policy and Strategy Framework for CCTV on their forward work programme prior to it being presented to Executive for endorsement; and

	<ul style="list-style-type: none"> • Receives the annual monitoring report. 	
No. 10	<p><u>PROGRESS REPORT CONTRACTS OVER £500K</u></p> <p>Consideration was given to the report of the Head of Community Services which was presented to provide Members with updated information on the progress of capital projects over £500,000 in cost, undertaken within the Authority and, where appropriate, seek the necessary approval required under the Contract Procedural Rules to additional expenditure incurred on a particular project.</p> <p>The Head of Community Services spoke to the report and highlighted the main points contained therein.</p> <p>In response to a Member's question regarding the challenge for compensation for the demolition of Abertillery Leisure Centre, the Head of Community Services said that this was currently in litigation and was being pursued. Evidence had been presented to the Council's Legal team and he hoped for the best possible resolution.</p> <p>The Committee AGREED to recommend that the report be accepted and endorse Option 2; namely that the information included within the report be accepted as presented.</p>	
No. 12	<p><u>FORWARD WORK PROGRAMME – 1ST APRIL, 2020</u></p> <p>Consideration was given to the report of the Chair of the Corporate Overview Scrutiny Committee.</p> <p>The Chair advised Members that the next meeting had been postponed until May.</p> <p>The Head of Governance & Partnerships informed Members that an update on preparations for exiting the EU would only be reported if any progress had been made.</p> <p>The Committee AGREED, subject to the foregoing, that the report be accepted and endorse Option 1; namely that the Corporate Overview Scrutiny Committee Forward Work Programme for the meeting in May 2020 be approved.</p>	

Blaenau Gwent County Borough Council

Action Sheet

Corporate Overview Scrutiny Committee – 12th February 2020

Item	Action to be Taken	By Whom	Action Taken
5	<u>Action Sheet – 5th December 2019</u> Members requested a Member Briefing Session be arranged to discuss the Health and Safety of staff and the measures that are in place to safeguard them. Members requested that the information provided on the details of incidents, be updated with the latest information.	Andrea Prosser Richard Bridge	Member Briefing Session to be arranged as part of the Forward Work Programme 2020/21. Information to be provided at next scrutiny committee meeting,
9	<u>Position Statement on the Council's CCTV system</u> Members requested a Member Briefing session be arranged in order to provide them with detailed information, e.g. how many cameras, where they are, details of prosecutions, any issues. Also suggested that the Police be invited.	Rhian Hayden / Clive Rogers / Bernadette Elias	At the request of the Committee a paper on CCTV is being brought to the 11 th September 2020 meeting of the Corporate Overview Scrutiny Committee.

This page is intentionally left blank

COUNTY BOROUGH OF BLAENAU GWENT

REPORT TO: **THE CHAIR AND MEMBERS OF THE
CORPORATE OVERVIEW SCRUTINY
COMMITTEE**

SUBJECT: **CORPORATE OVERVIEW SCRUTINY
COMMITTEE – 3RD MARCH, 2020**

REPORT OF: **DEMOCRATIC SUPPORT OFFICER**

PRESENT: COUNCILLOR S. HEALY (CHAIR)

Councillors: M. Cook
P. Edwards
J. Hill
C. Meredith

AND: Corporate Director of Social Services
Chief Officer – Commercial
Chief Officer - Resources
Head of Organisational Development
Head of Governance & Partnerships / Advisor
Professional Lead - Engagement, Equalities &
Welsh Language
Communications, Marketing and Customer
Access Manager

ITEM	SUBJECT	ACTION
No. 1	<u>SIMULTANEOUS TRANSLATION</u> It was noted that no requests had been received for the simultaneous translation service.	
No. 2	<u>APOLOGIES</u> Apologies for absence were received from Councillors G. Paulsen, P. Baldwin, M. Moore, J.P. Morgan, L. Parsons, J. Wilkins and D. Wilkshire. Corporate Director of Education.	

No. 3	<p><u>DECLARATIONS OF INTEREST AND DISPENSATIONS</u></p> <p>There were no declarations of interest or dispensations reported.</p>	
No. 4	<p><u>CORPORATE OVERVIEW SCRUTINY COMMITTEE</u></p> <p>The Minutes of the Corporate Overview Scrutiny Committee Meeting held on 5th December, 2019 were submitted.</p> <p>The Committee AGREED that the Minutes be accepted as a true record of proceedings.</p>	
No. 5	<p><u>CAPITAL STRATEGY 2020/2021</u></p> <p>Consideration was given to the report of the Chief Officer Resources which was presented to give Members the opportunity to scrutinise the capital Strategy following the annual review to be adopted for the financial year 2020/2021, prior to formal recommendation to Council.</p> <p>The Chief Officer Resources spoke to the report and highlighted the main points contained therein.</p> <p>The Committee AGREED to recommend that the report be accepted and endorse Option 1; namely that the updated Capital Strategy for the 2020/21 financial year be recommended for approval at Council.</p>	
No. 6	<p><u>BRIDGING THE GAP REVIEW – UPDATE STRATEGIC USE OF GRANTS – CHILDREN AND COMMUNITIES GRANT</u></p> <p>Consideration was given to the report of the Head of Governance and Partnerships and the Head of Children's Services which was presented to provide an update in relation to the Bridging the Gap review on the Strategic Use of Grants with a focus on phase one of the Children and Communities Grant (CCG).</p> <p>The Head of Governance & Partnerships spoke to the report and highlighted the main points contained therein, including details of specific work streams.</p>	

A Member enquired if extra funding would be available for parts of the borough not included in the Flying Start programme. The Director of Social Services said that the Welsh Government Minister had confirmed that no extra funding would be available, however, a pilot project was to be carried out on a wider area and the findings would be presented to the Welsh Government to see if this could be rolled out across Blaenau Gwent.

A Member welcomed the £23m grant funding received but had concerns regarding the continuation of that funding after the Welsh Government elections in 2020/21. He commented that Blaenau Gwent had pockets of deprivation not being covered.

With regard to Council Priorities, the Head of Governance and Partnerships said that the Council Priorities feed into the Corporate Plan and extensive work around the assessment of wellbeing had been undertaken to produce an overarching plan for the area.

In response to a Member's question regarding grants, the Head of Governance and Partnerships said that the Integrated Care Fund had a big impact on Blaenau Gwent. She explained that some grants were rigid and the criteria for the grant included levels of deprivation, monitoring of grant usage and value for money and were tied into what communities needed. The Chair commented that it was important that grant funding was going to the right places.

The Committee AGREED to recommend that the report be accepted and endorse Option 1, namely that the Scrutiny Committee:-

- Considered the progress made to date and the proposed next phases of the Strategic Use of Grants review;
- Considered the progress made to date on the Children and Communities grant;
- Receive further updates on the Strategic Use of Grants review and CCG as part of the Committee Forward Work Programme; and
- The CCG Steering Group continues to oversee and implement the delivery programme and provides an annual report on progress to Scrutiny, Executive and

	the PSB. Six monthly reporting will be made to the Corporate Leadership Team.	
No. 7	<p><u>TREASURY MANAGEMENT – TREASURY STRATEGY STATEMENT, INVESTMENT STRATEGY & MRP POLICY STATEMENT 2020/2021 (INCLUDING PRUDENTIAL INDICATORS)</u></p> <p>Consideration was given to the report of the Chief Officer Resources which was presented to give Members the opportunity to scrutinise the Treasury Strategy, Investment Strategy and Minimum Revenue Provision policy (including prudential indicators) to be adopted for the 2020/21 financial year, prior to formal recommendation to Council.</p> <p>The Chief Officer Resources spoke to the report and highlighted the main points contained therein.</p> <p>A Member enquired if changes to the Treasury Strategy Statement could be made at any time throughout the year. The Chief Officer Resources responded that changes were normally made at the start of the financial year, but confirmed that changes could be made during the year and would go through the normal Scrutiny and Council process. The Officer continued that in some instances urgent changes were reported to Council in retrospect.</p> <p>The Committee AGREED to recommend that the report be accepted and endorse Option 2, namely that the Members considered the Annual Treasury Strategy Statement & Annual Investment Strategy & MRP Policy Statement for 2020/2021 financial year and the Treasury Management Prudential Indicators contained therein (Appendix A) and do not consider any amendments, prior to submission to Council for formal approval.</p>	
No. 8	<p><u>STRATEGIC EQUALITY PLAN 2020 TO 2024</u></p> <p>Consideration was given to the report of the Head of Governance & Partnerships, Service Manager, Policy & Partnerships and the Professional Lead for Engagement, Equality & Welsh Language which presented the Council's proposed Strategic Equality Plan for 2020-24.</p>	

	<p>The Professional Lead for Engagement, Equality & Welsh Language spoke to the report and highlighted the main points contained therein. This was the Council's third Strategic Equality Plan on a 4 yearly cycle.</p> <p>The Chair commented on the Member's Working Group and the positive progress that had been achieved to support the development of the equality objectives and plan.</p> <p>Members commented on the excellent engagement work undertaken with the Children's Grand Council and the Youth Forum.</p> <p>The Head of Governance and Partnerships informed Members that the 8th March was International Women's Day and the Equalities Team were engaging with the public to raise awareness regarding this campaign. Important engagement work had also been undertaken with the Youth Mayor who was preparing a Body Positive Image report to support the National Campaign.</p> <p>The Committee AGREED to recommend that the report be accepted and endorse Option 1; namely that Members support the proposed Strategic Equality Plan and recommend approval at Executive and Council.</p>	
No. 9	<p><u>CORPORATE SERVICES WORKFORCE SICKNESS ABSENCE PERFORMANCE</u></p> <p>Consideration was given to the report of the Managing Director and Head of Organisational Development which was presented to provide Members of specific scrutiny committees the opportunity to scrutinise and challenge relevant Portfolio sickness absence performance and the proposed actions for improvement.</p> <p>The Head of Organisational Development spoke to the report and highlighted the main points contained therein.</p> <p>In response to a Member's question regarding Business Support, the Head of Organisational Development said that Business Support was identified as a 'hotspot' with 643 days of sickness. A full managerial audit of sickness absence had been carried out and Managers were following</p>	

	<p>the Attendance Policy to the letter. Staff cover was provided for long term sickness absence, over one month, via staff 'acting up' or by agency workers. The Officer continued that the main cause of sickness absence within the Business Support Service was stress related. Policies were in place to support staff along with the Occupational Health Service.</p> <p>A Member commented that 94% of staff attend work regularly and were doing a good job. The Head of Organisational Development said that Corporate Services were under target for both Quarters 1 and 2.</p> <p>Concerns were raised that staff may be suffering from stress due to capacity issues. The Head of Organisational Development responded that risk assessments were carried out in relation to any changes to services and a Risk Register was in place so that any issues could be identified and escalated if necessary.</p> <p>A Member enquired regarding the numbers of staff reporting sick in Corporate Services. The Head of Organisational Development said that out of an approximate 200 members of staff in this area 82 had reported sick for Quarters 1 and 2 of this year. Improving attendance remained a key priority for the Council and all employees and leaders had a role to play in helping to reduce sickness absence levels.</p> <p>The Committee AGREED to recommend that the report be accepted and endorse Option 2; namely that the Scrutiny Committee endorse the report and proposed arrangements to support the improvement in attendance.</p>	
	<p>As this was the last Corporate Overview Scrutiny Committee meeting in the 2019/20 Committee cycle the Chair thanked Members for their contributions and support over the last year.</p>	

Agenda Item 8

Executive Committee and Council only

Date signed off by the Monitoring Officer: N/A

Date signed off by the Section 151 Officer: N/A

Committee: **Corporate Overview Scrutiny Committee**

Date of meeting: **11th September 2020**

Report Subject: **Proposed Scrutiny Committee Forward Work Programme 2020-21**

Portfolio Holder: **Leader / Executive Member Corporate Services**

Report Submitted by: **Councillor Stewart Healy, Chair of Corporate Overview Scrutiny Committee**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
July 2020	July 2020	01.09.20			11.09.20	Executive FWP – 02.09.20	Council FWP – 24.9.20	

1. **Purpose of the Report**
 - 1.1 To present the Corporate Overview Scrutiny Work Programme for 2020-21 (Appendix 1) and to seek approval from Committee.
2. **Scope and Background**
 - 2.1 The Scrutiny Work Programmes are key aspects of the Council's planning and governance arrangements and support the requirements of the Constitution.
 - 2.2 The topics set out in the Forward Work Programme link to the strategic work of the Council as identified by the Council's recently revised Corporate Plan, agreed by the Council on 23rd July 2020, corporate documents and supporting business plans.
 - 2.3 The Scrutiny Committee Forward Work Programmes are also aligned to the Audit Committee, Executive Committee and Council Forward Work Programmes.
 - 2.4 The Work Programme is a fluid document and there is flexibility to allow for regular review between the Chair and the Committee.
 - 2.5 Informal Scrutiny Briefing Sessions were held in July 2020, in order for all Scrutiny Members to contribute to the Forward Work Programmes, prior to formal approval of the Forward Work Programmes at the first Scrutiny Committees in September 2020.
3. **Options for Recommendation**
 - 3.1 The work programmes have been endorsed by the relevant departments of the Council.
 - 3.2 The work programmes have been considered and endorsed by the Chairs and Vice-Chairs of Scrutiny.

3.3 **Option 1**

To agree the Forward Work Programme for the Corporate Overview Scrutiny Committee.

Option 2

To suggest any amendments prior to agreeing the Forward Work Programme.

DRAFT Corporate Overview Work Programme

Dates / Deadlines	Topic	Purpose	Lead	Executive / Council
Friday 11th September 2020 Deadline: 26 th August 2020	1. Treasury Management – Outturn 2019/20	Budget Monitoring Provides the Treasury Management out-turn position for the 2019/20 financial year, including details of all Treasury management activities undertaken during the year.	Rhian Hayden	Council
	2. Update on CCTV	Performance Monitoring To receive a progress update on CCTV.	Rhian Hayden Clive Rogers Bernadette Elias	Executive
	3. Audit Wales - Financial Resilience Follow Up	Performance Monitoring To consider the Audit Wales follow up report.	Rhian Hayden <i>Invitee: Wales Audit</i>	Audit
Special Meeting Date TBA late Sept / Early Oct	1. Medium Term Financial Strategy / Bridging the Gap Overview 2021 onwards	Performance Monitoring To provide Members with an update on the MTFS / Bridging the Gap programme and to influence areas of focus.	Anne-Louise Clark Rhian Hayden	Executive Council
	2. COVID – 19 Response – Workforce	Performance Monitoring To review the Workforce Position and Scrutinise Plans for the Future.	Andrea Prosser	Executive

DRAFT Corporate Overview Work Programme

Dates / Deadlines	Topic	Purpose	Lead	Executive / Council
Friday 23rd October 2020 Deadline: 7 th October 2020	1. Communications Strategy Monitoring	Performance Monitoring To consider the performance of the Communication Strategy focus on the impact of the strategy during COVID19 Pandemic	Anne-Louise Clark	Executive
	2. Commercial Strategy Monitoring	Performance Monitoring To consider performance of the Commercial Strategy, focus Strategic Commercial Board element. In depth look at each of the 5 elements	Anne-Louise Clark	Executive
	3. Review of staff attendance 2019/20, as at end of March 2020	Performance Monitoring To undertake an annual review of staff sickness absence.	Andrea Prosser	Executive Info Item
	4. Annual Health and Safety Report	Performance Monitoring To monitor the performance of the Annual Health and Safety report and to influence areas of focus.	Andrea Prosser	Executive Info Item
	5. Preparations since Exiting the EU	Progress Update To inform Members of the Council's approach to arrangements since exiting the EU.	Bernadette Elias	Executive Council
	Welsh Language	<u>Information Only</u>	Andrew Parker	Executive Info Item

DRAFT Corporate Overview Work Programme

Dates / Deadlines	Topic	Purpose	Lead	Executive / Council
Friday 11th December 2020 Deadline: 25 th November 2020	1. HR Policy review	Pre Decision To consider HR policies reviewed for 2020/21.	Andrea Prosser	Executive or Council (<i>dependent on policy</i>)
	2. Workforce Strategy	Pre Decision To consider the workforce strategy including change in circumstances following COVID and future working arrangements.	Andrea Prosser	Executive Council Approval
	3. Treasury Management – Mid-Year Review	Budget Monitoring To provide Members with the opportunity to scrutinise the Treasury Management activities carried out by the Authority during the first half of the 2020/21 financial year.	Rhian Hayden	Council
Friday 22nd January 2021 Deadline: 6 th January 2021	1. Capital Strategy Review	Performance Monitoring To consider the implementation of the Capital Strategy 2020/21.	Rhian Hayden	Executive
	2. Medium Term Financial Strategy / Bridging the Gap Overview 2021/22	Performance Monitoring To provide Members with an update on the MTFS / Bridging the Gap programme and to influence areas of focus.	Anne-Louise Clark Rhian Hayden	Executive Council
	Information Management Monitoring Report	Information Only To provide information of progress against identified action on a half yearly cycle.	Rhian Hayden	Executive Information

DRAFT Corporate Overview Work Programme

Dates / Deadlines	Topic	Purpose	Lead	Executive / Council
Friday 5th March 2021 Deadline: 17 th February 2021	1. Treasury Management – Strategy Statement 2021/22	Budget Monitoring To present the Treasury Management Strategy, Investment Strategy and Minimum Revenue Provision (MRP) Policy recommended for adoption in the 2020/21 financial year.	Rhian Hayden	Council by 31 March 2021
	2. Global Resettlement Programme	Pre Decision To consider the new items of the Global Resettlement Programme.	Bernadette Elias	Executive Council
	3. CCTV Annual Monitoring report Updated position	Performance Monitoring The will incorporate the result of the scheduled reviews of the DPIA's and who has responsibility for which aspect of CCTV. Performance monitoring to include viewing, data protection and working cameras.	Rhian Hayden / Clive Rogers / Bernadette Elias	Executive
	4. Strategic Equality Plan	Performance Monitoring Members to be informed of the progress made to date against the priorities within the SEP and approve actions moving forward.	Andrew Parker	Executive

DRAFT Corporate Overview Work Programme

Dates / Deadlines	Topic	Purpose	Lead	Executive / Council
TBA	Draft Policy and Strategy Framework for CCTV	Pre Decision To consider the policy and arrangements for CCTV moving forward.	Rhian Hayden / Clive Rogers / Bernadette Elias	Executive Council
TBA	Audit Wales Reporting	Performance Monitoring As required linked to Audit Wales Programme.	Various	Audit
TBA	Joint Report	Performance Monitoring To provide quarterly monitoring information across all directorates, to include information in relation to Finance, Performance and Risk and key themes and notable activity across the Council and to influence areas of focus.	Gemma Wasley	Executive
TBA	Climate Change		Michelle Morris	Council
TBA	Local Government Reform Bill		Michelle Morris / Bernadette Elias / Andrea Jones	Executive and Council
TBA	COVID 19 recovery		Michelle Morris	
July 2021	Workforce Strategy Implementation	Performance Monitoring To review the first year performance of the workforce strategy.	Andrea Prosser	Executive
TBA	Audit Wales Follow up review of Corporate Arrangements for the Safeguarding of Children	Performance Monitoring To consider the action plan developed to address the areas identified within the Audit Wales Follow up review of Corporate Arrangements for the Safeguarding of Children report in order to review the revised timelines owing to COVID 19.	Damien McCann	Audit

This page is intentionally left blank

Agenda Item 9

Executive Committee and Council only

Date signed off by the Monitoring Officer: N/A

Date signed off by the Section 151 Officer: N/A

Committee: **Corporate Overview Scrutiny Committee**

Date of meeting: **11th September 2020**

Report Subject: **Treasury Management Annual Review 1st April 2019 to 31st March 2020**

Portfolio Holder: **Councillor N Daniels
Leader, Executive Member Corporate Services**

Report Submitted by: **Rhian Hayden
Chief Officer Resources**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
	20/08/20				11/09/20		24/09/20	

1. **Purpose of the Report**
 - 1.1 The purpose of the report is to give Members the opportunity to scrutinise the Treasury Management activities carried out by the Authority during the 2019/2020 financial year.
2. **Scope and Background**
 - 2.1 The report provides a summary of the Treasury Management activities carried out under delegated powers by the Chief Officer Resources in the period 1st April 2019 to 31st March 2020 in accordance with the CIPFA Treasury Management Code of Practice.
 - 2.2 Treasury Management can be defined as:

“The management of the local authority’s cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
 - 2.3 The primary requirements of the CIPFA Code of Practice are currently as follows:
 - a. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council’s treasury management activities.
 - b. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
 - c. Receipt by the Council of an annual Treasury Management Strategy report (including the annual investment strategy report) for the year ahead, a mid-year review and an annual review report of the previous year.

- d. Delegation by the Council of responsibilities for implementing and monitoring Treasury Management policies and practices and for the execution and administration of treasury management decisions, which in this Council is the Chief Officer Resources.
 - e. Delegation by the Council of the role of scrutiny of Treasury Management strategy and policies to a specific named body which in this Council is the Corporate Overview Scrutiny Committee.
- 2.4 In accordance with (e) above the Corporate Overview Scrutiny Committee is the committee with delegated responsibility for undertaking the scrutiny of the Treasury Management strategy and related reports
- 2.5 This report is therefore presented to this scrutiny committee to provide an annual review report (attached as Appendix 1) of the Treasury Management activities for the 2019/2020 financial year, in accordance with (c) above, and to enable Members to scrutinise the contents prior to it being presented to full Council.
- 3. **Options for Recommendation**
 - 3.1 Option 1
Members scrutinise the treasury management activity undertaken during the 2019/20 financial year and provide comment prior to its submission to full Council.
 - 3.2 Option 2 (preferred option)
Members scrutinise the treasury management activity undertaken during the 2019/2020 financial year and do not provide comment prior to its submission to full Council.
- 4. **Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**
 - 4.1 The report is written in compliance with legislation (the Local Government Act 2003),Welsh Government guidance and CIPFA codes of practice.
- 5. **Implications Against Each Option**
 - 5.1 ***Impact on Budget (short and long term impact)***
 - 5.1.1 The Authority has complied with the CIPFA Treasury Management in the Public Services: Code of Practice 2017 and in doing so has strived for effective risk management and control, whilst at the same time pursuing best value as far as possible.
 - 5.1.2 The Authority has effectively managed credit risk throughout the period, so ensuring that it has not been subjected to any financial loss as a result of the credit crisis.

- 5.1.3 The Authority has maximised investment returns as far as is possible whilst managing the associated risk and minimised borrowing costs throughout the period.
- 5.1.4 Investment returns of £61,000 have been achieved with an average interest rate of 0.46%. This is slightly lower than the benchmark rate (based on market forces) of 0.54% but reflects the fact that the Authority can no longer invest in previous counterparties that paid higher rates, due to credit rating reductions. The estimate for investment interest was zero
- 5.1.5 An average interest rate of 1.09% has been paid on temporary borrowings against a benchmark rate (based on market forces) of 1.00%, amounting to £488,000. This is higher than the estimated interest on short term borrowing (£428,000) and is a result of the impact on market rates of the 1% increase in the PWLB rates.
- 5.1.6 A summary of the Treasury Management activities for the period are shown in the table below:

	Value	Interest	Average Interest Rate
	£m	£	%
Short Term Loans raised	193	488,000	1.09%
Short Term Investments made	321	61,000	0.46%
Long Term debt outstanding 31/3/19	97.430		4.10%
Short Term debt outstanding 31/3/9	60.699		0.86%

5.2 ***Risk including Mitigating Actions***

- 5.2.1 The main risk in relation to Treasury Management is that of credit risk and protecting the Authority's cash. This is effectively managed through the Authority's risk averse Treasury Management policy that seeks to protect the capital sum rather than maximise investment returns.

5.3 ***Legal***

- 5.3.1 The Council carries out Treasury Management activities in compliance with the Local Government Act 2003, and in accordance with the CIPFA Treasury Management Code of Practice and Welsh Government guidance

5.4 ***Human Resources***

- 5.4.1 There are no direct staffing implications to report. Staff directly involved with Treasury Management activities will continue to monitor the credit situation on a daily basis, and will notify the Chief Officer Resources accordingly.

Any consequential changes required to be made to the borrowings or investment strategy as a result will be reported to the Council,

6. Supporting Evidence

6.1 Performance Information and Data

- 6.1.1 During 2019/2020, the Authority took £10m in long term debt from other public authorities (PWLb) to replace maturing loans or to finance capital expenditure.
- 6.1.2 Over the past few years the credit rating agencies have downgraded a number of financial institutions such that they no longer meet the Authority's required approved criteria
- 6.1.3 Despite this financial climate, the Authority has performed well in terms of its Treasury Management activities during the year, as detailed in the report and summarised below:
 - a. Investment returns of £61,000 have been achieved with an average interest rate of 0.46%. This is slightly lower than the benchmark rate of 0.54% but reflects the fact that the Authority cannot invest in counterparties that pay higher rates, due to credit rating reductions. This is however in line with the Authority's risk averse policy whereby the security of the capital sum is the number one priority at the expense of more competitive investment returns.
 - b. An average interest rate of 1.09% has been paid on temporary borrowings against a benchmark of 1.00%, minimising as far as possible the interest payable by the Authority. This is despite the impact (increase) in market rates following the 1% increase to PWLB rates in October 2019 and has an impact on market rates. This is therefore evidence of good performance.
 - c. All of the Treasury limits and Treasury Management prudential indicators set for the financial year have been complied with during the year.
 - d. No institutions in which investments were made during the period had any difficulty in repaying investments and interest in full, so the Authority has not been exposed to any financial loss as a result of the difficult economic climate.

6.2 Expected outcome for the public

- 6.2.1 The Council's Treasury Management activities support delivery of services to the public.

6.3 Involvement (consultation, engagement, participation)

- 6.3.1 Members of the Corporate Overview Scrutiny Committee and full Council are involved in developing and monitoring compliance with the Council's Treasury Management Strategy.

- 6.4 ***Thinking for the Long term (forward planning)***
- 6.4.1 *n/a*
- 6.5 ***Preventative focus***
- 6.5.1 The Authority's Treasury Management policy prioritises protecting the capital sum rather than achieving higher interest returns.
- 6.6 ***Collaboration / partnership working***
- 6.6.1 *n/a*
- 6.7 ***Integration (across service areas)***
- 6.7.1 *n/a*
- 6.8 ***EqIA (screening and identifying if full impact assessment is needed)***
- n/a*

7. Monitoring Arrangements

- 7.1 *State how the work will be monitored e.g. through scrutiny or directorate performance management arrangements*

As the nominated scrutiny Committee, Corporate Overview will receive three reports in every annual cycle:-

- A Treasury Management Policy report prior to the start of every financial year
- A mid-year progress report on Treasury Management activity
- An end of year out turn report on Treasury Management activity.

Background Documents /Electronic Links

- *Appendix 1 – Treasury Management Annual Review Report 2019/20 (detailed)*
- *Appendix A - Schedule of Temporary Loans during 2019/20*
- *Appendix B – Schedule of Temporary Investments Made 2019/20*

This page is intentionally left blank

APPENDIX 1

TREASURY MANAGEMENT ANNUAL REVIEW REPORT 2019/2020

1. INTRODUCTION AND BACKGROUND

The Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management 2009 was adopted by this Council in February 2010 and this Council fully complies with its requirements. The Code was revised in 2011 and further revised in 2017.

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the Council of an annual treasury management strategy report (including the annual investment strategy report) for the year ahead, a mid year review and an annual review report of the previous year.
4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions, which in this Council is the Chief Officer Resources.
5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specified named body which in this Council is the Corporate Overview Scrutiny Committee.

Treasury management in this context is defined as:

"The management of the local authority's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

The purpose of this report is to meet one of the above requirements of the CIPFA Code, namely the annual review report of treasury management activities, for the financial year 2019/20.

2. THIS TREASURY MANAGEMENT ANNUAL REVIEW REPORT COVERS

- ❖ Economic Background during the period
- ❖ the Council's treasury position as at 31st March 2020;
- ❖ borrowing and investment rates for 2019/20;
- ❖ annual review of the borrowing strategy 2019/20;
- ❖ borrowing outturn for 2019/20;
- ❖ debt rescheduling for 2019/20;
- ❖ compliance with treasury limits and Prudential Indicators for 2019/20;
- ❖ annual review of the investment strategy for 2019/20;
- ❖ investment outturn for 2019/20;

APPENDIX 1

TREASURY MANAGEMENT ANNUAL REVIEW REPORT 2019/2020

3. ECONOMIC BACKGROUND DURING PERIOD

PWLB rates are based on, and are determined by, gilt (UK Government bonds) yields through H.M.Treasury determining a specified margin to add to gilt yields. There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. Gilt yields were on a generally falling trend during the last year up until the coronavirus crisis hit western economies. Since then, gilt yields have fallen sharply to unprecedented lows as investors have panicked, selling shares in anticipation of impending recessions in western economies, and moving cash into safe haven assets i.e. government bonds. Major western central banks also started quantitative easing purchases of government bonds which will act to maintain downward pressure on government bond yields at a time when there is going to be a huge and quick expansion of government expenditure financed by issuing government bonds; (this would normally cause bond yields to rise). At the close of the day on 31 March, all gilt yields from 1 to 5 years were between 0.12% – 0.20% while even 25-year yields were at only 0.83%.

HM Treasury also imposed **two changes in the margins over gilt yields for PWLB rates** during 2019-20 without any prior warning; the first on 9 October 2019, added an additional 1% margin over gilts to all PWLB rates. That increase was then partially reversed for some forms of borrowing on 11 March 2020, at the same time as the Government announced in the Budget a programme of increased spending on infrastructure. It also announced that there would be a consultation with local authorities on possibly further amending these margins. It is clear that the Treasury intends to put a stop to local authorities borrowing money (at preferential rates) from the PWLB to purchase commercial property if the aim is solely to generate an income stream.

Following the changes on 11 March 2020 in margins over gilt yields, the current situation is as follows: -

- **PWLB Standard Rate** is gilt plus 200 basis points (G+200bps)
- **PWLB Certainty Rate** is gilt plus 180 basis points (G+180bps)
- **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

There is likely to be little upward movement in PWLB rates over the next two years as it will take national economies a prolonged period to recover all the momentum they will lose in the sharp recession caused during the coronavirus shut down period. Inflation is also likely to be very low during this period and could even turn negative in some major western economies during 2020-21.

4. TREASURY POSITION AS AT 31st MARCH 2020

The Council's debt and investment position at the beginning and the end of the year was as follows:

APPENDIX 1

TREASURY MANAGEMENT ANNUAL REVIEW REPORT 2019/2020

This illustrates that the total debt outstanding as at 31st March 2020 was £158.129 million, comprising of long term debt of £97.430 million and short term debt of £60.699 million.

	31 March 2019 Principal	Average Rate/ Return	31 March 2020 Principal	Average Rate/ Return	Increase/ (Decrease) in Borrowing
	<u>£000</u>		<u>£000</u>		<u>£000</u>
Fixed Rate Funding:					
- PWLB	72,700	4.64%	79,430	4.71%	6,730
- Market Loans	19,000	2.05%	14,000	1.67%	(5,000)
Variable Rate Funding:					
- Market (LOBO *)	4,000	4.5%	4,000	4.5%	0
Total Long Term Debt	95,700	4.19%	97,430	4.10%	1,730
Short Term Loans(<365 days)	61,649	0.90%	60,699	0.86%	(950)
Total Debt	157,349	2.85%	158,129	2.86%	780
Investments:					
- Short Term	6,000		0		(6,000)
Total Investments	6,000		0		(6,000)

* LOBO – Lenders Option Borrowers Option. This loan has a fixed rate for the first two years of 3.85%. The remaining period of the loan (which we are now in) has a rate of 4.5%, but the lender can increase this rate at six month intervals.

5. BORROWING AND INVESTMENT RATES IN 2019/20

The following table displays a selection of interest rates prevailing as at 1st April 2019 and 31st March 2020.

	01/04/2019	31/3/2020
Bank Base Rate	0.75%	0.10%
7 day LIBID	0.57%	0.01%
PWLB 10 year Maturity	2.05%	2.34%
PWLB 15 year maturity	2.37%	2.64%
PWLB 25 year maturity	2.60%	2.85%

APPENDIX 1

TREASURY MANAGEMENT ANNUAL REVIEW REPORT 2019/2020

6. ANNUAL REVIEW OF THE BORROWING STRATEGY FOR 2019/20

The Treasury Management Strategy Statement for 2020/21 was approved by Council in July 2020. The Borrowing Strategy adopted as part of this was as follows:

To utilise the Authority's overdraft facility:

to fund unexpected daily cash deficits;
to fund temporary cash shortfalls where there are no other sources of funding available within the marketplace.

To borrow over the short term:

to fund temporary cash shortfalls;
to maintain a suitably balanced maturity profile;
to make short term savings required in order to meet budgetary constraints;
in anticipation of securing longer term loans at more attractive rates.

To borrow over the long term:

to reduce the Authority's average cost of borrowing;
to maintain a stable, longer term portfolio;
to maximise the potential for future debt rescheduling.

If appropriate to avoid all new external borrowing:

to maximise savings in the short term;
to run down temporary investment levels;
to minimise exposure to interest rate and credit risk.

Borrowings undertaken during the period (see section 7 below) have been done so in accordance with this strategy and has focused on short term borrowings in order to minimise borrowing costs. Current short term borrowing rates continue to be very low (despite the change to PWLB rates) and are forecast to stay at these levels for the foreseeable future. The Authority is therefore taking advantage of such rates and is predominantly borrowing short term to fund the remainder of its capital expenditure and maturing debt until such time the market indicates that long term rates are more advantageous. Throughout the 19/20 financial year long term rates started to fall and the Council converted £10m of short term debt into long term debt, with a view to making further conversions in 2020/2021.

In the current economic climate it is considered that the approved strategy is still fit for purpose and therefore no revisions are proposed.

7. BORROWING OUTTURN FOR 2019/20

Long Term Borrowing

Definition

Long term borrowing relates to debt taken out for a period of greater than one year. It is taken out for periods of 1 year up to 50 years. This borrowing is required to finance capital expenditure undertaken in the year that is funded through:

- Borrowing approvals from Welsh Government, known as un-hypothecated supported borrowing (USB), for which revenue support for the borrowing costs is provided through the revenue support grant;

APPENDIX 1

TREASURY MANAGEMENT ANNUAL REVIEW REPORT 2019/2020

- Prudential borrowing, for which borrowing costs are funded through revenue savings.

Total outstanding as at 31st March 2020

The total long term debt outstanding as at 31st March 2020 was £97.430 million. This is made up of debt taken from the Public Works Loan Board (PWLB), from other local authorities (through the market place), and from the market (LOBO). This debt is due to be repaid within the following years:

Maturing Within	£000s
1YR	8,666
1-2YRS	5,697
2-3YRS	7,920
3-4YRS	2,764
4-5YRS	14,051
5-6YRS	1,877
6-10YRS	23,439
10-15YRS	5,962
15+ YRS	27,054
Total	97,430

New borrowings for 2019/20

During 2019/20, the Authority did take £10m long term debt from the PWLB towards the end of the financial year to replace maturing loans and finance capital expenditure.

Short Term Borrowing

Definition

Short term borrowing relates to debt taken out for a period of less than one year i.e. it will all be fully repaid within a year. These short term loans are taken out to manage the Authority's short term cash flow i.e. to fund deficits in cash flow on a daily basis pending receipt of income from grants or other sources, or pending the taking out of longer term debt to fund capital expenditure whilst we wait for advantageous longer term borrowing opportunities. Current short term borrowing rates are very low and are forecast to stay at these levels for the foreseeable future. The Authority is therefore taking advantage of such rates and is borrowing short term to fund the remainder of its capital expenditure and maturing debt until such time the market indicates that long term rates are more advantageous.

Total outstanding as at 31st March 2020

The total short term debt outstanding as at 31st March 2020 was £60,699 million. This is made up of debt taken from other local authorities through the market place.

New borrowings for 2019/20

APPENDIX 1

TREASURY MANAGEMENT ANNUAL REVIEW REPORT 2019/2020

Appendix A lists the short term loan activity during the year and shows that over the period a total of £61.699 million loans were brought forward from the previous year and £131.500 million of new short term loans were raised. A total of £132.500 million of these new loans were repaid during the year (including the brought forward loans) leaving a balance outstanding as at 31st March 2020 of £60.699 million.

The following table gives a summary which shows that the average rate of interest paid was well within the benchmark.

	Total Value of Loans during the period	Average Loan	Interest paid during the period	Average Interest Rate	Benchmark Interest Rate *
Short Term borrowing	£193,199M	£2.45M	£488k	1.09%	1.00%

* Benchmark = budgeted interest rate for new borrowings 1.00%

7. DEBT RESCHEDULING

No debt rescheduling was undertaken during the period.

8. COMPLIANCE WITH TREASURY LIMITS

During the financial year the Council operated within the treasury limits and Prudential Indicators set out in the Treasury Strategy Statement 2019/20, approved by Council in March 2019.

Operational Boundary for external debt

The Council resolved that this limit be set at £155 million for 2019/20. The level of borrowings on the 31st March was £158 million this exceeds the limit slightly.

The operational boundary can be exceeded on an occasional basis, this is likely to be due to the volume of payments being made in relation to capital spend at the year end and the delay in receiving grant funding this is therefore to be expected due to cash flow fluctuations. Sustained breaches however, would indicate that either the limit has been set too low, or that the Authority is breaching its prudential boundaries and that corrective action needs to be taken.

Monitoring of the operational boundary is undertaken on a daily basis and any such continual breaches would be investigated and a recommended course of action reported to Council.

APPENDIX 1

TREASURY MANAGEMENT ANNUAL REVIEW REPORT 2019/2020

Authorised Limit for external Debt

The Council resolved that this limit be set at £171 million for 2019/20. The Authorised Limit is set having regard to the operational boundary above.

The average level of borrowings for the year to the 31st March was £158 million, so well within the limit set.

The Authorised Limit must not be breached.

Maturity Structure of Fixed Rate Borrowing

The Council resolved the following limits for the maturity structure of fixed rate borrowings for 2019/20:

	Upper Limit	Lower Limit	Actual as at 31/3/2020
under 12 months	20%	0%	8.89%
12 months and within 24 months	20%	0%	5.85%
24 months and within 5 years	50%	0%	25.39%
5 years and within 10 years	75%	0%	25.98%
10 years and above	95%	25%	33.89%

The actual debt maturity profile at 31st March 2020 is well within the limits set.

Upper Limit on Variable Interest Exposure

Council resolved the upper limit on variable rate exposures for 2019/20 should be set at 30% of outstanding long term debt. This strategy limits the proportion of interest which is subject to variable rate terms and hence protects the Council against increased costs in times of rising interest rates.

The actual level of variable borrowings is £4 million (LOBO) which equates to 4.1% of the outstanding long term debt as at 31st March 2020, so is well within the limit set.

9. ANNUAL REVIEW OF INVESTMENT STRATEGY FOR 2019/20

The Annual Investment Strategy for 2019/20 adopted by Council in March 2018, was to maintain only temporary, short term investments and to make those investments in accordance with anticipated cash flow requirements (including the investing of sums borrowed at prevailing low interest rates in anticipation of capital spending). The Council's investment priorities are:

- a. the security of capital;
- b. the liquidity of its investments.

The Council also aims to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The risk appetite of this Council is low in order to give priority to the security of its investments.

APPENDIX 1

TREASURY MANAGEMENT ANNUAL REVIEW REPORT 2019/2020

In order to ensure that the Authority's investments are secure and that risk is minimised an investment matrix is used to determine investment counterparties, which factors in Fitch and Moody's credit ratings, credit default swap (CDS) spread data, and credit rating agency comments.

This strategy has been adhered to in determining the investments for 2019/20 outlined in section 10 below.

10. INVESTMENT OUTTURN FOR 2019/20

Appendix B gives details of the investments made during the year, and the following table gives a summary, which shows the Authority's average rate of return was below the benchmark. This is in line with the Authority's risk averse policy whereby the security of the capital sum is the number one priority at the expense of competitive investment returns.

	Total Value of Investments	Average Investment	Investment Returns	Average Rate of Return	Benchmark Return *
Internally Managed	£321M	£2.5	£61k	0.46%	0.54%

* Benchmark = 7 day LIBID

0.54%

No institutions in which investments were made had any difficulty in repaying investments and interest in full during the year.

List of Temporary Lenders 2019/2020

APPENDIX A

LENDER	NEW LOAN VALUE	RATE %	REPAY DATE	DURATION OF LOAN DAYS IN 2019/20	INTEREST DUE TO 31/03/2020	PRINCIPAL REPAID 2019/20	PRINCIPAL OUTSTANDING AS AT 31/03/2020
BG CARE AND REPAIR	199,000	0.30	CALL		475		199,000
CHICHESTER DISTRICT COUNCIL	1,500,000	0.85	14/08/2019	135	4716	1,500,000	
BROXBORNE BOROUGH COUNCIL	2,000,000	0.87	04/04/2019	4	191	2,000,000	
MIDDLESBROUGH B	2,000,000	0.85	18/04/2019	17	792	2,000,000	
HYNBURN BOROUGH	1,000,000	0.93	22/07/2019	112	2854	1,000,000	
CAMBRIDGE CITY COUNCIL	3,000,000	0.95	02/07/2019	92	7184	3,000,000	
SOUTH OXFORDSHIRE DISTRICT COUNCIL	3,000,000	0.95	03/07/2019	93	7262	3,000,000	
LICHFIELD DISTRICT COUNCIL	2,000,000	0.90	03/04/2019	2	99	2,000,000	
CITY & COUNTY OF SWANSEA	2,000,000	0.85	26/04/2019	25	1164	2,000,000	
WYCOMBE DISTRICT COUNCIL	3,000,000	0.95	07/08/2019	128	9995	3,000,000	
WYCHAVON DISTRICT COUNCIL	3,000,000	0.90	03/06/2019	63	4660	3,000,000	
CHESTERFIELD BOROUGH COUNCIL	3,000,000	0.90	24/05/2019	53	3921	3,000,000	
TENDRING DISTRICT COUNCIL	1,000,000	0.87	17/06/2019	77	1835	1,000,000	
MERSEYSIDE FIRE & RESCUE AUTHORITY	1,000,000	0.90	18/06/2019	78	1923	1,000,000	
WOKINGHAM BOROUGH COUNCIL	3,000,000	0.90	08/07/2019	98	7249	3,000,000	
BARNLEY MBC	3,000,000	0.90	10/06/2019	70	5178	3,000,000	
TENDRING DISTRICT COUNCIL	2,000,000	0.92	03/07/2019	93	4688	2,000,000	
THURROCK COUNCIL	3,000,000	0.85	21/05/2019	50	3493	3,000,000	
SOUTH DERBYSHIRE DISTRICT COUNCIL	3,000,000	0.90	11/11/2019	224	16570	3,000,000	
WEALDEN DISTRICT COUNCIL	2,000,000	0.87	31/05/2019	60	2860	2,000,000	
CALDERDALE MET DISTRICT COUNCIL	1,000,000	0.78	23/05/2019	52	1111	1,000,000	
CITY & COUNTY OF SWANSEA	3,000,000	0.87	24/04/2019	23	1645	3,000,000	
TENDRING DISTRICT COUNCIL	2,000,000	0.95	28/08/2019	149	7756	2,000,000	
TEWKESBURY BOROUGH COUNCIL	1,000,000	0.80	10/04/2019	9	197	1,000,000	
MERSEYSIDE FIRE & RESCUE AUTHORITY	2,000,000	0.85	23/04/2019	22	1025	2,000,000	
MIDDLESBROUGH B	3,000,000	1.00	05/09/2019	157	12904	3,000,000	
DURHAM COUNTY COUNCIL	2,000,000	1.00	18/09/2019	170	9315	2,000,000	
NORTHERN IRELAND HOUSING EXECUTIVE	2,000,000	0.95	19/06/2019	79	4112	2,000,000	
PCC FOR GLOUCESTERSHIRE	2,000,000	0.93	21/06/2019	81	4128	2,000,000	
previous years still outstanding	61,699,000				129302	61,500,000	199,000
VALE OF GLAMORGAN COUNCIL	2,000,000	0.9	22/10/2019	181	8926	2,000,000	
THURROCK BOROUGH COUNCIL	3,000,000	0.9	03/02/2020	278	20564	3,000,000	
TEWKESBURY BOROUGH COUNCIL	1,000,000	0.9	24/10/2019	183	4512	1,000,000	
LONDON BOROUGH OF EALING	2,000,000	0.97	22/04/2020	343	18231		2,000,000
WEST OF ENGLAND COMBINED AUTHORITY	5,000,000	0.84	07/10/2019	140	16110	5,000,000	
EXETER CITY COUNCIL	3,000,000	0.9	13/03/2020	294	21748	3,000,000	
WEALDEN DC	3,500,000	0.85	29/11/2019	182	14834	3,500,000	
NOTTINGHAMSHIRE PCC	3,000,000	0.95	06/07/2020	268	20926		3,000,000
HYNDBURN BOROUGH COUNCIL	1,000,000	0.95	01/06/2020	303	7886		1,000,000
EAST NORTHAMPTONSHIRE COUNCIL	3,000,000	0.9	28/02/2020	276	20416	3,000,000	
NORTHERN IRELAND HOUSING EXECUTIVE	3,000,000	0.8	10/09/2019	92	6049	3,000,000	
POLICE AND CRIME COMMISSIONER - ROLL	2,000,000	0.79	20/09/2019	91	3939	2,000,000	
TENDRING DISTRICT COUNCIL - ROLL OVER	1,000,000	0.82	18/11/2019	154	3460	1,000,000	
NEATH PORT TALBOT CBC	3,000,000	0.8	21/10/2019	129	8482	3,000,000	
NEATH PORT TALBOT CBC	3,000,000	0.8	23/09/2019	94	6181	3,000,000	
POL. & CRIME COMM.FOR WEST YORKSHIRE	3,000,000	0.82	08/01/2020	184	12401	3,000,000	
HYNDBURN BOROUGH COUNCIL - ROLL OVER	1,000,000	0.93	20/07/2020	254	6472		1,000,000
POL. & CRIME COMM.FOR WEST YORKSHIRE	3,000,000	0.84	06/01/2020	185	12773	3,000,000	
PCC WEST MIDLANDS	3,000,000	0.82	24/01/2020	186	12536	3,000,000	
CHESTERFIELD BOROUGH COUNCIL	3,000,000	0.76	23/01/2020	153	9557	3,000,000	
ESSEX COUNTY COUNCIL - PENSION	2,000,000	0.74	28/11/2019	92	3730	2,000,000	
SOUTH LANARKSHIRE COUNCIL	3,000,000	0.7	31/01/2020	123	7077	3,000,000	
SOUTH LANARKSHIRE COUNCIL	3,000,000	0.73	21/02/2020	123	7380	3,000,000	
BROXBORNE BOROUGH COUNCIL	2,000,000	0.68	21/01/2020	92	3428	2,000,000	
CRAVEN DISTRICT COUNCIL	1,500,000	0.68	21/01/2020	92	2571	1,500,000	
SOUTH LANARKSHIRE COUNCIL	3,000,000	0.72	17/02/2020	124	7338	3,000,000	
SHROPSHIRE & WREKIN FIRE AUTHORITY	2,000,000	0.7	27/03/2020	157	6022	2,000,000	
VALE OF GLAMORGAN COUNCIL	3,000,000	0.77	06/03/2020	136	8607	3,000,000	
CUMBRIA COUNTY COUNCIL	3,000,000	0.82	15/04/2020	134	9031		3,000,000
ESSEX COUNTY COUNCIL	3,000,000	0.77	30/03/2020	123	7784	3,000,000	
SHROPSHIRE COUNCIL	3,000,000	0.84	08/06/2020	117	8078		3,000,000
WEALDEN DISTRICT COUNCIL	3,000,000	0.82	08/04/2020	110	7414		3,000,000
TENDERING DISTRICT COUNCIL	1,000,000	0.8	21/05/2020	132	2893		1,000,000
MIDDLESBROUGH COUNCIL	1,000,000	0.6	04/12/2019	5	82	1,000,000	
TENDERING DISTRICT COUNCIL	1,000,000	0.8	28/07/2020	64	1403		1,000,000
SOUTH LANARKSHIRE COUNCIL	1,000,000	0.85	23/06/2020	100	2329		1,000,000
CARMARTHENSHIRE COUNTY COUNCIL	3,000,000	0.75	09/04/2020	83	5116		3,000,000
BROXBORNE BOROUGH COUNCIL - ROLL OVER	2,000,000	0.9	21/07/2020	71	3501		2,000,000
SHROPSHIRE COUNCIL	1,500,000	0.9	21/07/2020	71	2626		1,500,000
SOUTH KESTOVEN DISTRICT COUNCIL	2,000,000	0.85	22/05/2020	69	3214		2,000,000
BASINGSTOKE & DEAN BOROUGH COUNCIL	5,000,000	0.85	11/05/2020	71	8267		5,000,000
THURROCK COUNCIL ESSEX	3,000,000	0.8	05/02/2020	6	395	3,000,000	
SOUTH LANARKSHIRE COUNCIL	3,000,000	0.83	30/06/2020	40	2729		3,000,000
ESSEX COUNTY COUNCIL	5,000,000	0.83	17/06/2020	44	5003		5,000,000
Northern Ireland Housing Executive	5,000,000	0.92	15/07/2020	19	2395		5,000,000
VALE OF GLAMORGAN COUNCIL	2,000,000	1.05	08/03/2021	23	1323		2,000,000
VALE OF GLAMORGAN COUNCIL	2,000,000	1.05	15/10/2020	5	288		2,000,000
East Riding of Yorkshire Council	3,000,000	1.00	20/08/2020	12	986		3,000,000
ESSEX COUNTY COUNCIL ROLL OVER 7740	3,000,000	0.9	29/05/2020	2	148		3,000,000
WARRINGTON BOROUGH COUNCIL	5,000,000	2.00	07/04/2020	7	1918		5,000,000
Total Raised During the Period	131,500,000				359,079	71,000,000	60,500,000
Total Value of Loans	193,199,000				488,381	132,500,000	60,699,000
Average Loan	2,445,557						
Interest Paid	488,381						
Average Interest Rate	1.09%						

This page is intentionally left blank

INVESTMENTS 2019/2020								
APPENDIX B								
				REPAYMENT	DURATION OF INVESTMENT			
BORROWER	VALUE	RATE	DATE	IN 2019/20	INTEREST DUE	INVESTMENTS	PRINCIPAL O/S	
		%		DAYS	TO 31/03/2020	RECEIVED BACK DURING PERIOD	AS AT 31/03/2020	
PCC - THAMES VALLEY	5,000,000	0.80	05/04/2019	3	438	5,000,000		
COVENTRY CITY COUNCIL	1,000,000	0.85	29/04/2019	3	652	1,000,000		
DEBT MANAGEMENT OFFICE	4,000,000	0.50	12/04/2019	9	493	4,000,000		
DEBT MANAGEMENT OFFICE	3,000,000	0.50	18/04/2019	13	534	3,000,000		
DEBT MANAGEMENT OFFICE	5,000,000	0.50	18/04/2019	8	548	5,000,000		
DEBT MANAGEMENT OFFICE	2,000,000	0.50	16/04/2019	4	110	2,000,000		
DEBT MANAGEMENT OFFICE	2,000,000	0.50	24/04/2019	8	219	2,000,000		
DEBT MANAGEMENT OFFICE	1,000,000	0.50	26/04/2019	9	123	1,000,000		
ST. ALBANS COUNCIL	1,200,000	0.65	21/05/2019	28	598	1,200,000		
DOVER COUNCIL	1,500,000	0.65	30/04/2019	7	187	1,500,000		
BRADFORD CC	1,500,000	0.65	07/05/2019	8	214	1,500,000		
PCC - THAMES VALLEY	2,000,000	0.70	22/05/2019	21	805	2,000,000		
DEBT MANAGEMENT OFFICE	4,000,000	0.50	13/05/2019	10	548	4,000,000		
DEBT MANAGEMENT OFFICE	3,000,000	0.50	10/05/2019	3	123	3,000,000		
DEBT MANAGEMENT OFFICE	2,000,000	0.50	17/05/2019	4	110	2,000,000		
CALDERDALE COUNCIL - HALIFAX	1,900,000	0.65	22/05/2019	9	305	1,900,000		
DEBT MANAGEMENT OFFICE	5,000,000	0.50	24/05/2019	4	274	5,000,000		
ST ALBANS DISTRICT COUNCIL	2,000,000	0.65	03/06/2019	13	463	2,000,000		
South Somerset District Council	1,000,000	0.68	03/06/2019	12	224	1,000,000		
REDDITCH BOROUGH COUNCIL	1,000,000	0.68	03/06/2019	10	186	1,000,000		
DEBT MANAGEMENT OFFICE	3,000,000	0.50	31/05/2019	3	123	3,000,000		
WAKEFIELD COUNCIL - WAKEFIELD	3,000,000	0.68	05/06/2019	7	391	3,000,000		
ST ALBANS DISTRICT COUNCIL	2,000,000	0.70	05/06/2019	7	268	2,000,000		
PCC WEST YORKSHIRE	1,500,000	0.70	07/06/2019	7	201	1,500,000		
DEBT MANAGEMENT OFFICE	5,000,000	0.50	10/06/2019	5	342	5,000,000		
DEBT MANAGEMENT OFFICE	3,000,000	0.50	14/06/2019	9	370	3,000,000		
DEBT MANAGEMENT OFFICE	3,000,000	0.50	18/06/2019	13	534	3,000,000		
ST ALBANS DISTRICT COUNCIL	2,500,000	0.65	17/06/2019	7	312	2,500,000		
PCC WEST YORKSHIRE	3,000,000	0.65	17/06/2019	3	160	3,000,000		
DEBT MANAGEMENT OFFICE	1,000,000	0.50	18/06/2019	1	14	1,000,000		
DEBT MANAGEMENT OFFICE	6,000,000	0.50	19/06/2019	2	164	6,000,000		
PCC FOR WEST YORKSHIRE	4,000,000	0.68	05/07/2019	17	1267	4,000,000		
PCC FOR WEST YORKSHIRE	4,000,000	0.68	28/06/2019	10	745	4,000,000		
Ards & North Down Borough Council	1,000,000	0.75	22/07/2019	31	637	1,000,000		
GLASGOW CITY COUNCIL	2,000,000	0.78	02/08/2019	30	1282	2,000,000		
WAKEFIELD COUNCIL - WAKEFIELD	2,000,000	0.68	11/07/2019	14	522	2,000,000		
DEBT MANAGEMENT OFFICE	3,000,000	0.50	12/07/2019	7	288	3,000,000		
DMO	4,000,000	0.50	15/07/2019	4	219	4,000,000		
DMO	3,000,000	0.50	19/07/2019	4	164	3,000,000		
DMO	2,000,000	0.50	22/07/2019	7	192	2,000,000		
DMO	1,500,000	0.50	19/07/2019	2	41	1,500,000		
Calderdale Metropolitan Borough Council	1,200,000	0.60	26/07/2019	7	138	1,200,000		
DMO	4,000,000	0.50	31/07/2019	12	658	4,000,000		
Hounslow London Borough Council	3,000,000	0.60	19/08/2019	28	1381	3,000,000		
Wakefield Council	1,000,000	0.60	24/07/2019	1	16	1,000,000		
CITY OF BRADFORD METROPOLITAN DISTRICT	3,000,000	0.60	16/08/2019	16	789	3,000,000		
DMO	5,500,000	0.50	09/08/2019	4	301	5,500,000		
SOUTH SOMERSET DISTRICT COUNCIL - SEE TI19	3,000,000	0.57	30/08/2019	21	984	3,000,000		
DMO	1,000,000	0.50	30/08/2019	11	151	1,000,000		
CALDERDALE COUNCIL - HALIFAX	700,000	0.60	28/08/2019	8	92	700,000		
CITY OF BRADFORD METROPOLITAN DISTRICT C	1,900,000	0.60	05/09/2019	14	437	1,900,000		
SOUTH SOMERSET DISTRICT COUNCIL - SEE TI19	1,500,000	0.57	02/09/2019	3	70	1,500,000		
SOUTH SOMERSET DISTRICT COUNCIL	3,000,000	0.57	20/09/2019	21	984	3,000,000		
DEBT MANAGEMENT OFFICE	4,000,000	0.50	06/09/2019	7	384	4,000,000		
DEBT MANAGEMENT OFFICE	4,000,000	0.50	13/09/2019	14	767	4,000,000		
DEBT MANAGEMENT OFFICE	4,000,000	0.50	10/09/2019	6	329	4,000,000		
DEBT MANAGEMENT OFFICE	5,000,000	0.50	20/09/2019	16	1096	5,000,000		
DEBT MANAGEMENT OFFICE	2,000,000	0.50	18/09/2019	9	247	2,000,000		
DEBT MANAGEMENT OFFICE	2,000,000	0.50	24/09/2019	12	329	2,000,000		
DEBT MANAGEMENT OFFICE	3,000,000	0.50	23/09/2019	7	288	3,000,000		
PETERBOROUGH CITY COUNCIL	2,000,000	0.60	01/10/2019	11	362	2,000,000		
DEBT MANAGEMENT OFFICE	2,000,000	0.50	02/10/2019	7	192	2,000,000		
DEBT MANAGEMENT OFFICE	5,000,000	0.50	07/10/2019	4	274	5,000,000		
DEBT MANAGEMENT OFFICE	3,000,000	0.50	09/10/2019	6	247	3,000,000		
DEBT MANAGEMENT OFFICE	2,000,000	0.50	11/10/2019	2	55	2,000,000		
WEST YORKSHIRE FIRE & RESCUE AUTHORITY	1,000,000	0.65	21/10/2019	4	71	1,000,000		
DMO	5,000,000	0.50	18/10/2019	3	205	5,000,000		
DEBT MANAGEMENT OFFICE	3,000,000	0.50	25/10/2019	7	288	3,000,000		
WEST YORKSHIRE FIRE & RESCUE AUTHORITY	1,000,000	0.65	31/10/2019	7	125	1,000,000		
DMO	2,500,000	0.50	28/10/2019	6	205	2,500,000		
CALDERDALE COUNCIL - HALIFAX	600,000	0.65	06/11/2019	12	128	600,000		
DMO	2,000,000	0.50	01/11/2019	4	110	2,000,000		
CALDERDALE COUNCIL - HALIFAX	1,500,000	0.65	08/11/2019	10	267	1,500,000		
BUCKINGHAMSHIRE AND MILTON KEYNES FIRE	1,000,000	0.65	21/11/2019	21	374	1,000,000		
DMO	3,000,000	0.50	11/11/2019	6	247	3,000,000		
DMO	3,000,000	0.50	15/11/2019	10	411	3,000,000		
CALDERDALE	1,000,000	0.60	14/11/2019	8	132	1,000,000		
CALDERDALE	1,400,000	0.60	12/11/2019	5	115	1,400,000		
CALDERDALE	1,200,000	0.60	21/11/2019	9	178	1,200,000		

FOREST OF DEAN	1,000,000	0.60		19/11/2019	7	115	1,000,000	
CALDERDALE	1,300,000	0.60		26/11/2019	12	256	1,300,000	
SOUTH GLOUCESTER COUNCIL	4,500,000	0.60		25/11/2019	7	518	4,500,000	
CALDERDALE	1,000,000	0.60		28/11/2019	8	132	1,000,000	
CALDERDALE	1,500,000	0.60		28/11/2019	7	173	1,500,000	
CALDERDALE	1,000,000	0.60		04/12/2019	12	197	1,000,000	
CALDERDALE	1,000,000	0.60		05/12/2019	8	132	1,000,000	
CITY OF BRADFORD METROPOLITAN DC	1,000,000	0.60		16/12/2019	18	296	1,000,000	
POWYS COUNTY COUNCIL	1,000,000	0.60		04/12/2019	5	82	1,000,000	
DMO	3,000,000	0.50		29/11/2019	1	41	3,000,000	
CALDERDALE	1,000,000	0.60		12/12/2019	9	148	1,000,000	
BUCKINGHAMSHIRE AND MILTON KEYNES FIRE	1,000,000	0.60		16/12/2019	11	181	1,000,000	
DMO	2,000,000	0.50		12/12/2019	8	219	2,000,000	
DMO	3,000,000	0.50		13/12/2019	9	370	3,000,000	
CALDERDALE COUNCIL	800,000	0.60		16/12/2019	11	145	800,000	
WAKEFIELD COUNCIL	4,000,000	0.70		16/12/2019	3	230	4,000,000	
DMO	5,000,000	0.50		20/12/2019	4	274	5,000,000	
DMO	3,000,000	0.50		23/12/2019	7	288	3,000,000	
CALDERDALE COUNCIL	1,400,000	0.60		27/12/2019	10	230	1,400,000	
BIRMINGHAM CITY COUNCIL	2,000,000	0.65		17/01/2020	24	855	2,000,000	
South Somerset District Council	3,000,000	0.72		03/01/2020	15	888	3,000,000	
DEBT MANAGEMENT OFFICE	1,000,000	0.50		02/01/2020	10	137	1,000,000	
DEBT MANAGEMENT OFFICE	3,000,000	0.50		10/01/2020	7	288	3,000,000	
DEBT MANAGEMENT OFFICE	2,500,000	0.50		08/01/2020	2	68	2,500,000	
STOCKPORT METROPOLITAN BOROUGH COUNCIL	2,000,000	0.60		15/01/2020	8	263	2,000,000	
DEBT MANAGEMENT OFFICE	3,000,000	0.50		17/01/2020	8	329	3,000,000	
CALDERDALE COUNCIL	600,000	0.60		22/01/2020	9	89	600,000	
CALDERDALE COUNCIL	800,000	0.60		22/01/2020	7	92	800,000	
DEBT MANAGEMENT OFFICE	2,000,000	0.50		17/01/2020	2	55	2,000,000	
PCC WEST YORKSHIRE	4,000,000	0.60		23/01/2020	7	460	4,000,000	
PCC WEST YORKSHIRE	3,500,000	0.65		31/01/2020	14	873	3,500,000	
DEBT MANAGEMENT OFFICE	5,000,000	0.50		24/01/2020	3	205	5,000,000	
PCC WEST YORKSHIRE	4,000,000	0.65		07/02/2020	15	1068	4,000,000	
CALDERDALE COUNCIL	1,600,000	0.60		04/02/2020	8	210	1,600,000	
DEBT MANAGEMENT OFFICE	3,500,000	0.50		14/02/2020	9	432	3,500,000	
PCC WEST YORKSHIRE	1,000,000	0.60		07/02/2020	1	16	1,000,000	
CALDERDALE	1,400,000	0.60		18/02/2020	7	161	1,400,000	
THURROCK COUNCIL	3,000,000	0.60		21/02/2020	8	395	3,000,000	
LEEDS CITY COUNCIL	4,000,000	0.60		28/02/2020	9	592	4,000,000	
DEBT MANAGEMENT OFFICE	5,000,000	0.50		19/02/2020	1	68	5,000,000	
CALDERDALE COUNCIL	1,200,000	0.60		26/02/2020	7	138	1,200,000	
CALDERDALE COUNCIL	1,700,000	0.60		26/02/2020	5	140	1,700,000	
SOUTH SOMERSET DISTRICT COUNCIL	1,000,000	0.60		25/02/2020	1	16	1,000,000	
CALDERDALE COUNCIL	900,000	0.60		02/03/2020	4	59	900,000	
THURROCK COUNCIL	1,500,000	0.60		13/03/2020	9	222	1,500,000	
PCC WEST YORKSHIRE	5,000,000	0.60		06/03/2020	2	164	5,000,000	
CALDERDALE COUNCIL	1,300,000	0.60		20/03/2020	3	64	1,300,000	
SOUTH SOMERSET	2,000,000	0.60		27/03/2020	8	263	2,000,000	
CALDERDALE COUNCIL	2,400,000	1.50		27/03/2020	2	197	2,400,000	
DEBT MANAGEMENT OFFICE	5,000,000	0.08		31/03/2020	4	44	5,000,000	
BARCLAYS BANK SAVING ACC	3,955,884				366	18887		
	321,955,884					60,580	318,000,000.00	0.00
Average Investments	2,476,584							
Interest Received	60,580							
Average Interest Rate %	0.46%							

Agenda Item 10

Executive Committee and Council only

Date signed off by the Monitoring Officer: N/A

Date signed off by the Section 151 Officer: N/A

Committee: **Corporate Overview Scrutiny Committee**

Date of meeting: **11th September 2020**

Report Subject: **Position Statement on the Council's CCTV system (April to August 2020)**

Portfolio Holder: **Councillor Nigel Daniels, Leader / Executive Member Corporate Services**

Report Submitted by: **Rhian Hayden, Chief Officer Resources (SIRO for CCTV)**
Clive Rogers, Head of Community Services
Bernadette Elias, Head of Governance and Partnerships

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
Sept 2020	27.08.20	01.09.20			11.09.20	14.10.20		

1. **Purpose of the Report**
 - 1.1 To provide an update on the Council's CCTV system covering the period April to August 2020 (during the COVID-19 Pandemic).
2. **Scope and Background**
 - 2.1 A comprehensive position statement was provided on the Council's CCTV System to the Corporate Overview Scrutiny Committee on 12th February 2020. This report summarised the background of the transition to the new system, key information on CCTV system technical aspects and locations on camera equipment, and also initial performance information on the use of the system from 30 July 2019 to 15 January 2020.
 - 2.2 Following the onset of the COVID-19 pandemic in March 2020 consideration was given to the provision of the CCTV service with Corporate Leadership Team agreeing that it would continue with a limited restriction on access to footage for the most serious incidents. Furthermore, taking into consideration the national guidance for the pandemic response and in-line with staffing capacity and safety measures the operating of the system has mostly been carried out remotely by staff working from home, as opposed to through the CCTV Control Room at the Civic Centre.
 - 2.3 Gwent Police were fully engaged in the process outlined above, and new COVID-19 protocols were established for requesting and retrieving footage for lockdown and out of hours' arrangements.
 - 2.4 Technical support and interaction with the CCTV system providers, (IDS) during the COVID-19 pandemic lockdown period also witnessed some

challenges as a consequence of national restriction, e.g. system investigations, site visits, dealing repairs, accessing supporting buildings for resetting systems.

2.5 There continue to be 53 CCTV cameras installed on 33 specific posts in seven CCTV zone areas. These zones cover Ebbw Vale, Abertillery, Brynmawr, Tredegar, Cwm, Blaina and Llanhilleth train station. Each zone is legally compliant through Data Protection Impact Assessments (DPIAs) in-line with the expectation of the Surveillance Camera Commissioner. No changes have been made to the locations of the cameras during this period.

2.6 As part of the move to this CCTV system, four deployable cameras were purchased. These remain in the testing phase having not being deployed during the COVID-19 pandemic.

3. **Options for Recommendation**

3.1 **Option One**

That the Committee considers the information provided in the position statement on the CCTV function during the COVID-19 pandemic.

3.2 **Option Two**

That the Committee considers and provides comment on the position statement on the CCTV function during the COVID-19 pandemic.

4. **Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

4.1 The provision of a CCTV service is non-statutory function and not required under legislation, however the CCTV system is one of a range of tools the Council uses with its partners to tackle crime and disorder, in-line with the requirements of its Community Safety Partnerships (CSP) powers.

4.2 In utilising CCTV to tackle crime and disorder the Council is contributing to the Blaenau Gwent Well-being Plan Objective for Safe and Friendly Communities.

5. **Implications Against Each Option**

5.1 ***Impact on Budget (short and long term impact)***

5.1.1 As of month five of 2020/21 the CCTV budget is underspent, as a consequence of reduced staffing costs. To be able to respond to the new working arrangements during the COVID-19 Pandemic additional IT equipment was procured to ensure appropriate access the CCTV Control Room from remote locations.

5.1.2 On-going consideration needs to be given to the efficient operation of the system with the budget being utilised for preventative maintenance

including regular replacement of components such as recording media (hard drives), cameras, wireless transmission equipment, and ICT equipment such as server and PC's. Without this the system will degrade and become obsolete due to its location within the external environment and future technological and software changes.

5.2 *Risk including Mitigating Actions*

5.2.1 Legal Compliance

There is risk associated with non-compliance of good practice guidance provided by the Surveillance Commissioners and GDPR requirements

This risk will be mitigated by the appropriate policies / strategies being in place ensuring compliance with legislation and best practice, which have been included into the appropriate forward work programmes for Council business for 20/21.

5.2.2 Revenue Implications moving forward

There is a risk that unforeseen revenue costs related to dealing with operation of the CCTV arrangements will exceed the agreed budget.

This will need to be kept under review and corrective action taken as appropriate as part of normal budget monitoring.

5.2.3 Technical Issues

During this period Technical Services have put in place weekly and monthly checks to monitor the system. When required the contractor (IDS) is immediately informed of any faults.

Technical Services continue to hold regular meetings with the contractor (IDS) to discuss the status of the system, any future remedial works required and what future improvements will need to be considered.

Due to the reduced data transfer rates resulting from removing the high cost rental fibre lines from the previous scheme, there are operational issues with retrieval in some instances of extremely large volume of video images when requested by Authorised Organisations such as the Police. Technical Services are currently working with SRS and BT Openreach to investigate options to increase the data speeds at the hub sites.

In terms of specific technical issues in the Blaina Zone, Technical Services are currently working with Western Power Distribution (WPD) and the Contractor (IDS) to investigate and restore the power to the CCTV Columns (previously supplied from old Council Office on the High Street). Consideration will also be given to the option to install a new BT Openreach fibre line to improve transfer speeds and reliability. Technical Services are awaiting costs.

Technical Services are due to install Dynamic DNS on the CCTV system to allow checks and software maintenance to be carried out remotely.

5.3 ***Legal***

- 5.3.1 The Council when operating a surveillance camera system needs to operate within the appropriate legislation e.g. Human Rights and Data Protection laws. The Surveillance Camera Commissioner provides guidance via the Surveillance Camera Code of Practice to support appropriate compliance. A crucial step to ensure that the Council is operating in-line with these expectations is the completion of Data Protection Impact Assessment (DPIA) for the CCTV cameras and supporting systems. All current DPIAs remain relevant and lawful with the 'pressing need' to capture CCTV images.
- 5.3.2 The Control Room where images captured by the system can be checked and transferred is restricted to authorised people. The Council has an obligation to guard against unauthorised use, access or disclosure. During COVID-19 the Control Room has only been accessed in-line with appropriate arrangements for accessing the Civic Centre (e.g. access on Tuesday and Thursday between 9am and 1pm). Both technical and operational access has been required during the COVID-19 Pandemic.
- 5.3.4 There is a requirement for the Council to regularly review the CCTV system to ensure it remains justified, with an expectation from the use of the DPIA process on an annual cycle. This process will be delayed to the Spring 2021 as a consequence of the COVID-19 pandemic.

5.4 ***Human Resources***

- 5.4.1 The Council's Senior Information Risk Officer (SIRO) is the Chief Officer Resources, aligned to the responsibilities via the General Data Protections Regulations (GDPR).
- 5.4.2 The Council's Technical Services Team has project managed the tendering, design, and implementation of the Council's CCTV's system, and continue to provide the technical support required during the COVID-19 Pandemic.
- 5.4.3 The Policy Team (Community Safety) continue to provide policy support to ensure that the Council is taking into consideration the Surveillance Camera Code of Practice, and has continued to provide operational support to enable the transfer of imagery to responsible authorities such as Gwent Police during the COVID-19 pandemic (March to August 2020) handling all enquiries for CCTV evidence packets to Gwent Police, whilst offering 24/7 cover for any major emergency incidents.

6. **Supporting Evidence**

6.1 ***Performance Information and Data***

- 6.1.1 The CCTV system has remained operational and has been actively providing high quality digital imagery to appropriate responsible authorities, such as Gwent Police, to aid the detection and prevention of crime and disorder across the local areas during the COVID-19 Pandemic.
- 6.1.2 Following the installation of the system there continues to be a number of technical issues with operational delivery. The technical and external issues have included security and stability of the local low voltage power supplies, use of existing columns and their condition, local wireless interference, outages in broadband lines, vandalism, adverse weather conditions and premature failure of equipment. The issues may continue into the foreseeable future, and as noted above Technical Services are implementing procedures to regularly monitor the system status and undertaking remedial works. The result of these issues has been and may continue to be that the transmission and recording of images has been and maybe interrupted at some periods.
- 6.1.3 Since 1 April 2020, in-line with the COVID-19 Pandemic arrangements with Gwent Police, there have been 26 incidents where CCTV footage was requested; 1 from a member of the public, 1 from a local business and 24 requests from the Police. It is noted that the Police did not follow up with details in relation to 2 of these initial incident enquiries.
- 6.1.4 11 Evidence Packets were produced to support Police enquiries and investigations, which include: Assault / Threat (3), Burglary/Attempt Burglary (2), Hate/Racial Crime (2), Knife (1), Arson (1), Criminal Damage (1), and Road Traffic Collision (1).
- 6.1.5 Of the 24 Incidents, there were 11 where no CCTV evidence was provided, the reasons include:
- No BGCBC CCTV in the area: 4
 - 'Incident not deemed 'serious enough' in-line with agreed COVID-19 arrangements at the time: 2
 - Operational issues with cameras or system: 1
 - Incident beyond the view of available CCTV: 1
 - No evidence found on CCTV footage: 1
 - Matter resolved via other means: 1
 - Discussions with Police ongoing: 1
- 6.1.6 **Compliance update**
The cameras that are recording in each of the zones have been subject to the necessary DPIAs and have been approved and signed off by the Council's Senior Information Risk Officer (SIRO).
- 6.1.7 The CCTV Policy and Operating Framework for the Council is being revised in-line with the new GDPR Privacy Commissioner expectation.

6.2 ***Expected outcome for the public***

The provision of CCTV is in place to assist with the prevention and detection of crime and disorder. The DPIA process described above ensures that appropriate consideration is given to the pressing need for surveillance to ensure that the Council is lawfully breaching people's rights under relevant legislation such as human rights and data protection.

6.3 ***Involvement (consultation, engagement, participation)***

As part of the implementation of the CCTV system, there was extensive involvement with Gwent Police who also represented views from town centres traders. This dialogue included discussions on the camera positions to identify overlaps and obsolete positions. Gwent Police were fully engaged in the service provision arrangements for CCTV imagery requests during the COVID-19 pandemic.

6.4 ***Thinking for the Long term (forward planning)***

The new CCTV system utilises up-to-date hi-tech equipment and software which will provide a long-term CCTV solution, as long as there is appropriate investment in the running, upkeep and maintenance of the overall system. An annual review process will support this process, and allow for forward planning and technological advancement to be regularly considered.

The CCTV Policy and Operating Framework for the Council is being revised in-line with the new GDPR Privacy Commissioner expectation.

6.5 ***Preventative focus***

The CCTV system provides a service which is focused on reactively providing evidence to police in relation to crime and disorder which will have already occurred.

6.6 ***Collaboration / partnership working***

There has been extensive collaboration with Gwent Police in relation to the implementation of the CCTV system, and this with appropriate protocol changes implemented for interactions during the COVID-19 Pandemic.

6.7 ***Integration(across service areas)***

The new policy and strategy framework for CCTV for the Council, taking into account the Surveillance Camera Code of Practice, will look to take wider consideration of CCTV as a whole, which is utilised by the Council.

6.8 ***EqlA(screening and identifying if full impact assessment is needed)***

As this is a progress report there is no requirement to carry out an Equality Impact Assessment. Equality Issues are considered as part of the operational delivery of the service.

7. **Monitoring Arrangements**

7.1 The Surveillance Camera Code of Practice outlines considerations for monitoring arrangements for CCTV systems noting there should be

effective review and audit mechanisms. This will inform the Council's new CCTV Policy and Operating Framework.

- 7.2 The Council's SIRO has established an officer group to monitor the arrangements to ensure compliance, holding one meeting during the COVID-19 pandemic in July 2020. Quarterly meetings have been diarised for the future.
- 7.3 An annual monitoring report will form part of the Committee's forward work programme for 2021.

Background Documents /Electronic Links

- N/A

This page is intentionally left blank

Agenda Item 11

Executive Committee and Council only

Date signed off by the Monitoring Officer: N/A

Date signed off by the Section 151 Officer: N/A

Committee: **Corporate Overview Scrutiny Committee**
Date of meeting: **11th September 2020**
Report Subject: **Supporting Financial Resilience – Audit Wales Follow Up Review**
Portfolio Holder: **Councillor N Daniels, Leader / Executive Member Corporate Services**
Report Submitted by: **Rhian Hayden, Chief Officer Resources**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
	20.08.20	11.09.20	29/09/20		11/09/20	14/10/20		

1. **Purpose of the Report**
 - 1.1 To present to Members the findings of follow up review undertaken by Audit Wales on their Supporting Financial Resilience work stream.
2. **Scope and Background**
 - 2.1 During 2018, Audit Wales carried out a *Supporting Financial Resilience* review with a focus on the Council's effectiveness in terms of maximising funding opportunities and containing spending demands.
 - 2.2 The review concluded that the Council would need to develop a stronger financial culture to remain financially resilient and proposed a number of areas for improvement.
 - 2.3 Audit Wales has subsequently undertaken a follow up review to assess the Council's progress in strengthening its financial resilience, addressing the areas for improvement proposed in the initial review.
 - 2.4 Audit Wales have found that **the Council has responded positively and is making progress against the proposals for improvement and has future work planned to fully address them.**
 - 2.5 The report and the attached Audit Wales review highlights the progress that has been made against each of the areas for improvement identified in 2018.
3. **Options for Recommendation**
 - 3.1 **Option 1**
The Committee reviews the findings of Audit Wales, considers the progress made against the proposals for improvement and accept the report and appendix prior to it being submitted to the Executive Committee.
 - 3.2 **Option 2**
The Committee reviews the findings of Audit Wales, considers the progress made against the proposals for improvement and provide comment prior to it being submitted to the Executive Committee.

4. **Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**
- 4.1 The Council has a statutory responsibility for its own financial resilience. This is critical to the delivery of the Council's priorities in the medium and long term.
5. **Implications Against Each Option**
- 5.1 ***Impact on Budget (short and long term impact)***
- 5.1.1 The financial resilience of the Council is reliant upon establishing and maintaining a strong financial culture. The ability to set and deliver a balance budget annually combined with appropriate levels of reserves to mitigate the impact of unforeseen budget pressures is a crucial.
- 5.2 ***Risk including Mitigating Actions***
- 5.2.1 The risk to financial resilience are mitigated by strong financial management by the Council including:
 - An agreed Medium Term Financial Strategy, which includes a planned increase in the level of the Council's general reserve and development and delivery of the Bridging the Gap programme;
 - Regular financial monitoring / forecasts for capital, revenue and reserves;
 - Development and delivery of action plans to address in year budget pressures
- 5.3 ***Legal***
- 5.3.1 Councils are independent bodies with legal responsibility for their own financial sustainability; they have ownership of assets, powers to borrow and to invest, and hold reserves which enable them to plan for and manage financial risk.
- 5.4 ***Human Resources***
n/a
6. **Supporting Evidence**
- 6.1 ***Performance Information and Data***
- 6.1.1 Audit Wales' follow up review sought to answer the question:
Can the Council provide assurance that it has addressed the proposals for improvement detailed in the 2018 Supporting Financial Resilience review output?
- 6.1.2 Overall Audit Wales found that:
The Council has responded positively to the findings of our report: it is making progress against the proposals for improvement and has future work planned to fully address them.

6.1.3 Specific details relating to the proposals and the Council's progress are provided in the Appendix to this report.

6.2 *Expected outcome for the public*

6.2.1 Good financial management is essential for the effective stewardship of public money and the delivery of efficient public services.

6.3 *Involvement (consultation, engagement, participation)*

6.3.1 The review involved the appraisal of Council documents and interviews with key officers and the Leader of the Council.

6.4 *Thinking for the Long term (forward planning)*

6.4.1 Delivery of the Council's priorities depend upon its continuing financial resilience.

6.5 *Preventative focus*

6.5.1 The report highlights areas for improvement to support the Council's financial resilience.

6.6 *Collaboration / partnership working*

6.6.1 n/a

6.7 *Integration*

6.7.1 All service areas have a responsibility in ensuring the financial resilience of the Council.

6.8 *EqlA (screening and identifying if full impact assessment is needed)*

n/a

7. *Monitoring Arrangements*

7.1

Background Documents /Electronic Links

- Audit Wales – Supporting Financial Resilience Follow-up Review – Blaenau Gwent County Borough Council

This page is intentionally left blank

Supporting Financial Resilience Follow-up Review – Blaenau Gwent County Borough Council

Audit year: 2019-20

Date issued: August 2020

Document reference: 1961A2020-21

This document has been prepared for the internal use of Blaenau Gwent County Borough Council as part of work performed/to be performed in accordance with Section 17 of the Public Audit (Wales) Act 2004 and section 18 of the Local Government Wales Measure 2009.

No responsibility is taken by the Auditor General or the staff of Audit Wales in relation to any member, director, officer or other employee in their individual capacity, or to any third party.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000.

The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and Audit Wales are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at info.officer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

Contents

Summary report

Summary	4
---------	---

Detailed report

The Council has responded positively to the findings of our report: it is making progress against the proposals for improvement and has future work planned to fully address them	6
The Council is taking steps to understand and address the reasons for its lower than average council tax collection rates and high staff costs	6
The Council has developed a central grants register and is beginning to manage grants more strategically	9
The Council is making good progress with its strategic review of fees and charges	10
The Council is strengthening its financial planning and management arrangements	11
Although levels of useable reserves remain low, the Council has taken proactive steps to improve its position and the MTFS demonstrates an ongoing commitment to strengthen the General Reserve	13
The Bridging the Gap programme is making effective use of data and further work is underway to improve the way the Council uses data	14

Appendices

Appendix 1 – Proposals for Improvement: Supporting Financial Resilience Review, 2018	16
--	----

Summary report

Summary

What we reviewed and why

- 1 In 2018, the Wales Audit Office carried out a Supporting Financial Resilience review which focussed on how effectively the Council maximised its funding opportunities and contained spending demands. The review concluded that the Council had an agreed Medium Term Financial Strategy and reserves of 5% but that it would need to develop a stronger financial culture if it is to remain financially resilient. In particular the review concluded:
 - the Council had the highest council tax staff costs of all Welsh councils, and its rate of in-year council tax collection was amongst the lowest in Wales, as was its use of direct debits to collect council tax;
 - there was no corporate coordination of grant applications and no central record of grants claimed;
 - the Council's approach to setting fees and charges lacked clear strategic direction, ownership by services and consistent application;
 - the Council had set out a clear financial plan for 2018-19 but faced significant challenges to its delivery and must improve the budget setting process for future years;
 - the Council had a General Reserve Fund of 5% which was above its minimum target level of 4% and the Council recognised that unforeseen budget pressures could threaten this position going forward; and
 - the Council had lots of data available to it but lacked a culture that consistently used data constructively to proactively challenge, learn and drive improvement.
- 2 The review proposed improvements in each of these areas, as set out in **Appendix 1**, and the Council responded to each, showing the action it proposed to take.
- 3 Further to this report, in his letter dated 18 January 2019, the Appointed Auditor for and on behalf of the Auditor General for Wales concluded that:
 - the Council has not yet complied with all its statutory responsibilities relating to financial reporting and use of resources;
 - whilst the Council has arrangements in place to secure economy, efficiency and effectiveness in its use of resources, there is scope to make further improvements; and
 - all local authorities in Wales face financial challenges, however, the challenge at Blaenau Gwent is significant. Given its level of reserves and budget pressures, the Council will need to develop a stronger financial culture if it is to remain financially resilient.
- 4 We undertook this review to seek assurance that the Council has made effective progress in addressing our 2018 Supporting Financial Resilience review to strengthen its financial resilience.

- 5 We undertook the review between September 2019 and March 2020. The Council provided documents to demonstrate the progress it had made. We then interviewed key officers and the Leader of the Council.

What we found

- 6 Our review sought to answer the question: **Can the Council provide assurance that it has addressed the proposals for improvement detailed in the 2018 Supporting Financial Resilience review output?**
- 7 Overall we found that: **the Council has responded positively to the findings of our report: it is making progress against the proposals for improvement and has future work planned to fully address them.**
- 8 We reached this conclusion because:
- the Council is taking steps to understand and address the reasons for its lower than average council tax collection rates and high staff costs;
 - the Council has developed a central grants register and is beginning to manage grants more strategically;
 - the Council is making good progress with its strategic review of fees and charges;
 - the Council is strengthening its financial planning and management arrangements;
 - although levels of useable reserves remain low, the Council has taken proactive steps to improve its position and the MTFS demonstrates an ongoing commitment to strengthen the General Reserve; and
 - the Bridging the Gap programme is making effective use of data and further work is underway to improve the way the Council uses data.

Detailed report

The Council has responded positively to the findings of our report: it is making progress against the proposals for improvement and has future work planned to fully address them

The Council is taking steps to understand and address the reasons for its lower than average council tax collection rates and high staff costs

2018 findings and proposal for improvement

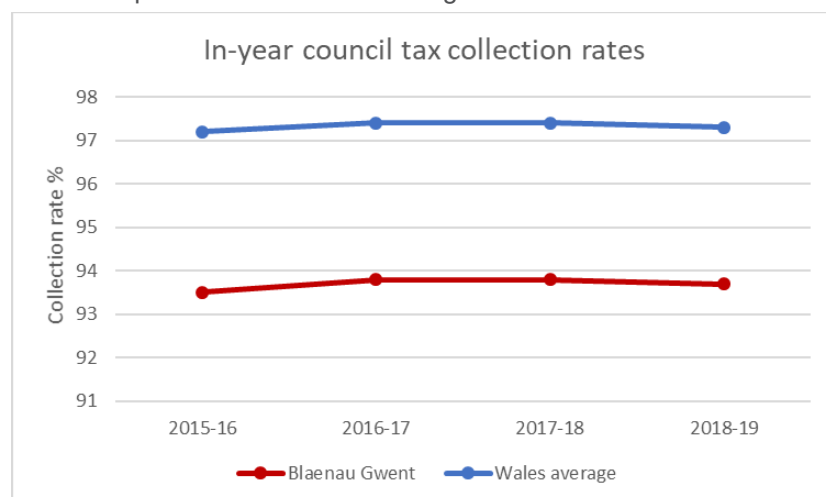
- 9 Our 2018 review found that the Council had the highest council tax staff costs of all Welsh councils, and its rate of in-year council tax collection was amongst the lowest in Wales, as was its use of direct debits to collect council tax.
- 10 As a result we made a proposal for improvement that the Council should review its administration of council tax to ensure prompt and efficient collection. In particular it should:
 - review its council tax collection arrangements with the aim of increasing in year collection rates; and
 - compare its council tax staffing costs with other Wales councils to understand the apparent cost variations and identify potential opportunities for cost savings.

What we found

- 11 We found that in 2018-19, in-year council tax collection rates remained consistent with previous years at 93.7%, as set out in exhibit 1.

Exhibit 1: council tax in-year collection rates

The following graph shows the Council's in-year council tax collection rates and how these compare with the Wales average



- 12 The lower than average in-year collection rate is in part due to deprivation levels in the county and the Council's policy to allow residents struggling with council tax payments to spread their payments over a longer period. The Council acknowledges that whilst this supports residents in financial difficulty and improves collection rates over the longer term by preventing arrears and potential debt write offs, it does impact negatively on in-year collection rates.
- 13 Exhibit 2 shows that the Council goes on to collect the majority of outstanding council tax payments over subsequent years, with around 99% collected after four to five years. The Council builds the slower collection rates into its budget process to manage the cash flow implications.

Exhibit 2: the percentage of council tax collected for prior years as at the end of 2018-19

The following table shows the percentage of council tax collected in year and over subsequent years

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
% collected by year end	95.7	95	93.5	93.8	93.8	93.7
% collected by 31 March 2019	99	98.9	98.6	98	96.8	

- 14 Since our initial review, the Council has reviewed its council tax collection arrangements and costs by:
- process mapping its recovery and enforcement processes; and
 - visiting several councils with higher in-year collection rates to identify good practices which could be replicated at Blaenau Gwent.
- 15 Although the Council reports that there did not appear to be any significant differences in overall approach, the visits did identify some processes with the potential to improve the efficiency and cost of collection. Where appropriate, the Council is introducing these. For example:
- increased use of digital communication;
 - online self-service module for residents;
 - increased promotion of electronic payment methods, e.g. direct debit, standing orders and payroll deduction; and
 - allocating council tax payments to current rather than old debt.
- 16 The Council's review also considered council tax staff cost variations but found direct comparison was difficult due to differing structures across councils. For example, the Council told us that in Blaenau Gwent dedicated council tax staff deal with council tax queries, whereas some councils use central call centre staff whose time is not charged to council tax administration costs. Staff cost variations remain

under review and the Council expects some of the actions listed in paragraph 15 to result in cost savings.

- 17 In 2019, the Council commissioned the Chartered Institute of Public Finance and Accountancy (CIPFA) to undertake an independent review of its council tax arrangements and advise on potential opportunities for improvements. The subsequent report, published in January 2020, found that 'the collection practices within Blaenau Gwent are comparable to other local authorities with all available methods of recovery being utilised where appropriate'. CIPFA also commended the Council's work to maximise the collection of arrears and the resulting low levels of debt needing to be written off. The report includes several proposals in relation to the administration of council tax and the Council is developing an action plan to respond to these recommendations.
- 18 The Council proactively promotes and facilitates electronic payment of council tax. For example, all correspondence sent from the Revenues and Benefits service has a direct debit reminder printed on the front of the envelope. The Council has also introduced more flexible direct debit options, such as weekly payments and payment dates linked to major employer pay dates, e.g. the NHS. In addition, a payroll deduction scheme is available to Council staff. CIPFA's report notes that, at the end of September 2019, 62.8% of Council Tax accounts with a payment to make¹ were paying by direct debit. A further 1.3% of accounts were paying via payroll deduction.
- 19 Work to respond to our proposal for improvement also forms part of the Income Maximisation strand of the Council's Bridging the Gap programme. This includes plans for early intervention and prevention schemes to support the growing number of families experiencing financial difficulties. The Council expects this to have a positive impact on council tax collections rates by helping to maximise residents' household income.
- 20 For example, Revenues and Benefits staff are trialling a project with Flying Start colleagues to engage with residents at an earlier stage. This will help identify whether people struggling financially are accessing the benefits and support schemes available to them, such as council tax reduction schemes. At the time of our fieldwork, the Council had identified the areas it intended to target and planned to begin visiting Flying Start hubs in early 2020. The Council recognises that although this work could improve collection rates, it could also lead to a funding pressure as a result of increased uptake of the Council Tax Reduction Scheme.

¹ Almost a quarter of all Council Tax accounts in Blaenau Gwent have nothing to pay, for example because they are in receipt of full council tax reduction. CIPFA has therefore removed these from the base number of accounts in calculating the proportion paying by direct debit.

The Council has developed a central grants register and is beginning to manage grants more strategically

2018 findings and proposal for improvement

- 21 Our 2018 review found that there was no corporate coordination of grant applications and no central record of grants claimed.
- 22 As a result we made a proposal for improvement that the Council should manage grants strategically alongside other funding streams. In particular it should:
- better integrate the applications for grants into the budget setting process (where possible);
 - maintain central records of potential and successful grant applications to support a strategic overview of this funding stream; and
 - review the grants made by the Council to ensure they provide value for money.

What we found

- 23 We found that the Council has now developed a corporate grants register. This provides a central database of potential revenue grants and records which have been successfully applied for. It also provides information about each grant, including purpose, amount received, number of posts it has funded and links to corporate plan priorities and key strategies where relevant.
- 24 The Council considers the register a starting point for its review of the strategic use of grants, which forms part of the Council's Bridging the Gap programme. The review is examining how grants are used to deliver outcomes for residents and consider the impact of the removal of the grants and the effect this would have on core funding. It also aims to ensure that the Council applies for those grants which support its strategic priorities and aspirations.
- 25 The Council also plans to strengthen governance arrangements for grants. The Strategic Commissioning Group, which is in the process of being established under another strand of Bridging the Gap, will be responsible for overseeing the grants register and ensuring the Council maximises the impact of grant funding and avoids duplication. In addition to this, quarterly updates on the Bridging the Gap strategic use of grants review will go to Corporate Overview Scrutiny.
- 26 The review will take place over three phases, with phase one, which focuses on the Children and Communities Grant, currently underway.
- 27 The Council has collated a register of grants and contributions it has made to other organisations in 2019-20. This provides information on the value of grants awarded, their purpose, and the application process for awarding the grants. For some grants a value for money assessment is included.

The Council is making good progress with its strategic review of fees and charges

2018 findings and proposal for improvement

- 28 Our 2018 review found the Council's approach to setting fees and charges lacked clear strategic direction, ownership by services and consistent application.
- 29 As a result we made a proposal for improvement that the Council should provide robust challenge in the setting of fees and charges to ensure they support delivery of its strategic priorities. In particular:
- develop an income generation policy to support delivery of the Council's strategic priorities;
 - Central Finance should issue clear instructions to managers about increases in fees and charges taking account of relevant external influences;
 - services should comply with budget instructions in respect of increases in fees and charges;
 - Central Finance should carry out robust checks to challenge and confirm compliance with budget instructions; and
 - budgeted income should reflect agreed levels of fees and charges and anticipated activity levels.

What we found

- 30 We found that the Council has an Income Generation Policy that sets out key considerations around charging. The policy was reviewed in 2018 by an external consultant and deemed to be robust.
- 31 As part of its Bridging the Gap programme, the Council is currently undertaking a strategic review of fees and charges. The review aims to maximise the Council's income by ensuring that fees and charges are set based on full cost recovery where appropriate, and are subject to agreed inflationary uplifts.
- 32 To inform the review, the Council has benchmarked its fees and charges register against those in other councils in Wales with similar levels of deprivation. The Council has also developed a full cost recovery calculator which it is applying to existing fees and charges and to assess new opportunities for charging. The review has so far identified an additional £0.2 million of income for 2020-21 and £0.1 million for subsequent years and this is reflected in the Council's Medium Term Financial Strategy and 2020-21 budget.
- 33 The Council's Finance department is working with budget holders to realign income budgets to reflect activity levels and ensure an annual inflationary uplift is applied. The Council reports that all fees and charges for 2019-20 have been reviewed and are in line with the policy. All uplifts agreed by the Council have also been applied.
- 34 The Council tracks forecast outturn of fees and charges in its quarterly revenue budget monitoring reports to Scrutiny, Executive Committee and Council. The Q2 report shows an income forecast of £14.1 million, a shortfall against target of £0.66 million (4.5%).

The Council is strengthening its financial planning and management arrangements

2018 findings and proposal for improvement

- 35 Our 2018 review found that the Council had set out a clear financial plan for 2018-19 but faced significant challenges to its delivery and must improve the budget setting process for future years.
- 36 As a result we made a proposal for improvement that, to deliver the 2018-19 budget, the Council should respond constructively to 2017-18 budget imbalance that may reoccur in 2018-19, utilising the skills of the Central Finance Team, Strategic Transformation team and budget holders. In particular the Council should:
- critically review and learn from the 2017-18 revenue budget overspends and underspends to identify reasons for imbalances for future year budgets;
 - take action to ensure weaknesses identified do not reoccur;
 - maximise the potential of the Strategic Transformation Team;
 - improve monitoring of savings projects and take clear corrective action to address anticipated under delivery and address the root causes;
 - review skills, capability and development needs of budget holders and provide training/support to meet them; and
 - ensure Central Finance lead on and facilitate a robust financial culture throughout the organisation.
- 37 We made a further proposal for improvement that, in planning for the 2019-20 budget, the Council should improve accountability throughout the organisation for the setting and delivery of the 2019-20 and future budgets. In particular it should:
- identify budget/service imbalances from 2017-18 and forecasts in 2018-19;
 - decide whether overspending is to be funded through extra budget or managed down by management action;
 - decide whether underspending can be maintained and reallocate budget accordingly;
 - introduce workforce planning to the budget setting process;
 - improve accountability for budget setting and delivery; and
 - strengthen budget management by holding budget holders to account and take early timely corrective action.

What we found

- 38 We found that the Council has strengthened its budget planning processes. Both ongoing and emerging cost pressures are considered as part of the MTFS and budget setting process. Cost pressure funding is then built into the budget, with base budgets adjusted as necessary.
- 39 For example, as part of the budget setting process for 2018-19 and 2019-20 the Council reviewed previous years' cost pressures and overspends to identify those likely to reoccur. It then considered whether these should be managed within existing budgets or awarded a cost pressure. As a result of this process, the Council built an additional £2.4 million into the base budget for 2018-19 and £1.4

million for 2019-20. Other cost pressures were managed through actions to reduce overspends or the use of budget virements from underspending budgets.

- 40 The Council is taking steps to improve its financial management and officers commented that there has been a recent shift in the financial culture of the organisation. Work is ongoing to restructure the Central Finance function to a business partner model and move away from the perception that budget management is a Finance responsibility. To support this, Corporate Leadership Team job descriptions now explicitly reference financial management responsibilities, and performance against budget targets forms part of the appraisal process for senior leaders.
- 41 In addition, the Council now regularly holds budget holders to account as part of strengthened arrangements to monitor and manage in-year cost pressures. For all cost pressures and overspends over £15,000, budget holders must develop action plans; these are challenged by Chief Officers and Executive Members at quarterly Cost Pressure Subgroup meetings. Cost pressures and mitigating actions are also reported in quarterly budget monitoring reports to members.
- 42 The Council recognises the need for training and systems access for budget holders and has plans to develop a financial competencies framework. This will help equip all managers and financial staff with the necessary skills. Further consideration of workforce planning and development will take place during 2020 as the Council develops its new Organisational Development Strategy.
- 43 The Strategic Transformation Team is currently supporting the Council's Bridging the Gap programme. The Council has developed wrap around teams to work on the strategic reviews that underline the programme. These multi-disciplinary teams include officers with relevant skillsets from across the Council, including the Strategic Transformation Team.
- 44 The Council recently worked with CIPFA to help identify further ways to strengthen its financial management arrangements.
- 45 Members receive quarterly budget monitoring reports, including updates on planned savings, providing them with the opportunity to scrutinise performance. Savings that are forecast to be delayed or unachieved are subject to the same monitoring and challenge process as overspends and cost pressures described in paragraph 41 above. Although the Council has a good track record of delivering its planned savings – 91% in 2018-19 and 97% forecast for 2019-20 – the transformational approach of the Bridging the Gap programme is identifying long-term savings opportunities as well as potential cost avoidance and new revenue streams. This will provide a more sustainable approach and reduce the Council's reliance on identifying annual savings.

Although levels of useable reserves remain low, the Council has taken proactive steps to improve its position and the MTFS demonstrates an ongoing commitment to strengthen the General Reserve

2018 findings and proposal for improvement

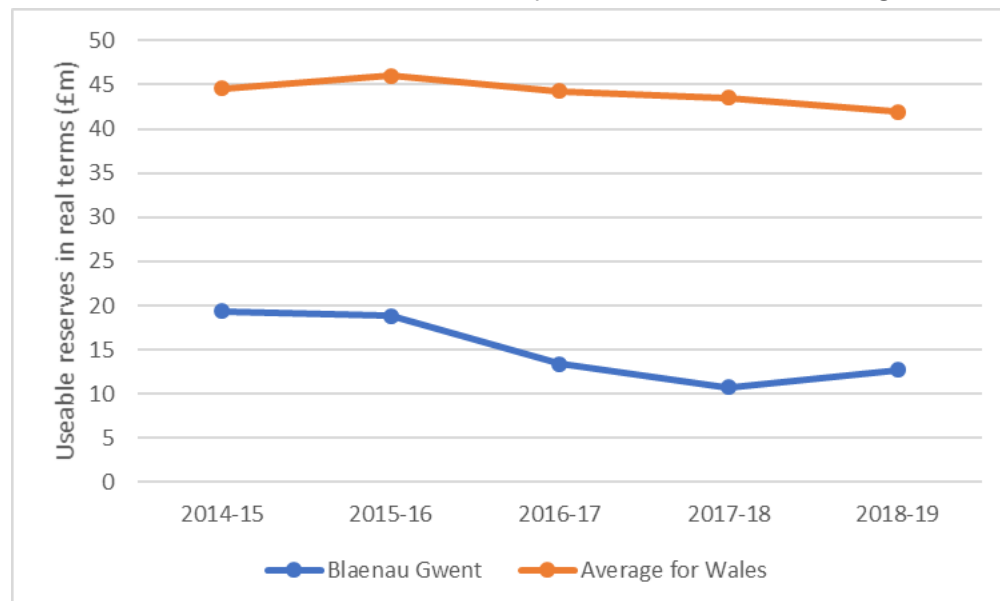
- 46 Our 2018 review found that the Council had a General Reserve Fund of 5% of actual net revenue (as reported in the latest Revenue Outturn return). This was above its minimum target level of 4% but the Council recognised that unforeseen budget pressures could threaten this position going forward.
- 47 As a result we made a proposal for improvement that the Council should maintain careful budgetary controls to ensure unforeseen budget pressures do not result in the General Reserve reducing below its minimum target level.

What we found

- 48 We found that the Council recognises the need to strengthen its reserves position and is proactive in taking opportunities to increase its General Reserve.
- 49 To this end, the Council increased its general reserve by £0.41 million to £5.89 million at the end of 2018-19 and its total useable reserves to £11.7 million.
- Exhibit 3** below sets out the recent improvement in the Council's useable reserves levels after a period of sustained depletion.

Exhibit 8: levels of useable reserves between 2014-15 and 2018-19²

This exhibit shows how the Council's levels of useable reserves have changed in real terms between 2014-15 and 2018-19 in comparison with the Wales average.



² Source: Stats Wales RO data

- 50 The Council has no plans to use the General Reserve to fund budget pressures in 2019-20 and expects to add a further £0.25 million to the Reserve in year.
- 51 The MTFS suggests that the Council has no plans to use the General Reserve to balance budgets over the life of the MTFS. It also includes a £0.2 million contribution to the General Reserve each year. Further to this, the Executive Committee recently approved a recommendation to transfer to reserves any excess savings achieved through the Bridging the Gap programme.

The Bridging the Gap programme is making effective use of data and further work is underway to improve the way the Council uses data

2018 findings and proposal for improvement

- 52 Our 2018 review found that the Council had lots of data available to it but lacked a culture that consistently used data constructively to proactively challenge, learn and drive improvement.
- 53 As a result we made a proposal for improvement that the Council should use data more effectively in managing finances and performance and in setting its budget to achieve and demonstrate value for money. In particular it should:
- review membership of external networks/professional organisations and ensure clear outputs that will benefit the Council's improvement agenda;
 - better embed data into its performance and financial management arrangements; and
 - use data more effectively in the budget setting process to identify value for money opportunities.

What we found

- 54 We found that data plays a key role in the Bridging the Gap programme. The programme includes a dedicated strategic review on using data to deliver better services. However, at the time of our fieldwork this review was not yet underway.
- 55 The Council is also using data to inform a number of other Bridging The Gap workstreams and has developed wrap around, multi-disciplinary teams, including staff with data analysis skills, to support delivery of the work programme. This approach is helping embed a culture of data use throughout the Council.
- 56 There are several examples of the way the Council is using data to inform the Bridging the Gap reviews:
- the Income Maximisation workstream has analysed debtors against the ACORN consumer classification³. This indicated that there is a correlation between debtors and deprived areas of the county. In response, the Council is

³ The ACORN classification analyses demographic data, social factors, population and consumer behaviour to provide an understanding of different types of people and their circumstances.

taking steps to help these residents maximise their income by advising them on potential benefits and signposting to further support.

- the project team working on the Third Party Expenditure review has analysed data to understand and categorise third party spend and identify opportunities to control costs and better align spend to the Council's strategic priorities.
- as part of the review of the CCG grant, the Council undertook a logic mapping exercise, using data to map the inputs, outputs and outcomes of the programmes the grant delivers. This helped identify potential duplication and efficiencies.

- 57 The Policy and Performance Team has also been working across the Council to improve data quality. For example, work is ongoing with the Revenues and Benefits team to understand and resolve previous errors with free school meal data. The team is also working with the Environment directorate to improve performance data. Officers we spoke to commented that data is now more widely used and valued throughout the Council.
- 58 The Council has not yet reviewed its membership of external networks and professional organisations.

Appendix 1

Proposals for Improvement: Supporting Financial Resilience Review, 2018

Exhibit 4: proposals for improvement from the Auditor General for Wales' 2018 Supporting Financial Resilience Review.

Proposals for improvement

- P1** We propose that the Council should review its administration of council tax to ensure prompt and efficient collection. In particular it should:
- review its council tax collection arrangements with the aim of increasing in-year collection rates; and
 - compare its council tax staffing costs with other Wales councils to understand the apparent cost variations and identify potential opportunities for cost savings.
- P2** We propose that the Council should manage grants strategically alongside other funding streams. In particular it should:
- better integrate the applications for grants into the budget setting process (where possible);
 - maintain central records of potential and successful grant applications to support a strategic overview of this funding stream; and
 - review the grants made by the Council to ensure they provide value for money.
- P3** We propose that the Council should provide robust challenge in the setting of fees and charges to ensure they support delivery of its strategic priorities. In particular:
- develop an income generation policy to support delivery of the Council's strategic priorities;
 - Central Finance should issue clear instructions to managers about increases in fees and charges taking account of relevant external influences;
 - services should comply with budget instructions in respect of increases in fees and charges;
 - Central Finance should carry out robust checks to challenge and confirm compliance with budget instructions; and
 - budgeted income should reflect agreed levels of fees and charges and anticipated activity levels.

Proposals for improvement

P4 We propose that to deliver the 2018-19 budget the Council should respond constructively to 2017-18 budget imbalances, that may reoccur in 2018-19, utilising the skills of the Central Finance Team, Strategic Transformation team and budget holders. In particular the Council should:

- critically review and learn from the 2017 18 revenue budget overspends and underspends to identify reasons for imbalances for future year budgets;
 - take action to ensure weaknesses identified do not reoccur maximise the potential of the Strategic Transformation Team;
 - improve monitoring of savings projects and take clear corrective action to address anticipated under delivery and address the root causes;
 - review skills, capability and development needs of budget holders and provide training/support to meet them;
 - ensure Central Finance lead on and facilitate a robust financial culture throughout the organisation.
-

P5 We propose that in planning for the 2019-20 budget the Council should improve accountability throughout the organisation for the setting and delivery of the 2019-20 and future budgets. In particular it should:

- identify budget/service imbalances from 2017-18 and forecasts in 2018-19;
 - decide whether overspending is to be funded through extra budget or managed down by management action
 - decide whether underspending can be maintained and reallocate budget accordingly;
 - introduce workforce planning to the budget setting process;
 - improve accountability for budget setting and delivery;
 - strengthen budget management by holding budget holders to account and take early timely corrective action.
-

P6 We propose that the Council should maintain careful budgetary controls to ensure unforeseen budget pressures do not result in the General Reserve reducing below its minimum target level.

P7 We propose that the Council should use data more effectively in managing finances and performance and in setting its budget to achieve and demonstrate value for money. In particular it should:

- review membership of external networks/professional organisations and ensure clear outputs that will benefit the Council's improvement agenda;

Proposals for improvement

- better embed data into its performance and financial management arrangements; and
- use data more effectively in the budget setting process to identify value for money opportunities.



Audit Wales
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500
Fax: 029 2032 0600
Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and
telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a
galwadau ffôn yn Gymraeg a Saesneg.