

DRAFT AGENDA

ID	2221
Committee	Pwyllgor Craffu Trosolwg Corfforaethol
Date	11/12/2020
Attendees	<p>Cynghorwyr Stewart Healy (Cadeirydd)</p> <p>Cynghorwyr Martin Cook (Is-gadeirydd)</p> <p>Cynghorwyr Peter Baldwin (Aelod Pwyllgor)</p> <p>Cynghorwyr Garth Collier (Aelod Pwyllgor)</p> <p>Cynghorwyr Malcolm Cross (Aelod Pwyllgor)</p> <p>Cynghorwyr Gareth A. Davies (Aelod Pwyllgor)</p> <p>Cynghorwyr D. Lyn Elias (Aelod Pwyllgor)</p> <p>Cynghorwyr John Hill (Aelod Pwyllgor)</p> <p>Cynghorwyr Hedley McCarthy (Aelod Pwyllgor)</p> <p>Cynghorwyr Clive Meredith (Aelod Pwyllgor)</p> <p>Cynghorydd John P. Morgan (Aelod Pwyllgor)</p> <p>Cynghorwyr Lee Parsons (Aelod Pwyllgor)</p> <p>Cynghorwyr Greg Paulsen (Aelod Pwyllgor)</p> <p>Cynghorwyr Tommy Smith (Aelod Pwyllgor)</p> <p>Cynghorwyr Stephen Thomas (Aelod Pwyllgor)</p> <p>Michelle Morris (Swyddog)</p> <p>Damien McCann (Swyddog)</p> <p>Richard Crook (Swyddog)</p> <p>Rhian Hayden (Swyddog)</p> <p>Anne-Louise Clark (Swyddog)</p> <p>Lynn Phillips (Swyddog)</p> <p>Clive Rogers (Swyddog)</p> <p>Bernadette Elias (Swyddog)</p> <p>Andrew Parker (Swyddog)</p> <p>Gemma Wasley (Swyddog)</p> <p>Liz Thomas (Swyddog)</p> <p>Gwasanaethau Democrataidd (Notify)</p> <p>Leeann Turner (Secretary)</p> <p>Pob Cynghorydd (Notify)</p> <p>Louise Bishop (Notify)</p> <p>Sean Scannell (Notify)</p> <p>Steve Berry (Swyddog)</p> <p>Andrea Jones (Swyddog)</p>

Item ID	2913
Item Title	Cyfieithu ar y Pryd
Summary	Mae croeso i chi ddefnyddio'r Gymraeg yn y cyfarfod, mae angen o leiaf 3 diwrnod gwaith o rybudd os dymunwch wneud hynny. Darperir gwasanaeth cyfieithu ar y pryd os gwneir cais.

Item ID	2914
Item Title	Ymddiheuriadau
Summary	Derbyn ymddiheuriadau.
Item ID	2915
Item Title	Datganiadau Buddiant a Goddefebau
Summary	Ystyried unrhyw ddatganiadau buddiant a goddefebau a wnaed.
Item ID	2916
Item Title	Cofnodion Pwyllgor Craffu Trosolwg Corfforaethol
Summary	Derbyn cofnodion y cyfarfod o'r Pwyllgor Craffu Trosolwg Corfforaethol a gynhaliwyd ar 11 Medi 2020. (Dylid nodi y cyflwynir y Cofnodion er pwyntiau cywirdeb yn unig).
Item ID	4099
Item Title	Adroddiad Adolygu Canol Blwyddyn Rheoli Trysorlys – 1 Ebrill 2020 i 30 Medi 2020
Summary	Ystyried adroddiad y Prif Swyddog Adnoddau.
Item ID	4100
Item Title	Adroddiad Blynyddol Iechyd a Diogelwch 01/04/2019 - 31/03/2020
Summary	Ystyried adroddiad y Pennaeth Datblygu Sefydliadol.
Item ID	4101
Item Title	Paratoadau ar gyfer Trosiant o'r Undeb Ewropeaidd
Summary	Ystyried adroddiad y Pennaeth Llywodraethiant a Phartneriaethau.
Item ID	4102
Item Title	Monitro Perfformiad Strategaeth Cyfathrebu Corfforaethol

Summary	Ystyried adroddiad y Prif Swyddog Masnachol.
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Item ID	4103
Item Title	Monitro Perfformiad Strategaeth Fasnachol
Summary	Ystyried adroddiad y Prif Swyddog Masnachol.

Item ID	4104
Item Title	Perfformiad Absenoldeb Salwch
Summary	Ystyried adroddiad y Pennaeth Datblygu Sefydliadol.

Item ID	4117
Item Title	Strategaeth Ariannol Tymor Canol 2021/2022 i 2025/2026
Summary	Ystyried adroddiad y Prif Swyddog Adnoddau.

Item ID	4105
Item Title	Blaenraglen Gwaith: 22 Ionawr 2021
Summary	Derbyn yr adroddiad..

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COUNTY BOROUGH OF BLAENAU GWENT

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

SUBJECT: **CORPORATE OVERVIEW SCRUTINY COMMITTEE – 11TH SEPTEMBER, 2020**

REPORT OF: **DEMOCRATIC AND COMMITTEE SUPPORT OFFICER**

PRESENT: COUNCILLOR S. Healy (CHAIR)

Councillors M. Cook
G.A. Davies
J. Millard
L. Parsons
G. Paulsen

AND: Corporate Director Social Services
Corporate Director Regeneration and Community Services
Chief Officer – Commercial
Chief Officer - Resources
Head of Organisational Development
Head of Partnerships and Governance
Professional Lead – Community Safety
Head of Community Services
Communications Manager
Scrutiny Officer/Advisor

WITH: Charlotte Owen, Audit Wales

ITEM	SUBJECT	ACTION
No. 1	<p><u>SIMULTANEOUS TRANSLATION</u></p> <p>It was noted that no requests had been received for the simultaneous translation service.</p>	

<p>No. 2</p>	<p><u>APOLOGIES</u></p> <p>Apologies for absence were received from:-</p> <p>Councillor P. Edwards Councillor J. Hill Councillor C. Meredith Councillor K. Pritchard Councillor D. Wilkshire Managing Director</p>	
<p>No. 3</p>	<p><u>DECLARATIONS OF INTEREST AND DISPENSATIONS</u></p> <p>There were no declarations of interest or dispensations reported.</p>	
<p>No. 4</p>	<p><u>CORPORATE OVERVIEW SCRUTINY COMMITTEE</u></p> <p>The Minutes of the Corporate Overview Scrutiny Committee Meeting held on 20th February, 2020 were submitted.</p> <p>The Committee AGREED that the Minutes be accepted as a true record of proceedings.</p>	
<p>No. 5</p>	<p><u>ACTION SHEET – 20TH FEBRUARY, 2020</u></p> <p>The action sheet arising from the meeting of the Corporate Overview Scrutiny Committee held on 20th February, 2020 was submitted, whereupon:-</p> <p>In relation to the second point on the Action Sheet the Head of Organisational Development advised that the action had not been progressed as officers focus had been on the emergency response to Covid-19. The Officer agreed to look into the request and report back accordingly at the next meeting.</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>No. 6</p>	<p><u>CORPORATE OVERVIEW SCRUTINY COMMITTEE</u></p> <p>The Minutes of the Corporate Overview Scrutiny Committee Meeting held on 3rd March, 2020 were submitted.</p> <p>The Committee AGREED that the Minutes be accepted as a true record of proceedings.</p>	
<p>No. 7</p>	<p><u>TIME OF FUTURE MEETINGS</u></p> <p>The Committee AGREED that future meetings be held at 10.00 a.m.</p>	
<p>No. 8</p>	<p><u>PROPOSED SCRUTINY COMMITTEE FORWARD WORK PROGRAMME 2020-2021</u></p> <p>Consideration was given to the Chair of the Corporate Overview Scrutiny Committee.</p> <p>A Member felt it was important in the current climate the Forward Work Programme was a fluid document to be revised to reflect the ongoing work and outcomes in relation to the Coronavirus Pandemic.</p> <p>The Committee AGREED that the report be accepted and the information contained therein be noted.</p>	
<p>No. 9</p>	<p><u>TREASURY MANAGEMENT ANNUAL REVIEW 1ST APRIL, 2019 TO 31ST MARCH, 2020</u></p> <p>Consideration was given to the report of the Chief Officer Resources.</p> <p>The Chief Officer Resources spoke to the report which provided Members with the opportunity to scrutinise the Treasury Management activities carried out by the Authority during the 2019/2020 financial year under delegated powers by the Chief Officer Resources. The Chief Officer referred Members to the performance information and data and advised that 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.</p>	

In the past few years the credit rating agencies had downgraded a number of financial institutions as they no longer meet the Authority's required approval criteria. However, the Chief Officer advised that in the current financial climate the Authority had performed well in terms of Treasury Management and outlined the key points:-

- Investment returns of £61,000 had been achieved with an average interest rate of 0.46%. This was slightly lower than the benchmark rate of 0.54% but reflected that the Authority cannot invest in counterparties that pay higher rates due to credit rating reductions. This was in line with the Authority's risk averse policy whereby the security of the capital sum was the number one priority at the expense of more competitive investment returns.
- 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 was despite the increase in market rates following the 1% increase to PWLB rates in October 2019 – this evidenced good performance.
- All of the Treasury limits and Treasury Management prudential indicators set for the financial year had been complied with during the year.
- No institutions in which investments were made during the period had any difficulty in repaying investments and interest in full. Therefore, the Authority was not exposed to any financial loss as a result of the difficult economic climate.

A Member referred to the investment returns which had been achieved and asked if the lower rate would result in any future budget implications.

The Chief Officer Resources advised that there were no anticipated budget pressures from the lower rate achieved, however now officers had a better understanding of the impact of the PWLB changes this would be included in plans going forward. The Chief Officer added that if any budget pressures emerged they would be reported to Members accordingly.

	<p>The Committee AGREED that the report be accepted and Option 2, namely Members scrutinised the treasury management activity undertaken during the 2019/2020 financial year and no comments were provided prior to its submission to full Council.</p>	
<p>No. 10</p>	<p><u>POSITION STATEMENT ON THE COUNCIL'S CCTV SYSTEM (APRIL TO AUGUST 2020)</u></p> <p>Consideration was given to the joint report of the Chief Officer Resources (SIRO for CCTV), Head of Community Services and Head of Governance and Partnerships.</p> <p>The Chief Officer Resources outlined the report which provided an update on the Council's CCTV system covering the period during the Covid-19 Pandemic from April to August 2020. The Chief Officer spoke to the report and gave an overview of the performance information and data as detailed in the report. The Chief Officer Resources concluded that although there had been localised operational issues with cameras, the CCTV system was operating in compliance with legislation.</p> <p>A Member noted that the deployable cameras had not been deployed due to the pandemic and asked if these could now be located in areas of high anti-social behaviour or fly tipping within the Borough.</p> <p>The Head of Partnerships and Governance advised that there are protocols and procedures in place in terms of both technical and community safety matters in placing cameras. There needed to be sufficient evidence to deploy cameras to specific areas. It was suggested that if there were areas of concern within respective wards these could be discussed with the Community Safety Officer.</p> <p>In response to further concerns around locations, it was reported that an annual review of CCTV camera sites would be undertaken. This would allow all sites being covered to remain 'live' in line with hot spot areas.</p>	

	<p>Members felt that it was important that CCTV was included on the Forward Work Programme and the Officer stated that an Annual Progress Report was scheduled to be presented in February 2021. The reports were agreed to be presented on an annual basis to ensure it captured a good period to gain sufficient evidence.</p> <p>A Member felt that the annual report should include plans going forward as well as a progress update.</p> <p>The Chair concurred with the comments raised and was assured the Annual Progress Report was on the Forward Work Programme.</p> <p>A Member noted that the CCTV budget was underspent and asked if these monies could be used to address issues with cameras which were not working in specific areas.</p> <p>The Head of Community Services advised that in most cases the issues were not with the equipment it was due to Wi-Fi dropping or network problems. It was informed that each Monday and Thursday a review of the CCTV systems was carried out to identify any problems before and after the weekend. In terms of the underspends, it was reported that in most instances these monies would be spent by the year end to address any issues.</p> <p>The Committee AGREED that the report be accepted and Option 2, namely the Committee considered and provided comment on the position statement on the CCTV function during the COVID-19 pandemic.</p>	
<p>No. 11</p>	<p><u>SUPPORTING FINANCIAL RESILIENCE – AUDIT WALES FOLLOW UP REVIEW</u></p> <p>Consideration was given to the report of the Chief Officer Resources.</p> <p>The Chief Officer Resources advised that the report provided the findings of the follow up review undertaken by Audit Wales on their Supporting Financial Resilience work stream.</p>	

The Chief Officer reminded Members of the work undertaken in 2018 by the Wales Audit Office which focussed on the Council effectiveness in terms of maximising funding opportunities and containing spending demands. The Chief Officer Resources advised that the review concluded that the Council needed to develop a stronger financial culture to remain financially resilient and a number of areas for improvement were proposed. The Council had responded positively to the recommendations for improvement and had made progress against the proposals and identified future work to be undertaken. The Chief Officer referred Members to the appendix attached to the report which highlighted the progress that had been made against each of the areas for improvement identified in 2018.

At the invitation of the Chief Officer Resources, the Audit Wales Representative added that the Follow-up Review had been carried out to ensure the Council had responded accordingly to the areas for improvement. A positive response had been received with a clear plan in place going forward. The Audit Wales Representative therefore felt the Authority was in a stronger position to address any financial challenges which may arise.

The Chair welcomed the report which demonstrated the commitment of Members and Officers to ensure the required improvements are made for our residents.

The Committee AGREED that the report be accepted and Option 1, namely, the Committee reviewed the findings of Audit Wales, considered the progress made against the proposals for improvement and accepted the report and appendix prior to it being submitted to the Executive Committee.

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Agenda Item 5

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 December 2020**

Report Subject: **Treasury Management Mid-Year Review Report - 1st April 2020 to 30th September 2020**

Portfolio Holder: **Cllr 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)
	19.11.20	01.12.20			11.12.20		25.01.21	

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 first half of the 2020/21 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 to 30th September 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 now 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 This report is therefore presented to Council to provide a mid-year review report (attached as Appendix 1) of the Treasury Management activities for the 2020/2021 financial year, in accordance with (c) above

3. **Options for Recommendation**

3.1 Option 1

Members scrutinise the treasury management activity undertaken during the 2020/21 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 2020/2021 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 under legislation the Local Government Act 2003), Welsh Government guidance and CIPFA codes of practice.

- 4.2 This report also supports the Corporate Plan Priority of being an efficient Council.

5. **Implications Against Each Option**

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 pandemic

- 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 £3,000 have been achieved with an average interest rate of 0.07%. This is above the benchmark rate of -0.07% this is reflective of the impact the pandemic has had on the bank base rate and in turn the market interest rates offered for investments. The annual budgeted investment interest for the full year is £43,000. This is unlikely to be achieved this financial year, however the amount of interest paid has also significantly reduced which will counteract this.
- 5.1.5

An average interest rate of 0.67% has been paid on temporary borrowings against a benchmark of 1.00%, amounting to £159,000 for the six-month period. The budget for interest paid on short term borrowing is £660,000 for a full year - the full year interest payable is likely to be well within this budget.

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	108	159,000	0.67%
Short Term Investments made	242	3,000	0.07%
Long Term debt outstanding 30/9/20	97.9		3.63%
Short Term debt outstanding 30/9/20	46.2		0.58%

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.
- 5.2.2 From September 2020 the Debt Management Account Deposit Facility (DMADF) started offering negative interest rates on investments placed with them. This limited the investment opportunities available to the Authority. Ultimately, there is a risk that, the Authority could exceed the limit it is able to hold in its own bank account. In order to mitigate this the Authority has signed up to a Public Sector Money Market fund in line with its Investment Strategy counterparty list. Furthermore, the Authority will continue to monitor other investment opportunities in the second part of the year. In addition, it is proposed that the existing Investment Strategy be amended and the amount able to be held in the Authority's bank account be increased from £6 Million to £10 million in order to mitigate this in full.
- 5.2.3 There is relatively little risk of increases or decreases in bank rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and

increases in Bank Rate are likely to be some years away given the underlying economic expectations.

5.3 *Legal*

5.3.1 The report is written under legislation (the Local Government Act 2003), Welsh Government guidance and CIPFA codes of practice.

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 the first half of the 2020/2021 financial year, due to the advantageous interest rates, the Authority entered into long term debt arrangements of £9m with the Public Works Loan Board (PWLB)/ other public authorities. These arrangements were made either to replace maturing loans or to finance capital expenditure.

6.1.2 Despite the financial climate in relation to the pandemic, the Authority has performed well in terms of its Treasury Management activities during the first half of the year, as detailed in the report and summarised below:

- a. Investment returns of £3,000 have been achieved in the period with an average interest rate of 0.07%. This is above the benchmark rate of -0.07% but reflects the impact the pandemic has had on the bank base rate and in turn the market interest rates offered on investments. The annual budgeted investment interest is £43,000, this is unlikely to be achieved, however the amount of interest paid has also significantly reduced which counteracts this in its entirety.
- b. An average interest rate of 0.67% has been paid on temporary borrowings against a benchmark of 1.00%, amounting to £159,000 for the six-month period. The budget for interest paid on short term borrowing is £660,000 for a full year - the full year interest payable is likely to be well within this budget. The interest payable by the Authority has therefore been minimised as far as possible and is 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. However, the Debt Management Account Deposit Facility (DMADF) started offering negative interest rates from

September 2020 on investments placed with them. This limits the investment opportunities available to the Authority. The Authority will continue to monitor other investment opportunities, however proposes an increase in the amount able to be held in the Authority's bank account from £6 Million to £10 million to avoid exceeding the current limit.

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)*
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*
n/a

6.7 *Integration (across service areas)*
n/a

6.8 *EqIA*
n/a

7. Monitoring Arrangements

7.1 As the nominated Committee, Council 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*
- *Appendix A*
- *Appendix B*

APPENDIX 1

TREASURY MANAGEMENT MID YEAR REVIEW REPORT 2020/21

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 mid-year review report of treasury management activities, for the financial year 2020/21.

2. THIS TREASURY MANAGEMENT MID YEAR REVIEW REPORT COVERS

- ❖ Economic Background during the period
- ❖ Interest Rate Forecast
- ❖ Treasury Advisors
- ❖ The Council's treasury position as at 30 September 2020;
- ❖ Borrowing and investment rates for the first half of 2020/21;
- ❖ Mid-year review of the borrowing strategy 2020/21;
- ❖ Borrowing outturn for the first half of 2020/21;
- ❖ Debt rescheduling for the first half of 2020/21;

APPENDIX 1

TREASURY MANAGEMENT MID YEAR REVIEW REPORT 2020/21

- ❖ Compliance with treasury limits and Prudential Indicators for the first half of 2020/21;
- ❖ Mid-year review of the investment strategy for 2020/21;
- ❖ Investment outturn for the first half of 2020/21;
- ❖ Other treasury management issues.

3. ECONOMIC BACKGROUND DURING PERIOD

As expected, the Bank of England's Monetary Policy Committee kept Bank Rate unchanged on 6th August. It also kept unchanged the level of quantitative easing at £745bn. Its forecasts were optimistic in terms of three areas:

1. The fall in GDP in the first half of 2020 was revised from 28% to 23%. This is one of the largest falls in output of any developed nation.
2. The peak in the unemployment rate was revised down from 9% in Q2 to 7½% by Q4 2020.
3. It forecast that there would be excess demand in the economy by Q3 2022 causing CPI inflation to rise above the 2% target in Q3 2022

It also squashed any idea of using negative interest rates, at least in the next six months or so. It suggested that while negative rates can work in some circumstances, it would be "less effective as a tool to stimulate the economy" at this time when banks are worried about future loan losses. It also has "other instruments available", including QE.

In addition, Brexit uncertainties ahead of the year-end deadline are likely to be a drag on recovery. The wind down of the initial generous furlough scheme through to the end of October is another development that could cause the Bank to review the need for more support for the economy later in the year. Admittedly, the Chancellor announced in late September a second six-month package from 1st November of government support for jobs whereby it will pay up to 22% of the costs of retaining an employee working a minimum of one third of their normal hours. There was further help for the self-employed, freelancers and the hospitality industry. However, this is a much less generous scheme than the furlough package and will inevitably mean there will be further job losses from the 11% of the workforce still on furlough in mid-September.

Overall, the pace of recovery is not expected to be in the form of a rapid V shape, but a more elongated and prolonged one after a sharp recovery in June through to August which left the economy 11.7% smaller than in February. The last three months of 2020 are now likely to show no growth as consumers will probably remain cautious in spending and uncertainty over the outcome of the UK/EU trade negotiations. If the Bank felt it did need to provide further support to recovery, then it is likely that the tool of choice would be more QE.

There will be some painful longer term adjustments as e.g. office space and travel by planes, trains and buses may not recover to their previous level of use for several years, or possibly ever. There is also likely to be a reversal of globalisation as this crisis has shown up how vulnerable long-distance supply chains are. On the other hand, digital services are one area that has already seen huge growth. The Financial Policy Committee (FPC) report on 6th August revised down their expected credit losses for the banking sector to "somewhat less than £80bn". It stated that in its assessment "banks have buffers of capital more than sufficient to absorb the losses

4. INTEREST RATE FORECASTS

APPENDIX 1

TREASURY MANAGEMENT MID YEAR REVIEW REPORT 2020/21

The Council's treasury advisor, Link Asset Services, has provided the following forecast:

Link Group Interest Rate View 11.8.20		Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View		0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month average earnings		0.05	0.05	0.05	0.05	0.05	-	-	-	-	-
6 month average earnings		0.10	0.10	0.10	0.10	0.10	-	-	-	-	-
12 month average earnings		0.15	0.15	0.15	0.15	0.15	-	-	-	-	-
5yr PWLB Rate		1.90	2.00	2.00	2.00	2.00	2.00	2.10	2.10	2.10	2.10
10yr PWLB Rate		2.10	2.10	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.30
25yr PWLB Rate		2.50	2.50	2.50	2.60	2.60	2.60	2.70	2.70	2.70	2.70
50yr PWLB Rate		2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.50	2.50

The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its meeting on 6th August (and the subsequent September meeting), although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in Bank Rate is expected within the forecast horizon ending on 31st March 2023 as economic recovery is expected to be only gradual and, therefore, prolonged.

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably relatively even, but is subject to major uncertainty due to the virus.
- There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- **UK** - second nationwide wave of virus infections requiring a national lockdown
- **UK / EU trade negotiations** – if it were to cause significant economic disruption and a fresh major downturn in the rate of growth.
- **UK - Bank of England** takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the **Eurozone sovereign debt crisis**. The ECB has taken monetary policy action to support the bonds of EU states, with the positive impact most likely for “weaker” countries. In addition, the EU recently agreed a €750bn fiscal support package. These actions will help shield weaker

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economic regions for the next year or so. However, in the case of Italy, the cost of the virus crisis has added to its already huge debt mountain and its slow economic growth will leave it vulnerable to markets returning to taking the view that its level of debt is unsupportable. There remains a sharp divide between northern EU countries favouring low debt to GDP and annual balanced budgets and southern countries who want to see jointly issued Eurobonds to finance economic recovery. This divide could undermine the unity of the EU in time to come.

- Weak capitalisation of some **European banks**, which could be undermined further depending on extent of credit losses resultant of the pandemic.
- **US – the Presidential election in 2020**: this could have repercussions for the US economy and trade relations.

Upside risks to current forecasts for UK gilt yields and PWLB rates

- **UK** - stronger than currently expected recovery in UK economy.
- **Post-Brexit** – if an agreement was reached that removed the majority of threats of economic disruption between the EU and the UK.
- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.

5. TREASURY ADVISORS

The Council uses external treasury management advisors. The Council recognises that responsibility for Treasury Management decisions remains with the Authority at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

The Council retendered for the provision of Treasury Management advisory services as a result of the existing contract expiring on 30th April 2017. This resulted in the appointment of Link Asset Services for a period of two years until 20th April 2019, with an option to extend for a further two years, this option has been exercised by the Chief Officer Resources and Link have been appointed to the 30th April 2021.

6. TREASURY POSITION AS AT 30 SEPTEMBER 2020

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

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This illustrates that the total debt outstanding as at 30 September 2020 was £144.2 million, comprising of long term debt of £97.9 million and short term debt of £46.2 million.

	31March 2020 Principal	Average Rate/ Return	30Sept 2020 Principal	Average Rate/ Return	Increase/ (Decrease) in Borrowing
	£000		£000		£000
Fixed Rate Funding:					
- PWLB	79,430	4.71%	76,996	4.05%	(2,430)
- Market Loans	14,000	1.67%	17,000	1.38%	3,000
Variable Rate Funding:					
- Market (LOBO *)	4,000	4.5%	4,000	4.50%	0
Total Long Term Debt	97,430	4.10%	97,996	3.63%	566
Short Term Loans(<365 days)	60,699	0.86%	46,199	0.58%	(14,500)
Total Debt	158,129	2.86%	144,195	2.68%	(13,934)
Investments:					
- Short Term	0		5,100		5,100
Total Investments	0		5,100		5,100

* 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.

7. BORROWING AND INVESTMENT RATES IN 2020/21

The following table displays a selection of interest rates prevailing as at 1st April 2020 and 30th September 2020.

	01/04/2020	30/09/2020
Bank Base Rate	0.10%	0.10%
7 day LIBID	0.01%	-0.07%
PWLB 10 year Maturity	1.47%	1.47%
PWLB 15 year maturity	1.78%	1.78%
PWLB 25 year maturity	2.03%	2.76%

8. MID YEAR REVIEW OF THE BORROWING STRATEGY FOR 2020/21

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

To utilise the Authority's overdraft facility:

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TREASURY MANAGEMENT MID YEAR REVIEW REPORT 2020/21

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.

Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer term stability of the debt portfolio. With short term interest rates generally much lower than long term rates, it can be cost effective in the short term to either use internal resources, or to borrow short term loans instead.

However, due to the current climate and the PWLB rates reducing to record lows, the Authority has been able to borrow in recent months into the longer term at affordable rates. This has allowed the Authority to be able to reduce long term borrowing costs and reduce overall treasury risk. The benefits of short term borrowing will be monitored regularly against the potential for securing advantageous longer term rates when the opportunity arises.

Borrowings undertaken during the period (see section 9 below) have been done so in accordance with this strategy and in the current economic climate it is considered that the approved strategy is still fit for purpose and therefore no revisions are proposed.

9. BORROWING OUTTURN FOR THE FIRST HALF OF 2020/21

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:

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

Total outstanding as at 30th September 2020

The total long term debt outstanding as at 30th September 2020 was £97.9 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	232
1-2YRS	5,697
2-3YRS	10,919
3-4YRS	8,764
4-5YRS	14,051
5-6YRS	1,876
6-10YRS	23,438
10-15YRS	5,962
15+ YRS	27,057
Total	97,996

New borrowings for the First Half of 2020/21

Due to advantageous interest rates, during the first half of 2020/21, the Authority entered into long term borrowing of £ 9 million.

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 medium term. The Authority is therefore taking advantage of such rates and is borrowing short term to fund its capital expenditure and maturing debt until such time the market indicates that long term rates are more advantageous.

Total outstanding as at 30th September 2020

The total short term debt outstanding as at 30th September 2020 was £46.2 million. This is made up of debt taken from other local authorities through the market place.

New borrowings for the First Half Year of 2020/21

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Appendix A lists the short term loan activity during for the first half year and shows that over the period a total of £60.7 million loans were brought forward from the previous year and £48.0 million of new short term loans were raised. A total of £62.5 million of these loans were repaid during the first half year, leaving a balance outstanding as at 30th September 2020 of £46.2million.

The following table gives a summary which shows that the average rate of interest paid was in line with 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	£108M	£2.5M	£159K	0.67%	1.00%

* Benchmark = 1.0% Budgeted interest rate for short term borrowings

7. DEBT RESCHEDULING

No debt rescheduling was undertaken during the period.

8. COMPLIANCE WITH TREASURY LIMITS

During the financial year the Council operates within the treasury limits and Prudential Indicators set out in the Treasury Strategy Statement 2020/21, approved by Council in July 2020.

Operational Boundary for external debt

The Council resolved that this limit be set at £166.5 million for 2020/21. The average level of borrowings to the 30th September 2020 was £144 million, this is well below the limit

The operational boundary can be exceeded on an occasional basis, and this is 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.

Authorised Limit for external Debt

The Council resolved that this limit be set at £181 million for 2020/21. The Authorised Limit is set having regard to the operational boundary above.

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The average level of borrowings for the first half year to the 30th September 2020 was **£144 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 2020/21;

	Upper Limit	Lower Limit	Actual as at 30/09/ 2020
under 12 months	20%	0%	0.24%
12 months and within 24 months	20%	0%	5.81%
24 months and within 5 years	50%	0%	34.43%
5 years and within 10 years	75%	0%	25.83%
10 years and above	95%	5%	33.69%

The actual debt maturity profile at 30th September 2020 is well within the limits set.

Upper Limit on Variable Interest Exposure

Council resolved the upper limit on variable rate exposures for 2020/21 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% of the outstanding long term debt as at 30th September 2020, so is well within the limit set.

9. MID YEAR REVIEW OF INVESTMENT STRATEGY FOR 2020/21

The Annual Investment Strategy for 2020/21 adopted by Council in March 2020 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.

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.

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TREASURY MANAGEMENT MID YEAR REVIEW REPORT 2020/21

Currently, the only approved investment counterparties available to the Authority are Barclays, the Authority's bank, Lloyds Bank, the Debt Management Account Deposit Facility (DMADF) and other local Authorities. The DMADF started offering negative interest rates from the 25th September 2020, so it is no longer viable to place cash in this facility. As a result, the Authority has signed up to a Money Market fund in line with the counterparty list. Whilst interest rates receivable on these counterparties is low the security of the capital sum is high and there is no cost associated with placing cash there.

It is also proposed to revise the investment strategy for the second half of the year as the limit on the amount of money that can be held in the Authority's bank is £6million, however it is proposed to increase this to £10 million

This strategy has been adhered to in determining the investments for the first half of 2020/21 outlined in section 11 below.

10. INVESTMENT OUTTURN FOR THE FIRST HALF OF 2020/21

Appendix B gives details of the investments made during the first half of the year, and the following table gives a summary, which shows the Authority's average rate of return was below the benchmark.

	Total Value of Investments during period	Average Investment	Investment Returns	Average Rate of Return	Benchmark Return *
Internally Managed	£242M	£2.9M	£3k	0.07%	-0.07%

* Benchmark = 7 day LIBID - 0.07%

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

11. OTHER TREASURY MANAGEMENT ISSUES

None to report

List of Temporary Lenders 2020/2021

APPENDIX A

<u>LENDER</u>	<u>NEW LOAN VALUE</u>	<u>RATE %</u>	<u>REPAYMENT DATE</u>	<u>DURATION OF LOAN DAYS</u>	<u>INTEREST DUE TO 30/09/2020</u>	<u>PRINCIPAL REPAYED 2020/2021</u>	<u>PRINCIPAL OUTSTANDING AS AT 30/09/2020</u>
BG CARE AND REPAIR	199,000	0.10	CALL		99.77		199,000
LONDON BOROUGH OF EALING	2,000,000	0.97	22/04/20	364	1,116.16	2,000,000	
NOTTINGHAMSHIRE PCC	3,000,000	0.95	06/07/20	364	7,495.89	3,000,000	
HYNDBURN BOROUGH COUNCIL	1,000,000	0.95	01/06/20	364	1,587.67	1,000,000	
HYNDBURN BOROUGH COUNCIL	1,000,000	0.93	20/07/20	364	2,802.74	1,000,000	
CUMBRIA COUNTY COUNCIL	3,000,000	0.82	15/04/20	148	943.56	3,000,000	
SHROPSHIRE COUNCIL	3,000,000	0.84	08/06/20	185	4,694.79	3,000,000	
WEALDEN DISTRICT COUNCIL	3,000,000	0.82	08/04/20	117	471.78	3,000,000	
TENDERING DISTRICT COUNCIL	1,000,000	0.80	21/05/20	182	1,095.89	1,000,000	
TENDERING DISTRICT COUNCIL	1,000,000	0.80	28/07/20	182	2,586.30	1,000,000	
SOUTH LANARKSHIRE COUNCIL	1,000,000	0.85	23/06/20	183	1,932.88	1,000,000	
CARMARTHENSHIRE COUNTY COUNCIL	3,000,000	0.75	09/04/20	91	493.15	3,000,000	
BROXBORNE BOROUGH COUNCIL	2,000,000	0.90	21/07/20	182	5,473.97	2,000,000	
SHROPSHIRE COUNCIL	1,500,000	0.90	21/07/20	182	4,105.48	1,500,000	
SOUTH KESTEVEN DISTRICT COUNCIL	2,000,000	0.85	22/05/20	120	2,375.34	2,000,000	
BASINGSTOKE & DEAN BOROUGH COUNCIL	5,000,000	0.85	11/05/20	111	4,657.53	5,000,000	
SOUTH LANARKSHIRE COUNCIL	3,000,000	0.83	30/06/20	130	6,139.73	3,000,000	
ESSEX COUNTY COUNCIL	5,000,000	0.83	17/06/20	121	8,754.79	5,000,000	
NORTHERN IRELAND HOUSING EXECUTIVE	5,000,000	0.92	15/07/20	124	13,232.88	5,000,000	
VALE OF GLAMORGAN COUNCIL	2,000,000	1.05	08/03/21	364	10,528.77		2,000,000
VALE OF GLAMORGAN COUNCIL	2,000,000	1.05	15/10/20	202	10,528.77		2,000,000
EAST RIDING OF YORKSHIRE COUNCIL	3,000,000	1.00	20/08/20	153	11,589.04	3,000,000	
ESSEX COUNTY COUNCIL	3,000,000	0.90	29/05/20	60	4,290.41	3,000,000	
WARRINGTON BOROUGH COUNCIL	5,000,000	2.00	07/04/20	13	1,643.84	5,000,000	
B/F Raised in previous years still outstanding	60,699,000				108,641.13	56,500,000	4,199,000
LINCOLNSHIRE COUNTY COUNCIL	5,000,000	0.95	20/05/21	364	17,308.22		5,000,000
BRIDGEND COUNTY BOROUGH COUNCIL	2,000,000	0.90	16/06/21	364	5,227.40		2,000,000
RYEDALE DISTRICT COUNCIL	1,000,000	0.87	28/05/21	364	2,979.45		1,000,000
SOUTH KESTEVEN DISTRICT COUNCIL	2,000,000	0.70	27/11/20	182	4,794.52		2,000,000
PCC HAMPSHIRE	2,000,000	0.37	28/09/20	94	1,905.75	2,000,000	
HAMPSHIRE FIRE AND RESCUE AUTHORITY	1,000,000	0.37	28/09/20	94	952.88	1,000,000	
STAFFORDSHIRE COUNTY COUNCIL	3,000,000	0.35	19/08/20	61	1,754.79	3,000,000	
NORTH TYNESIDE COUNCIL	3,000,000	0.40	15/01/21	184	2,564.38		3,000,000
HERTSMERE BOROUGH COUNCIL	5,000,000	0.55	20/07/21	364	5,424.66		5,000,000
TENDRING DISTRICT COUNCIL	2,000,000	0.15	19/10/20	94	624.66		2,000,000
CRAWLEY BOROUGH COUNCIL	5,000,000	0.35	19/02/21	186	2,157.53		5,000,000
HINCKLEY & BOSWORTH DIST.COUNCIL	3,000,000	0.50	30/07/21	364	2,547.95		3,000,000
CARMARTHENSHIRE COUNTY COUNCIL	3,000,000	0.20	28/01/21	184	1,068.49		3,000,000
EAST RIDING OF YOURKSHIRE COUNCIL	3,000,000	0.20	22/02/21	186	690.41		3,000,000
EAST NORTHAMPTONSHIRE DC	3,000,000	0.05	30/11/20	94	139.73		3,000,000
NEW FOREST DISTRICT COUNCIL	1,500,000	0.20	18/03/21	181	106.85		1,500,000
HAMPSHIRE COUNTY COUNCIL PENSION FUND	2,500,000	0.20	18/03/21	181	178.08		2,500,000
HAMPSHIRE COUNTY COUNCIL	1,000,000	0.20	18/03/21	181	71.23		1,000,000
Total Raised during the Period	48,000,000				50,496.98	6,000,000.00	42,000,000.00

Total Value of Loans

108,699,000

159,138.11 62,500,000.00 46,199,000.00

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INVESTMENTS 2020/2021

APPENDIX B

<u>DATE</u>	<u>BORROWER</u>	<u>VALUE</u>	<u>RATE</u> %	<u>REPAYMENT</u> <u>DATE</u>	<u>DURATION OF</u> <u>INVESTMENT</u> <u>DAYS</u>	<u>INTEREST</u> <u>RECEIVED</u> <u>DURING PERIOD</u>	<u>INVESTMENTS</u> <u>RECEIVED BACK</u> <u>DURING PERIOD</u>	<u>INVESTMENTS AS</u> <u>AT 30/09/2020</u>
<u>B/F</u>								
-								
<u>2020/21</u>								
01/04/20	THURROCK COUNCIL - ESSEX	6,000,000	0.250	07/04/2020	6	246.58	6,000,000	
01/04/20	DEBT MANAGEMENT OFFICE	5,000,000	0.055	06/04/2020	5	37.67	5,000,000	
01/04/20	DEBT MANAGEMENT OFFICE	6,000,000	0.080	09/04/2020	8	105.21	6,000,000	
03/04/20	DEBT MANAGEMENT OFFICE	3,000,000	0.060	08/04/2020	5	24.66	3,000,000	
03/04/20	DEBT MANAGEMENT OFFICE	5,000,000	0.080	15/04/2020	12	131.51	5,000,000	
06/04/20	DEBT MANAGEMENT OFFICE	2,000,000	0.035	08/04/2020	2	3.84	2,000,000	
06/04/20	DEBT MANAGEMENT OFFICE	5,000,000	0.045	09/04/2020	3	18.49	5,000,000	
07/04/20	DEBT MANAGEMENT OFFICE	1,000,000	0.045	09/04/2020	2	2.47	1,000,000	
07/04/20	DEBT MANAGEMENT OFFICE	6,000,000	0.050	14/04/2020	7	57.53	6,000,000	
14/04/20	DEBT MANAGEMENT OFFICE	6,000,000	0.055	17/04/2020	3	27.12	6,000,000	
14/04/20	DEBT MANAGEMENT OFFICE	6,000,000	0.060	20/04/2020	6	59.18	6,000,000	
15/04/20	DEBT MANAGEMENT OFFICE	6,000,000	0.080	22/04/2020	7	92.05	6,000,000	
17/04/20	DEBT MANAGEMENT OFFICE	6,000,000	0.080	24/04/2020	7	92.05	6,000,000	
20/04/20	DERBYSHIRE COUNTY COUNCIL	1,000,000	0.150	11/05/2020	21	86.30	1,000,000	
21/04/20	DEBT MANAGEMENT OFFICE	2,000,000	0.075	27/04/2020	6	24.66	2,000,000	
22/04/20	CALDERDALE COUNCIL	1,200,000	0.120	28/04/2020	6	23.67	1,200,000	
24/04/20	DEBT MANAGEMENT OFFICE	3,000,000	0.080	30/04/2020	6	39.45	3,000,000	
27/04/20	OFFICE POLICE CRIME COM DEVON & CORNWALL	2,000,000	0.120	30/04/2020	3	19.73	2,000,000	
30/04/20	OFFICE POLICE CRIME COM DEVON & CORNWALL	4,000,000	0.400	07/05/2020	7	306.85	4,000,000	
30/04/20	PCC FOR DORSET	3,000,000	0.450	07/05/2020	7	258.90	3,000,000	
01/05/20	PCC FOR THAMES VALLEY	1,000,000	0.150	07/05/2020	6	24.66	1,000,000	
01/05/20	CALDERDALE COUNCIL	2,700,000	0.200	14/05/2020	13	192.33	2,700,000	
05/05/20	DEBT MANAGEMENT OFFICE	4,000,000	0.040	11/05/2020	6	26.30	4,000,000	
05/05/20	CALDERDALE COUNCIL	1,000,000	0.120	22/05/2020	17	55.89	1,000,000	
07/05/20	DEBT MANAGEMENT OFFICE	5,000,000	0.040	12/05/2020	5	27.40	5,000,000	
11/05/20	DEBT MANAGEMENT OFFICE	5,000,000	0.040	15/05/2020	4	21.92	5,000,000	
13/05/20	CALDERDALE COUNCIL	1,300,000	0.100	21/05/2020	8	28.49	1,300,000	
14/05/20	DEBT MANAGEMENT OFFICE	5,000,000	0.040	15/05/2020	1	5.48	5,000,000	
15/05/20	DEBT MANAGEMENT OFFICE	4,000,000	0.040	19/05/2020	4	17.53	4,000,000	
15/05/20	DEBT MANAGEMENT OFFICE	4,000,000	0.040	22/05/2020	7	30.68	4,000,000	
19/05/20	DEBT MANAGEMENT OFFICE	1,000,000	0.040	29/05/2020	10	10.96	1,000,000	
21/05/20	DEBT MANAGEMENT OFFICE	4,000,000	0.040	29/05/2020	8	35.07	4,000,000	
21/05/20	CALDERDALE COUNCIL	1,600,000	0.120	28/05/2020	7	36.82	1,600,000	
22/05/20	DEBT MANAGEMENT OFFICE	2,000,000	0.030	26/05/2020	4	6.58	2,000,000	
28/05/20	DEBT MANAGEMENT OFFICE	4,000,000	0.020	08/06/2020	11	24.11	4,000,000	
29/05/20	PCC DORSET	2,100,000	0.120	04/06/2020	6	41.42	2,100,000	
29/05/20	PCC DORSET	400,000	0.120	04/06/2020	6	7.89	400,000	
01/06/20	PCC WEST YORKSHIRE	2,000,000	0.120	02/06/2020	1	6.58	2,000,000	
01/06/20	PCC DORSET	500,000	0.120	04/06/2020	3	4.93	500,000	
04/06/20	PCC DORSET	1,000,000	0.120	12/06/2020	8	26.30	1,000,000	
04/06/20	PCC DEVEON & CORNWALL - EXETER	1,500,000	0.120	05/06/2020	1	4.93	1,500,000	
03/06/20	DEBT MANAGEMENT OFFICE	6,000,000	0.020	08/06/2020	5	16.44	6,000,000	

04/06/20	DEBT MANAGEMENT OFFICE	5,000,000	0.020	09/06/2020	5	13.70	5,000,000	
08/06/20	DEBT MANAGEMENT OFFICE	5,500,000	0.020	15/06/2020	7	21.10	5,500,000	
12/06/20	CALDERDALE COUNCIL	1,200,000	0.060	22/06/2020	10	19.73	1,200,000	
12/06/20	CALDERDALE COUNCIL	1,300,000	0.060	26/06/2020	14	29.92	1,300,000	
15/06/20	DEBT MANAGEMENT OFFICE	6,000,000	0.020	17/06/2020	2	6.58	6,000,000	
17/06/20	CALDERDALE COUNCIL	700,000	0.060	26/06/2020	9	10.36	700,000	
17/06/20	DEBT MANAGEMENT OFFICE	4,000,000	0.010	23/06/2020	6	6.58	4,000,000	
01/07/20	PCC DEVON & CORNWALL - EXETER	2,000,000	0.060	02/07/2020	1	3.29	2,000,000	
19/06/20	CALDERDALE COUNCIL	1,100,000	0.060	29/06/2020	10	18.08	1,100,000	
23/06/20	CALDERDALE COUNCIL	1,500,000	0.040	30/06/2020	7	11.51	1,500,000	
25/06/20	PCC DEVEON & CORNWALL - EXETER	600,000	0.070	26/06/2020	1	1.15	600,000	
25/06/20	PCC DEVEON & CORNWALL - EXETER	200,000	0.070	26/06/2020	1	0.38	200,000	
01/07/20	PCC LINCOLNSHIRE	1,200,000	0.280	06/07/2020	5	46.03	1,200,000	
26/06/20	DEBT MANAGEMENT OFFICE	3,000,000	0.010	30/06/2020	4	3.29	3,000,000	
30/06/20	PCC DORSET	3,000,000	0.080	01/07/2020	1	6.58	3,000,000	
02/07/20	PCC DORSET	1,300,000	0.080	03/07/2020	1	2.85	1,300,000	
03/07/20	DEBT MANAGEMENT OFFICE	6,000,000	0.010	06/07/2020	3	4.93	6,000,000	
10/07/20	DEBT MANAGEMENT OFFICE	2,000,000	0.010	15/07/2020	5	2.74	2,000,000	
30/07/20	CALDERDALE COUNCIL	1,000,000	0.030	17/08/2020	18	14.79	1,000,000	
05/08/20	DEBT MANAGEMENT OFFICE	5,000,000	0.010	10/08/2020	5	6.85	5,000,000	
07/08/20	CALDERDALE COUNCIL	1,800,000	0.020	28/08/2020	21	20.71	1,800,000	
10/08/20	DEBT MANAGEMENT OFFICE	4,000,000	0.010	14/08/2020	4	4.38	4,000,000	
11/08/20	THURROCK COUNCIL - ESSEX	1,500,000	0.070	25/09/2020	45	129.45	1,500,000	
12/08/20	THURROCK COUNCIL - ESSEX	1,000,000	0.040	14/09/2020	33	36.16	1,000,000	
17/08/20	THURROCK COUNCIL - ESSEX	1,000,000	0.030	28/09/2020	42	34.52	1,000,000	
17/08/20	DEBT MANAGEMENT OFFICE	5,000,000	0.010	19/08/2020	2	2.74	5,000,000	
17/08/20	DEBT MANAGEMENT OFFICE	5,000,000	0.010	21/08/2020	4	5.48	5,000,000	
19/08/20	LONDON BOROUGH OF ISLINGTON	2,000,000	0.050	20/08/2020	1	2.74	2,000,000	
24/08/20	THURROCK COUNCIL - ESSEX	2,000,000	0.030	25/09/2020	32	52.60	2,000,000	
14/09/20	THURROCK COUNCIL - ESSEX	1,000,000	0.020	28/09/2020	14	7.67	1,000,000	
03/09/20	DEBT MANAGEMENT OFFICE	5,000,000	0.020	07/09/2020	4	10.96	5,000,000	
07/09/20	DEBT MANAGEMENT OFFICE	5,000,000	0.010	15/09/2020	8	10.96	5,000,000	
07/09/20	CALDERDALE COUNCIL - HALIFAX	800,000	0.030	24/09/2020	17	11.18	800,000	
10/09/20	CALDERDALE COUNCIL - HALIFAX	600,000	0.020	12/10/2020	32			600,000
10/09/20	THURROCK COUNCIL - ESSEX	500,000	0.020	12/10/2020	32			500,000
15/09/20	DEBT MANAGEMENT OFFICE	3,000,000	0.010	21/09/2020	6	4.93	3,000,000	
18/09/20	DEBT MANAGEMENT OFFICE	3,000,000	0.010	24/09/2020	6	4.93	3,000,000	
21/09/20	DEBT MANAGEMENT OFFICE	2,000,000	0.010	29/09/2020	8	4.38	2,000,000	
24/09/20	CALDERDALE COUNCIL - HALIFAX	2,000,000	0.030	15/10/2020	21			2,000,000
25/09/20	THURROCK COUNCIL	2,000,000	0.030	26/10/2020	31			2,000,000
	BARCLAYS BANK SAVINGS ACC (to 30/09/2020)	4,055,492	0.00			0.00		
		242,155,492				2,884.85	233,000,000.00	5,100,000.00
	Average Investments	2,917,536						
	Interest Received	2,884.85						
	Average Interest Rate %	0.07						

Agenda Item 6

Executive Committee and Council only

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: **Corporate Overview Scrutiny**

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

Report Subject: **Health and Safety Annual Report 01/04/2019 - 31/03/2020**

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

Report Submitted by: **Andrea J Prosser
Head of Organisational Development**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
Y	19/11/20	01.12.20			11.12.20	Info Item 13.01.21		Corporate Health and Safety Group

1. Purpose of the Report

- 1.1 To give Members of the Corporate Overview Scrutiny Committee the opportunity to scrutinise and challenge information and recommendations to mitigate concerns and risks on the Authority's Health and Safety and Fire Safety at work performance for 2019/20.

2. Scope and Background

- 2.1 It is recommended by the Health and Safety Executive for Local Authorities such as BGCBC to report on their Health and Safety at work performance as an Employer.
- 2.2 The report attached as appendix 1 also includes details of BGCBC's fire safety performance. This report is presented every financial year and identifies both good performance and areas of concern with recommendations to address these concerns.
- 2.3 This report does not include any of the Health and Safety response to the emergency Covid-19 – this will be part of the report reviewing 2020/2021.

3. Options for Recommendation

- 3.1 **Option 1** - That Members of the Corporate Overview Scrutiny Committee support the detailed report and the actions recommended to mitigate areas of concern.
- 3.2 **Option 2** - That Members of the Corporate Overview Scrutiny Committee make suggestions/amendments to the report to mitigate areas of concern.

4. **Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**
- 4.1 BGCBC has statutory responsibilities for the Health and Safety/fire safety at work of employees and others. The report identifies the level of compliance with these statutory duties.
5. **Implications Against Each Option**
- 5.1 ***Impact on Budget (short and long term impact)***
There are no direct financial implications associated with this report.
- 5.2 ***Risk including Mitigating Actions***
Any areas of concern in the report are risks to the Authority and the recommended actions will mitigate the risks.
- 5.3 ***Legal***
The Authority has statutory duties under both Health and Safety at Work and Fire Safety legislation and a duty of care to employees and others.
- 5.4 ***Human Resources***
There are no direct HR implications arising from the report
6. **Supporting Evidence**
- 6.1 ***Performance Information and Data***
Included in the report
- 6.2 ***Expected outcome for the public***
Managing health and safety and fire safety risks protects users of BGCBC facilities and the general public.
- 6.3 ***Involvement (consultation, engagement, participation)***
There is consultation with HR and Risk Management
- 6.4 ***Thinking for the Long term (forward planning)***
The recommendations would be of benefit long term as preventing accidents and ill health has long term implications
- 6.5 ***Preventative focus***
The annual review enables planning to prevent risk in the future.
- 6.6 ***Collaboration / partnership working***
Not applicable
- 6.7 ***Integration(across service areas)***
Complying with Health and Safety and fire safety legislation involves all service areas working together to manage any risks.
- 6.8 ***EqIA(screening and identifying if full impact assessment is needed)***
The Health and Safety Annual report has an equal focus.

7. **Monitoring Arrangements**

Further to 2 requests from the trade union a Corporate Health and Safety group has been established chaired by the Chief Officer Commercial. The first meeting took place on 19th November 2020 and the group will meet quarterly. The group which is made up of TU and Employer representatives will monitor Health and Safety and the delivery of the recommended actions in the Annual Health and Safety report. This group will provide a further layer of transparency and monitoring of the organisation's performance on all issues related to health and safety.

Background Documents /Electronic Links

- *Appendix 1 - Health and Safety Annual Report 01/04/2019 – 31/03/2020*

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Health & Safety Annual Report

1 April 2019 – 31 March 2020



ORGANISATIONAL DEVELOPMENT DIVISION

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INTRODUCTION

The Health and Safety Executive recommend that public bodies summarise their health, safety and welfare at work performance (as Employers not Regulators) in the form of an annual report. This report is a summary of both Blaenau Gwent County Borough Council's Health and Safety and Fire Safety at work performance.

STRUCTURE

The Executive and the Managing Director

Along with the Managing Director the Authority's Executive has certain responsibilities as defined in the Health and Safety at Work Act 1974 and in the Regulatory Reform (Fire Safety) Order 2005. The corporate body of the Council is the Employer and the Managing Director is the individual with the ultimate responsibility for ensuring work related Health, Safety and Welfare and Fire Safety is managed in the Authority. Health and safety guidance recommends that an individual Executive member be given the responsibility for leading on health and safety performance and in BGCBC this role sits with the Leader of the Council.

N.B. the responsibilities of the Executive, lead executive member, Managing Director and all other levels of management are outlined in detail in the Authority's Corporate Health and Safety Policy.

Corporate Leadership Team

The Corporate Leadership Team (CLT) consists of the Managing Director, Corporate Directors, Chief Officer–Resources and the Chief Officer–Commercial. CLT are the driving force for the Management of Health and Safety and Fire Safety at work in the Authority. Whilst the Managing Director has ultimate responsibility all other members of the CLT have key responsibilities in the organisations Health and Safety Management structure.

Departmental Management Teams

Each Directorate has Departmental Management Teams where the various Heads of Service report on a variety of issues. Health and Safety issues regularly form part of the agenda at Departmental Management Team meetings and it is clear that Heads of Service are key to the Health and Safety Management Structure.

Corporate Health and Safety Advisors

The Authority employs two Corporate Health and Safety Officers who report to the Organisational Development Manager - Payroll and Health and Safety. The Officers are the Authority's competent persons as defined in the Management of Health and Safety at work Regulations and the Regulatory Reform (Fire Safety) Order.

The Officers guide the whole Authority (including school Governing Bodies who have a Service Level Agreement with the Corporate Health and Safety Advisors) on all aspects of occupational health, safety, welfare and fire safety. The Officers have excellent relationships with key partners such as the Fire Authority and insurers. In particular, the advisors liaise with the Health and Safety Executive (HSE) on a wide range of issues, including HSE Inspections and accident investigations that are relevant to BGCBC. This relationship has proved invaluable, particularly when the Authority has required advice and guidance from HSE.

The Officers also work closely with Organisational Development colleagues, particularly with regard to Occupational Health issues. There is also a close liaison with the Insurance/Risk Management team on liability issues.

N.B. The Corporate Health and Safety Officers also have a Service Level Agreement with the Aneurin Leisure Trust to provide both health and safety and fire safety advice and support. The statistics for their work provided to the trust, for example the number of Fire Risk Assessments completed or the number of accidents investigated, are not provided in this report.

Occupational Health

The Authority uses a contracted service for its Occupational Health Service. An Occupational Health Nurse provides a 2 day per month clinic service for medical referrals, pre-employment screening and health surveillance. An Occupational Health Practitioner provides a 2 day per month clinic service and is also able to provide appointments at alternative locations as and when required.

Safety Committees and Safety Representatives

The various Trade Unions representing employees of the Authority and Schools have accredited Health and Safety Representatives. The Head of Organisational Development has regular meetings with the various Trade Unions and Health and Safety issues are discussed. A Corporate Health and Safety Group made up of trade unions and senior managers has been established and will start meeting quarterly in the autumn.

KEY POINTS

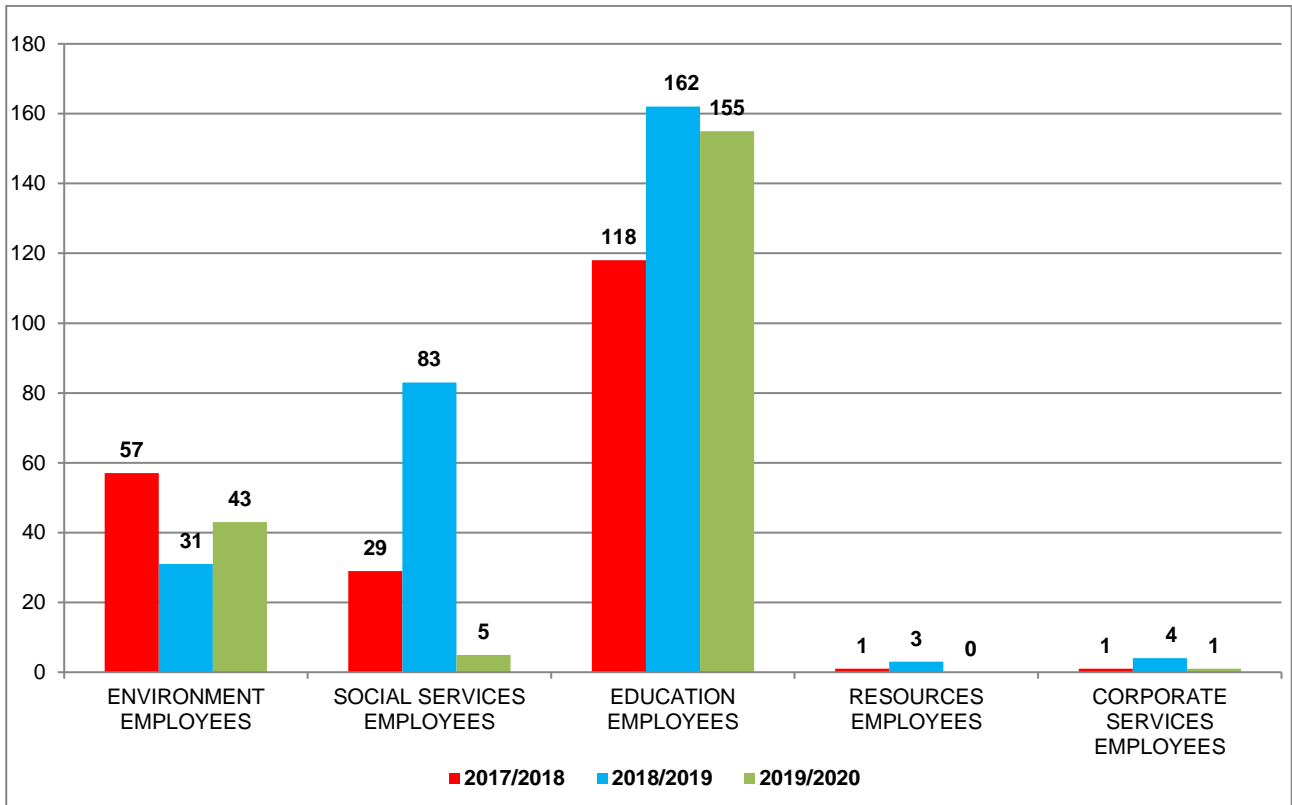
The details of specific Health and Safety issues are included in the “Specific Issues” section but the key points are as follows:

- The number of employee accidents/incidents has **decreased**.
- The number of employee accidents/incidents reportable to the HSE has **decreased**.
- The number of non-employee accidents/incidents reportable to HSE has **increased**.
- There were **three** interventions by the Fire Authority and **no** interventions by the HSE.
- The Health and Safety Officers carried out 30 health and safety inspections.
- The Health & Safety Officers delivered 25 Health and Safety and Fire Safety Training sessions with 311 staff and others in attendance.
- The Health and Safety Officers carried out 34 statutory Fire Risk Assessments.
- Staff absence has increased.
- There were no reportable diseases or dangerous occurrences.
- The Health and Safety Officers investigated 101 accidents/incidents.

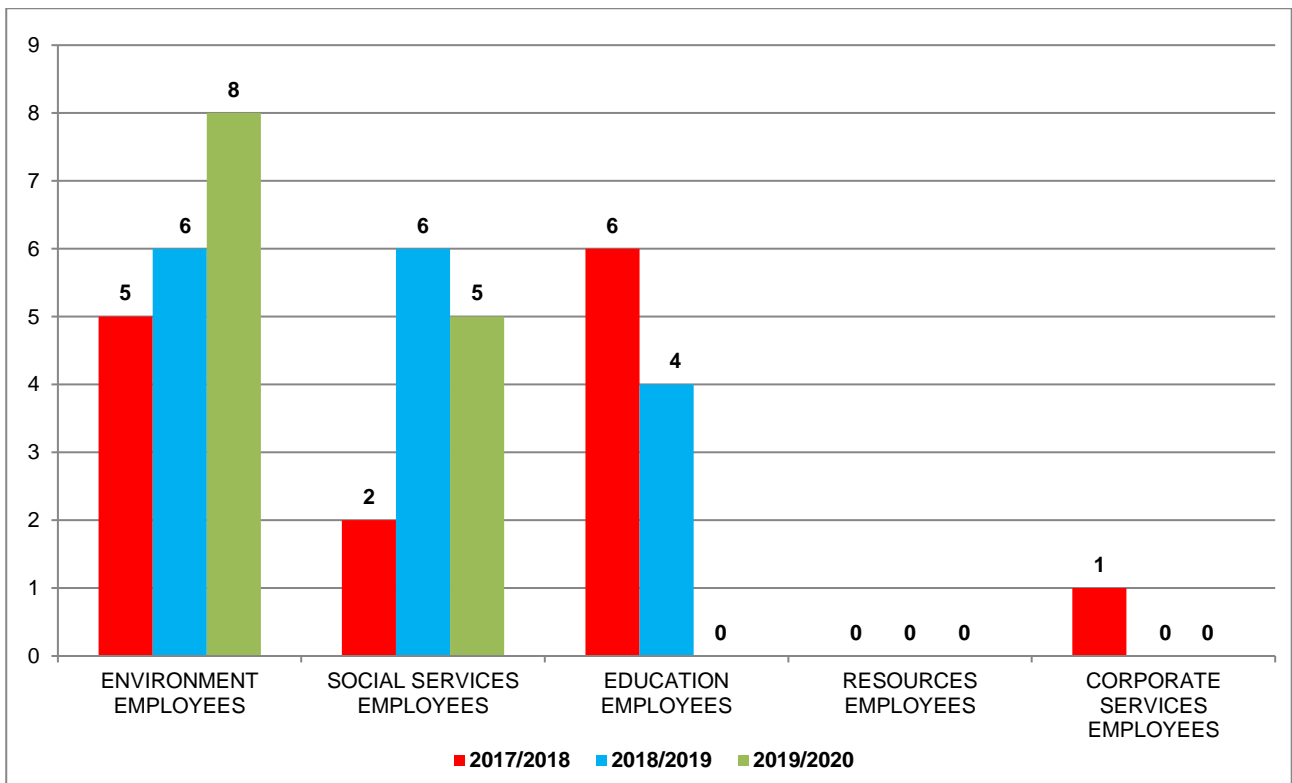
ACCIDENT/INCIDENT STATISTICS

All Services and schools report all accidents and incidents to the Health and Safety Officers. The Advisors record all these accidents/incidents and then decide what needs to be reported to the Health and Safety Enforcing Authority under the requirements of the Reporting of Incidents, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR). Briefly, accidents/incidents are reportable to the Enforcing Authority where an employee has a major injury and/or is absent or unfit for their normal work for more than 7 days, or where a non-employee requires immediate medical treatment at a hospital following a **work related** accident. For detailed information please see [Appendix 1](#). See the following charts for a 3 year trend:

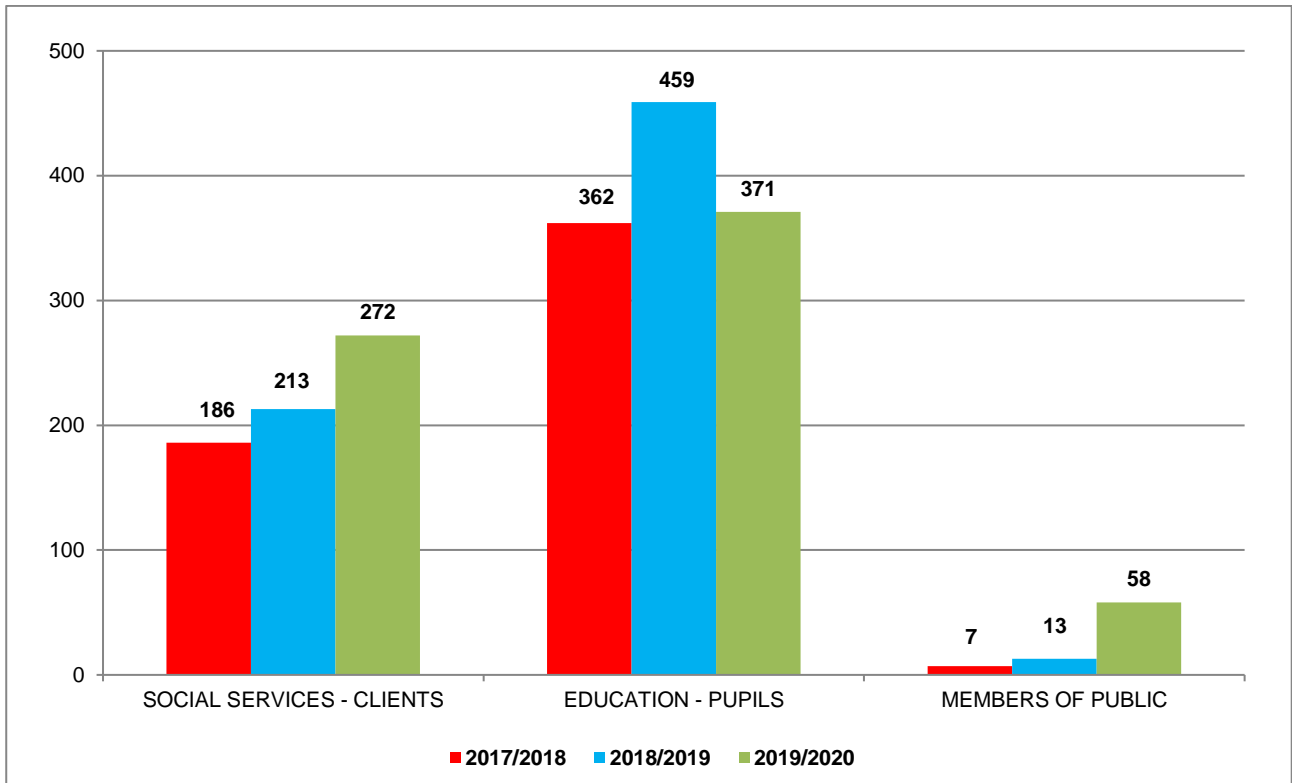
TOTAL NUMBER OF EMPLOYEE ACCIDENTS



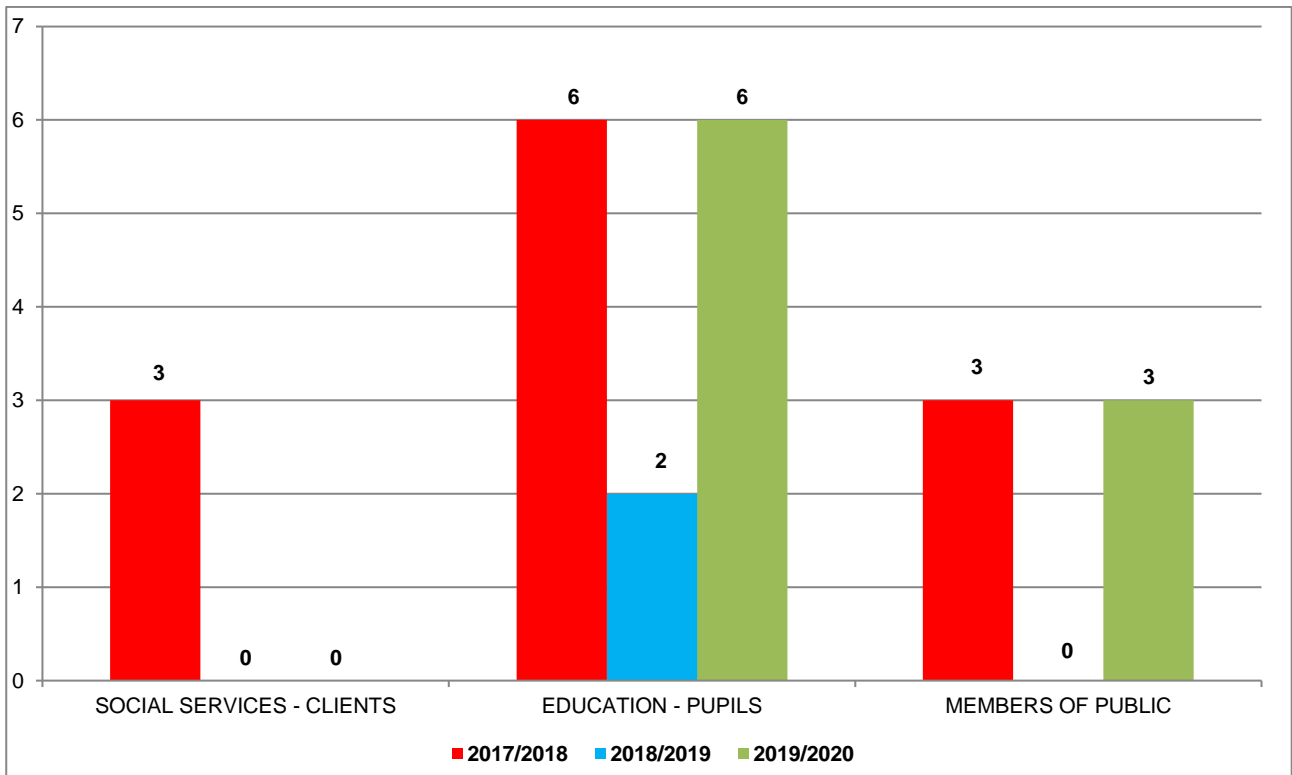
ACCIDENTS REPORTABLE TO HSE



TOTAL NUMBER OF NON EMPLOYEE ACCIDENTS



ACCIDENTS REPORTABLE TO HSE



Significant Points Regarding Accident Statistics

- A. The number of employee accidents/incidents has **decreased** from 283 in 2018/2019 to 204 in 2019/2020.
- B. The number of reportable employee accidents/incidents (13) has **decreased** from the total of 16 in the previous year.
- C. The number of reportable accidents/incidents to non-employees has **increased** from 2 in 2018/2019 to 9 in 2019/2020.
- D. There has been an **increase** in employee accidents/incidents in the Environment Department.
- E. There has been a **decrease** in employee accidents/incidents in the Education Department.
- F. There has been a significant **decrease** in employee accidents/incidents in the Social Services Department. This will require further analysis but it is possible that there are issues with the reporting of accidents.
- G. There had been a significant increase in school pupil accidents/incidents from 362 in 2017/2018 to 459 in 2018/2019. For 2019/20 this has decreased to 371. It should be noted that there is inconsistency in the reporting of pupil accidents/incidents by schools. For example some schools of similar size have very different number of accidents/incidents reported and there is a possibility that there may be both under-reporting (not reporting what procedures require) and over-reporting (relatively trivial incidents being reported).
- H. There has been an increase in the number of service user accidents/incidents from 186 in 2017/2018 to 213 in 2018/2019 and further to 272 for 2019/20. This could be due to a small number of service users whose health is failing and having more accidents.

Reportable diseases and dangerous occurrences

Certain diseases (e.g. hand arm vibration syndrome and occupational dermatitis) and dangerous occurrences (e.g. failure of lifting equipment, exposure to Asbestos Containing Material) are reportable under RIDDOR. There were no such reportable diseases or dangerous occurrences in 2019/2020.

Cost of Accidents/Incidents

There are no current methods of calculating the cost of accidents, the cost (in terms of lost wages and basic on-costs such as superannuation and National Insurance) of reportable (over 7 day injury) accidents or any other time lost accidents. However there has to be a significant financial pressure on the Authority as in addition to lost wages the following applies:

- Cost of temporary/seconded employees to cover long term absence.
- Overtime payments to cover absent employees.
- Administrative costs.
- Insurance costs.
- Possible loss of production.

SPECIFIC ISSUES

Attendance Management

Improving attendance remains a key priority for the Council as levels of absence continue to have a serious impact on service delivery. The outturn figure for 2019/20 of 13.48 days exceeded the annual target of 11 days and saw a further deterioration in performance year on year of 1 day.

The main cause of total days lost was due to mental health illnesses.

Given the continuing high levels of absence the Corporate Leadership Team identify sickness absence as a corporate risk ensuring measures to manage the risk are identified. During 2019/20 each Scrutiny Committee received a report on sickness levels for the services contained in the remit of the committee. Levels of sickness were provided alongside a narrative from the Director or Chief Officer describing the actions being taken to proactively manage the situation. As a further measure in 2020/21 information will be provided to all Directors and Chief Officers with a breakdown of the top 10 cases affecting their sickness levels along with the actions in place. Directors and Chief Officers will challenge the arrangements and push for more management actions to be put in place. The annual Review of Sickness Absence will be reported to the Corporate Overview Scrutiny Committee in the autumn.

A table showing the Council's performance is detailed at [Appendix 2](#).

Management of Work Related Stress

It is the expectation that managers refer all employee absences caused by stress to Occupational Health. Departments have been reminded of the need to risk assess (using a stress management toolkit) and manage work related stress during these challenging times. The Council has a newly engaged employee assistance programme and information on resources is published to the workforce on a weekly basis. The new Workforce Strategy will continue the focus on the wellbeing of the workforce. The Authority has implemented a programme of training mental health first aiders in the authority.

Legislation

There were a number of significant changes to Health and Safety Approved Codes of Practice and Guidance in 2019/2020. The relevant BGCBC policies and guidelines were amended to reflect the changes.

The minimum sentencing guidelines introduced in 2016 greatly increased the level of fines Local Authorities can receive in the event of a prosecution under Health and Safety and the Corporate Manslaughter legislation. The case law against Local Authorities in 2019/20 resulted in fines ranging from £20,000 to £750,000.

Review of Policies and Guidelines

All corporate health and safety policies and some guidelines were reviewed in 2019/20. The current suite of Policies and guidelines are as follows:

POLICIES:	
<u>Health & Safety Policies</u> <ul style="list-style-type: none">Asbestos PolicyDisplay Screen Equipment PolicyLone Working PolicySmoke Free PolicyStatement of Safety Policy	<ul style="list-style-type: none">Policy on Contractors working on Council Properties & ServicesViolence & Aggression PolicyWork Related Stress Policy <u>OD Policies</u> <ul style="list-style-type: none">Alcohol and DrugsAttendance Management
HEALTH AND SAFETY GUIDELINES:	
<ul style="list-style-type: none">Construction (Design & Management) RegulationsControl of ContractorsControl of Legionella Bacteria in Water SystemsCriteria for Eye ProtectionDisplay Screen EquipmentFirst Aid at WorkGlazingGritting of Council Work PlacesGuidance for Children not yet Toilet TrainedProvision and use of Work Equipment Regulations (PUWER) 1998Permits to WorkResponsible Person	<ul style="list-style-type: none">Use of Voluntary WorkersWorking Time RegulationsLifting Operations and Lifting Equipment Regulations (LOLER)Risk Assessment GuidelinesYoung People at WorkImmunisationsHand/arm vibrationNoiseSchool caretakersPreventing Finger EntrapmentPersonal Protective Equipment (PPE)Prevention of Arson in SchoolsNew and Expectant Mothers at WorkSpecial Educational Needs (SEN)Working at HeightsWorkplace Health, Safety and Welfare
PROCEDURES:	
<ul style="list-style-type: none">Accident/incident Reporting	<ul style="list-style-type: none">Generic Fire Drill (to be adapted by each premises Responsible Person)

Interventions by Enforcing Authorities

Health and Safety Executive (HSE)

There were no interventions by the HSE in 2019/20. This a significant achievement for a unitary authority with up to 3000 employees.

Fire Authority

There were three interventions by the South Wales Fire and Rescue Service (SWFRS) in 2019/2020. One was for a corporate building that had significant findings and the other two were schools with minor causes for concern. The Authority responded to the SWFRS approval.

Fire Risk Assessments

Corporate Health & Safety Officers carried out 34 statutory Fire Risk Assessments (FRA) in 2019/2020. Written replies were received to 25 of these and the outstanding replies are from:

- Tredegar recreation ground
- St marys Church in wales school
- Canolfan yr afon fach school
- Abertillery multi story car park
- Tredegar day centre
- BG community meals
- Waste transfer station
- Blaenau gwent workshops
- Bryn bach primary school

Health and Safety Inspections

The Corporate Health & Safety Officers carried out 30 inspections in 2019/2020. Written replies were received to 26 of these and the outstanding replies are from:

- Beaufort Hill primary school
- Bryn bach primary school
- Glyncoed primary school
- Canolfan yr afon fach school

Health and Safety Training

The need for training is identified in the risk assessment process, and as and when refresher training is required. All Services are committed to ensuring training is provided to comply with legislation and individual training needs. Health and Safety training is provided by external trainers, the Health and Safety Officers and other internal staff. The Health and Safety Officers alone delivered 25 sessions with 311 attendees. Examples of the training provided to BGCBC staff from all sources are:

- Risk assessment
- General health and safety
- Fire safety
- First aid
- Moving and handling
- Managing violence
- Banksman training
- Responsible person
- Asbestos awareness
- Hand/arm vibration and noise

In addition Senior Management training was provided by an external provider to senior managers (30) and executive members and chair/vice chair of corporate overview (7).

Insurance

During 2019/20 the number of Insurance claims received by the Authority in respect of all types of incidents involving employees and the public was 83 which is almost at the same level of claims received in 2018 2019 (84). 6 of these claims related to Employers Liability.

The number of public liability claims against the Council increased from 52 to 56 with the vast majority being for claims relating to alleged accidents on the Highway.

The Council are able to maintain a robust defence to the allegations made against it. The Insurance team invest significant effort into defending claims and relies on the cooperation of colleagues on the front line to maintain the policies and practices which allow claims to be defended.

In the current legal environment the establishment of Qualified One Way Costs Shifting (QOCS) means that the financial burden of defending claims rests with the Authority unless Fundamental Dishonesty is proven (the burden of proof being extremely high) against the Claimant.

Motor claims have fallen in 2019 /20 to 21 claims which is the third year claims have reduced (36 claims in 2017/2018 and 26 claims in 2018 2019).

The highest number of reported incidents resulting in claims are still for "hit stationary vehicle" and "reversing". (11 and 7 respectively).

	Employers Liability	Motor Vehicle	Public Liability
1/4/15 – 31/3/16	3	32	48
1/4/16 – 31/3/17	7	28	46
1/4/17 – 31/3/18	5	36	56
1/4/18 – 31/3/19	4	28	52
1/4/19 – 31/3/20	6	21	56

Capacity

As with previous years it is clear that there are capacity issues for some department's/services to carry out all the required Health and Safety and Fire Safety management regimes. The Health and Safety Officers, Human Resources Business Partners and sometimes the Insurance Team have regularly reported non-compliance to managers. One of the often cited reasons for any non-compliance is capacity. The Corporate Health and Safety Officers can audit compliance but as there are only two officers their capacity is also limited. Their capacity is further limited by taking on the role of the Absestos Competent Person role.

Departments and services should regularly review their compliance standards and ensure any gaps in capacity are addressed. Corporate Health and Safety and Organisational Development can advise where possible but ultimately managers are responsible for managing any risks. The Council's response from the end of February to Covid-19 has further added to challenges with capacity. The newly formed Corporate Health and Safety

Group will review compliance with standards to understand any underlying issues and to promote increased compliance measures.

CONCLUSIONS

The headline positive features for the Authority's health and safety performance in 2019/2020 were:

- The decrease in the number of accidents to employees that were reportable to HSE.
- There were no reportable dangerous occurrences or reportable diseases.
- There were no interventions by the HSE.
- The decrease in staff and pupil accidents/incidents in the Education Department.
- Provision of health and safety/fire safety training including senior management and elected member training.

The headline areas of concern in the Authority's health and safety performance in 2019/2020 were:

- The three interventions by the SWFRS.
- Concerns around capacity reported by Directorates in managing health and safety.
- Increased staff absence.
- Increase in the number of non employee reportable accidents
- Increase in the number of Regeneration and Community Services Department accidents.
- Inconsistency in school pupil accident/incident reporting.
- No response to some health and safety inspections and fire risk assessments by some departments and services.

RECOMMENDATIONS

1. Each Corporate Director to ensure there is a timely response to all Fire Risk Assessments and Health and Safety inspections. This will be monitored through the Corporate Health and Safety Group.
2. Each Directorate Management Team to continue to review their health and safety management arrangements and ensure they have the capacity to comply with statutory duties. It is recommended that any strategic/operational decisions taken by services must be subject to a health and safety risk assessment within the wider impact assessments. Any identified risks should be managed through an implementation plan and identify leads. If there are capacity issues identified by service directorates that put the authority at risk then this may need escalation to the Corporate Risk Register and review at the Corporate Leadership Team to take action.
3. Each Corporate Director to review the lack of response to some Fire Risk Assessments and Health and Safety inspections.
4. Inconsistencies in school pupil accident/incident reporting to be investigated by the Corporate Health and Safety Advisors and the Education Directorate.
5. Health and safety/fire safety should continue to be a key consideration and included in corporate templates such as programme, project and Financial Efficiency Projects etc to ensure risks are identified and that compliance is considered throughout the project.
6. The significant decrease in Social Services employee accidents is investigated by the Department and the Health and Safety Officers.

APPENDIX 1: CORPORATE HEALTH & SAFETY MANAGEMENT INFORMATION REPORT (1 APRIL 2018 – 31 MARCH 2019)

	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
Number of Accidents – BGCBC Employees	10	25	27	19	11	29	43	23	20	26	23	27	283
283Number of Accidents – ALT Employees	0	0	1	0	0	1	0	0	1	0	0	0	3
Number of Accidents – Pupils	21	46	69	50	0	74	52	36	27	31	21	32	459
Number of Accidents – Members of the Public in BGCBC premises	3	1	1	0	1	2	0	2	0	1	1	1	13
Number of Accidents – Service Users (Social Services)	17	28	10	14	38	16	15	22	11	15	15	12	213
Number of Accidents – Members of the public in ALT premises	9	8	9	3	11	1	4	7	2	7	15	2	78
Total No. of Accidents	60	108	117	86	61	123	114	90	61	80	75	74	1049
No. of Reportable Accidents to BGCBC Employees	1	1	2	0	2	2	2	3	0	2	0	1	16
No of Reportable Accidents to ALT employees	0	0	0	0	0	1	0	0	0	0	1	0	2
No. of Reportable Accident to Non – Employees in BGCBC premises	0	0	0	1	0	0	0	0	1	0	0	0	2
No of Reportable Accidents to Non employees in ALT premises	0	0	0	0	0	0	0	1	0	0	1	0	2
Total No. of Reportable Accidents	1	1	2	1	2	3	2	4	1	2	2	1	22
No. of Reportable Diseases and Dangerous Occurrences	0	0	0	0	0	0	0	0	0	0	0	0	0
No. of Accidents/Incidents Investigated Op 2 & 3													
• Non Employee	3	11	2	3	0	2	5	3	2	3	7	3	47
• Employee	2	5	14	3	5	5	5	7	6	6	3	4	65
No. of Incidents of Violence & Aggression													
• Non Employee	3	9	4	10	0	12	7	13	8	4	2	6	78
• Employee	3	17	14	12	4	23	26	9	10	11	8	13	150
No. of New Litigation Claims referred to Safety Section	1	2	2	1	0	1	2	2	1	3	2	1	18
No. of Interventions by HSE	0	0	0	0	0	0	0	1	0	0	0	0	1
No. of Interventions by the Fire Authority	0	0	0	0	0	0	0	0	0	0	0	0	0
No. of BGCBC Premises Health & Safety Inspections	3	6	1	1	5	3	6	6	3	4	3	4	45
No of ALT Health and safety inspections	0	0	2	1	0	0	0	1	0	0	0	3	7
No. of BGCBC Fire Risk Assessments	6	3	1	1	4	4	1	5	3	2	3	4	37
No of ALT Fire Risk assessments	0	0	2	0	0	1	1	0	1	1	0	4	10
No. of health & safety/fire safety training Sessions Delivered	5	3	2	0	0	2	3	2	1	3	0	0	21
No. of Persons Given Health & Safety Training	80	22	16	0	0	26	51	47	6	90	0	0	338

APPENDIX 2: ATTENDANCE MANAGEMENT – SICKNESS ABSENCE PERFORMANCE (2019/20)

Rank	Category	Calendar Days	Number of Absences	Number of Employees
1	Psychiatric/Mental Health	22,792	444	371
2	Musculo-skeletal & Injuries	15,232	392	348
3	Cancer, malignancy	3,387	48	45
4	Gastro-intestinal	3,300	789	658
5	Cardiovascular	3,283	48	40
6	Gynaecological, obstetric, pregnancy related	3,159	138	114
7	Respiratory	1,967	156	129
8	Infectious diseases	1,933	387	343
9	Neurological	1,573	164	145
10	COVID19	1,455	166	155
11	Ear, Nose and Throat	1,212	160	141
12	Dermatological	880	36	29
13	Haematological	616	5	5
14	Genito-urinary	608	52	49
15	Debility	418	27	22
16	Ophthalmological	337	33	29
17	Endocrine/Metabolic	244	7	6
18	Dental	67	23	23

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Agenda Item 7

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: **11 December 2020**

Report Subject: **Preparations for EU Transition**

Portfolio Holder: **Councillor Nigel Daniels, Leader of the Council**

Report Submitted by: **Bernadette Elias, Head of Governance & Partnerships and David Arnold, Policy Officer**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
	26/11/20	01.12.20			11/12/20	13.01.21		

1. **Purpose of the Report**

This report provides an update on the preparatory work undertaken during the EU Transition Period prior to it ending on 31st December 2020.
2. **Scope and Background**
 - 2.1 The UK left the EU on 31st Jan 2020 and entered a transition period until 31st December 2020, during which the UK's relationship with the EU has remained largely the same as it was.
 - 2.2 A level of uncertainty still remains of what the full implications of exiting the EU will be for local authorities in Wales. This uncertainty, combined with the ongoing impact of the Covid19 pandemic, has impacted the scope of preparedness activity and modelling that can be undertaken at local authority level.
 - 2.3 The officer Core Planning Group has continued to meet during the pandemic to facilitate EU transition preparations. The Corporate Policy Team receives information from the Welsh Local Government Association (WLGA) and Welsh Government about the national picture, as well as information from the Home Office regarding the EU Settlement Scheme (EUSS). The policy officer supporting this work is represented on the WLGA Brexit Coordinator network.
 - 2.4 An update report was presented to the Corporate Overview Scrutiny Committee in September 2019, with a further report agreed to be presented when the national state of play became clearer. In addition, Elected Members received a briefing on exiting the EU in October 2019. A follow up all Member briefing session has been organised for 3rd December 2020.
3. Options for Recommendation
 - 3.1 **Option One**

The Corporate Overview Scrutiny Committee:

 - I. notes the progress made during the transition period prior to the report being presented to Executive for approval; and

II. receives update reports as part of its forward work programme.

3.2 **Option Two**

The Corporate Overview Scrutiny Committee:

- I. notes the progress made during the transition period and make any specific comments or recommendations prior to the report being presented to the Executive for approval; and
- II. receives update reports as part of its forward work programme.

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

Ensuring the Council is prepared to take advantage of any opportunities or mitigate against the risks associated with exiting the EU supports the Corporate Plan and Well-being Plan priorities.

5. **Implications Against Each Option**

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

Preparing the Council for the opportunities and risks associated with the UK's exit from the EU is currently being managed through existing resources.

The WLGA submitted a bid to the Welsh Government's EU Transition Fund for each Welsh local authority to receive £45,000 funding during 2019/20 and 2020/21 towards corporate capacity support for resourced work on preparing for and responding to exiting the EU. The Council has now received this funding to support the corporate Brexit planning work already being facilitated by the Corporate Policy Officer. This funding for all 22 councils in Wales was secured by the WLGA as part of their Brexit Transition Support Programme. We are currently awaiting a decision from Welsh Government on whether this funding for local authorities will continue in 2021/22, with representations being made about the importance of the funding for councils to prepare and respond to the impact of EU transition.

There is a UK Treasury guarantee that current EU Structural and Investment Fund (ESIF) allocations will be honoured up to the end of the current EU funding programme (December 2020, with spending until 2023) but nothing confirmed beyond this point at present. The UK Government has announced that they will provide further clarity about replacement EU funding through the UK Shared Prosperity Fund (UKSPF) soon.

5.2 ***Risk including Mitigating Actions***

Exiting the EU has been identified as a risk in the corporate risk register. This informed the risk register developed by the core officer group which is based on available intelligence and information (attached at Appendix A). The local risk assessment has also been informed by the WLGA's EU transition support programme for local authorities (Appendix B) and the Welsh Government's own End of EU Transition Action Plan (Appendix C).

5.3 **Legal**

Some existing governance processes and officer authorisations for Council services who implement activity currently delivered by EU directives may need to be amended. Current indications suggest that the majority of EU legislation relating to Council regulations will be transposed into UK law.

5.4 **Human Resources**

The Head of Governance and Partnerships has been assigned as the Council's lead officer for EU transition working with a lead Policy Officer within the Corporate Team coordinating the council-wide approach working closely with services, the WLGA and the UK Government.

The Organisational Development department carried out an analysis of Council staff nationalities in order to identify potential gaps in provision for any services areas reliant on staff who are EU nationals without British citizenship. This work revealed <10 members of staff across all Council directorates (including Schools) who are EU nationals. They have received support and information they need about the EUSS through their line managers and via the staff Intranet.

Two additional community cohesion coordinators for West Gwent (covering Blaenau Gwent, Torfaen and Caerphilly) were appointed in June 2019, funded by the Welsh Government's EU Transition Fund. The coordinators have been working closely with local community groups, libraries and businesses etc. to engage with vulnerable or hard-to-reach groups of EU citizens in West Gwent.

6. **Supporting Evidence**

6.1 **Performance Information and Data**

The core planning group developed an impact and risk assessment to identify and respond to the local risks and opportunities associated with leaving the EU. The assessment includes measures to mitigate against the risks outlined in Appendix A.

6.1.1 **Summary of key activity**

Analysis of the December 2019 Electoral Register revealed that there were around 650 non-UK, non-Irish EU citizens registered to addresses within Blaenau Gwent. This figure for EU citizens in Blaenau Gwent as a whole is expected to be higher once European children under 18 and adults not registered to vote are taken into account.

6.1.2 One of the national risks identified for businesses and local authorities has been the introduction of new rulings around Export Health Certificates (EHC). The Council is currently working with local food manufacturers to signpost them to information about the new regulations and establish the levels of EHC demand from 1st Jan 2021 onwards.

6.1.3 In addition to the Covid-related financial support from Welsh Government currently available to local businesses, guidance from Welsh Government is also available in order to highlight any supply chain issues or how they can

meet new import and export regulatory requirements. The Council is working to promote and maximise this support to local businesses.

- 6.1.4 Blaenau Gwent has a high proportion of manufacturing, retail and automotive businesses who face the dual risk of financial implications associated with Covid19 and the end of the EU transition period. Combined with above Wales average rates of people with no qualifications, people claiming unemployment related benefits since March 2020, and employees working in sectors most at risk from Covid19, vulnerability from ongoing economic impact is a risk. These risks inform the activity being undertaken across the Council to support communities in Blaenau Gwent and to mitigate impact where possible.
- 6.1.5 The Council is also working to identify and maximise opportunities for Blaenau Gwent as the UK exits the EU.
- 6.1.6 The UK Internal Markets Bill would introduce a new legal power for UK Government to replace EU funds through the new UKSPF, enabling UK Government to provide funding throughout the UK in relation to infrastructure, economic development, culture, sport, skills and training. It is not yet clear what role Welsh Government and local authorities in Wales will have in administering this new funding locally, the Council is continuing to monitor these developments closely.
- 6.2 ***Expected outcome for the public***
Monitoring the local impact and undertaking preparatory work in order to maximise opportunities or mitigate against any risks from the UK's exit from the EU will help to create a more resilient and prepared local authority for the public.
- 6.3 ***Involvement (consultation, engagement, participation)***
The core planning group is coordinating engagement activities with local business groups and individual businesses to determine their views, concerns and preparations for EU transition, as well as to understand any local reliance on goods or skills from the EU. Community Cohesion Coordinate engagement, WLGA network etc.
- 6.4 ***Thinking for the Long term (forward planning)***
Putting robust preparations in place will enable the Council to prepare for and take advantage of any long-term funding opportunities created by the UK's exit from the EU. The preparation work undertaken during transition aims to assist BG meet the challenges and impact of exiting the EU
- 6.5 ***Preventative focus***
The preventative nature of the sub-regional Community Cohesion Officer work programme includes work to champion diversity and promote social inclusion amongst people of all different backgrounds.

6.6 **Collaboration / partnership working**

We are receiving advice from Welsh Government and working closely with the WLGA as part of the WLGA Brexit coordinators network to assist with best-practice and information sharing amongst Welsh councils.

At an appropriate time, any impact of exiting the EU on residents and public services may need to be considered by the Blaenau Gwent Public Services Board. However, opportunities to link the impact of EU Transition into the PSB's strategic work programme are being considered; for example, the economic impact Covid19 recovery theme and the PSB Foundational Economy and Sustainable Food Partnership programmes will help to mitigate against any local economic impact of EU Transition going forward.

6.7 **Integration (across service areas)**

The core planning group reports to CLT, which is chaired by the Council's Managing Director. Planning group membership includes representatives from across all council services. It is a mechanism for sharing and disseminating information across the organisation using a coordinated, integrated and collaborative approach across services.

6.8 **EgIA**

Work undertaken by the community cohesion staff will contribute towards support for people with protected characteristics.

7. **Monitoring Arrangements**

EU transition preparatory work is being monitored by the core planning group, which reports to CLT. There are also update reports that will form part of the forward work programme of the Committee.

Background Documents /Electronic Links

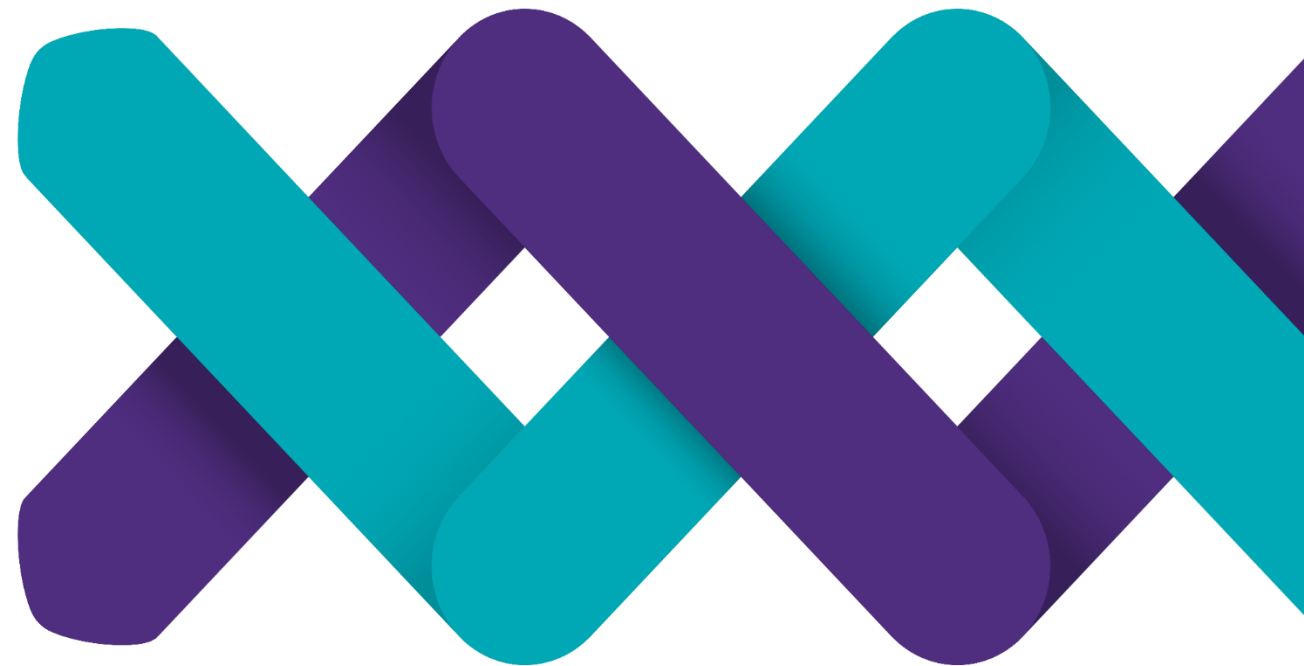
- *Appendix A – BGCBC EU Transition Action Plan*
- *Appendix B – [WLGA EU Transition Support Programme Local Authority Brexit Exposure Dashboards](#)*
- *Appendix C – [Welsh Government End of EU Transition Action Plan 2020](#)*

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Local Authority Brexit Dashboards

Blaenau Gwent

2020 update

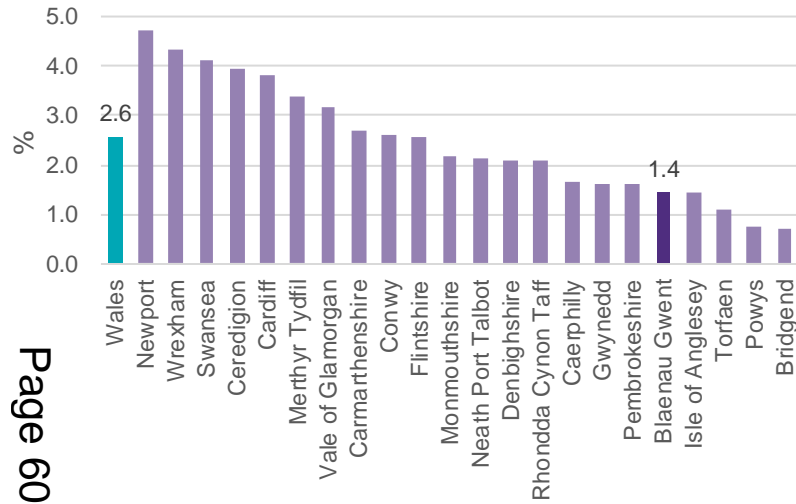




Blaenau Gwent. People

EU residents

Proportion of population that are non-UK EU born residents



Long-term international migration

'Net migration' shows how many more people are coming to live in the UK than leaving the UK to live abroad

Net migration (total)

Wales: 7,812
UK: 230,514

Blaenau Gwent
39

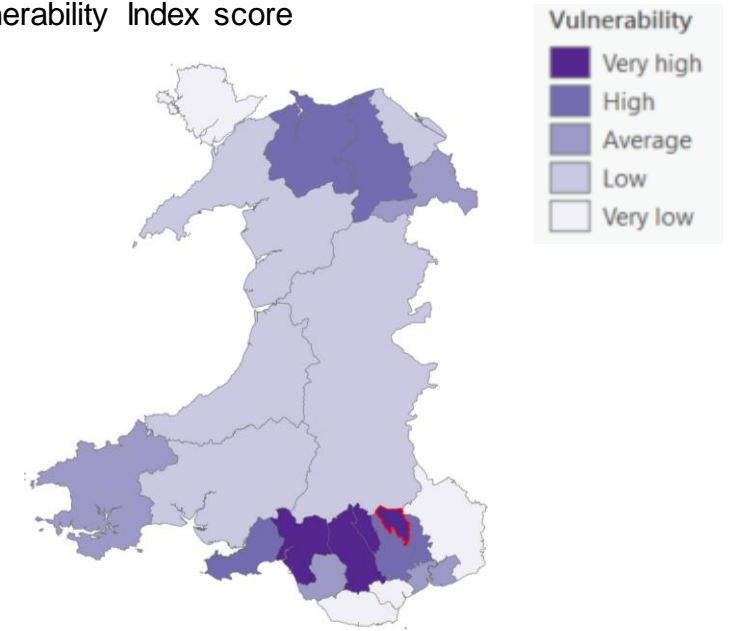
Net migration (per 1,000 pop)

Wales: 2.5
UK: 3.5

Blaenau Gwent
0.6

Community Vulnerability Index

Vulnerability Index score



Skills

"Those with fewer formal qualifications, are more likely to be employed in the most exposed industries"

Institute of Fiscal Studies, 2018

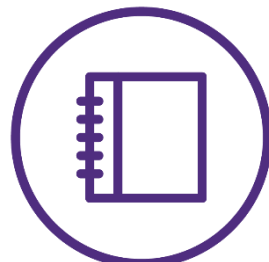


No qualifications

Blaenau Gwent: 13.8%

Wales: 8.5%

UK: 7.9%



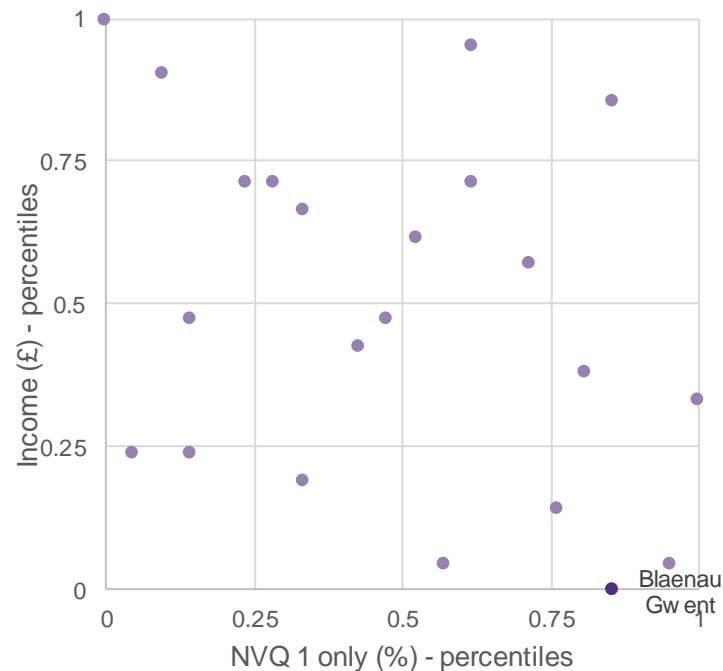
NVQ 1

Blaenau Gwent : 13.4%

Wales: 11.2%

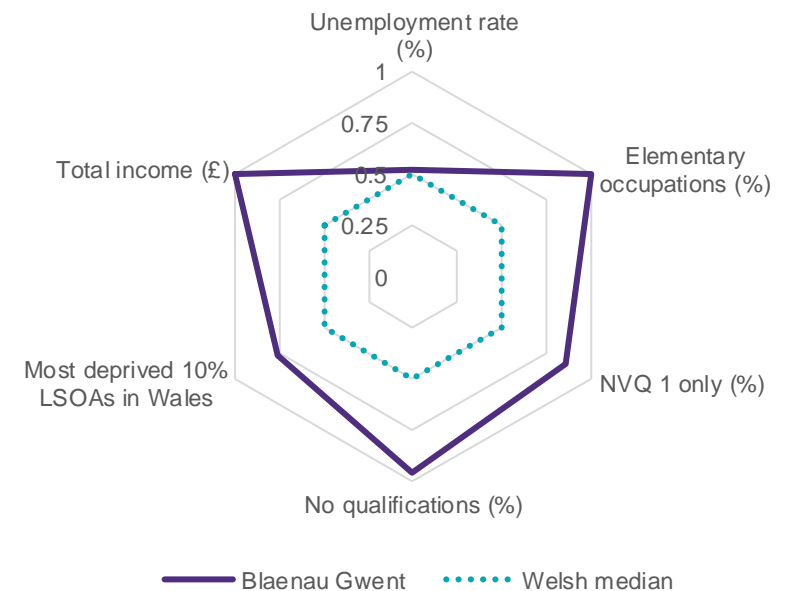
UK: 9.9%

Low skills vs. Income



Community Vulnerability Index Profile

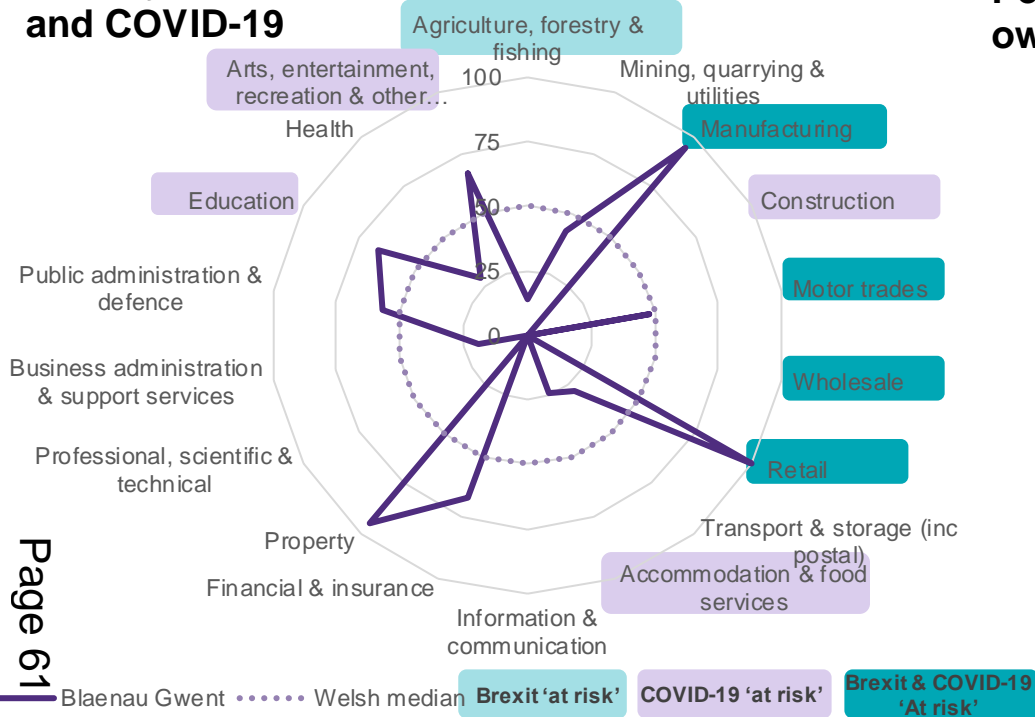
Larger the shape, the higher the vulnerability



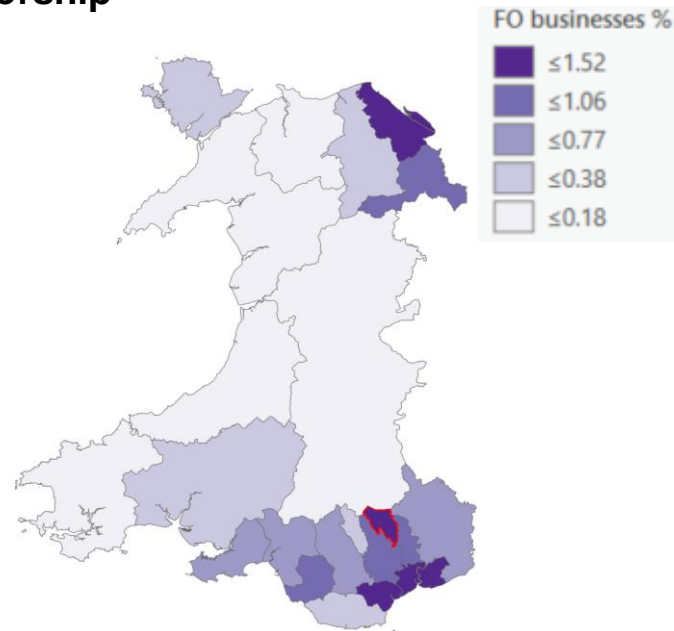


Blaenau Gwent. Economy

Employment sectors – At risk from Brexit and COVID-19



Percentage of all businesses with foreign ownership



Gross Value Added per job

GVA per filled job
Blaenau Gwent: £43,696
 Wales: £46,132
 UK: £56,387



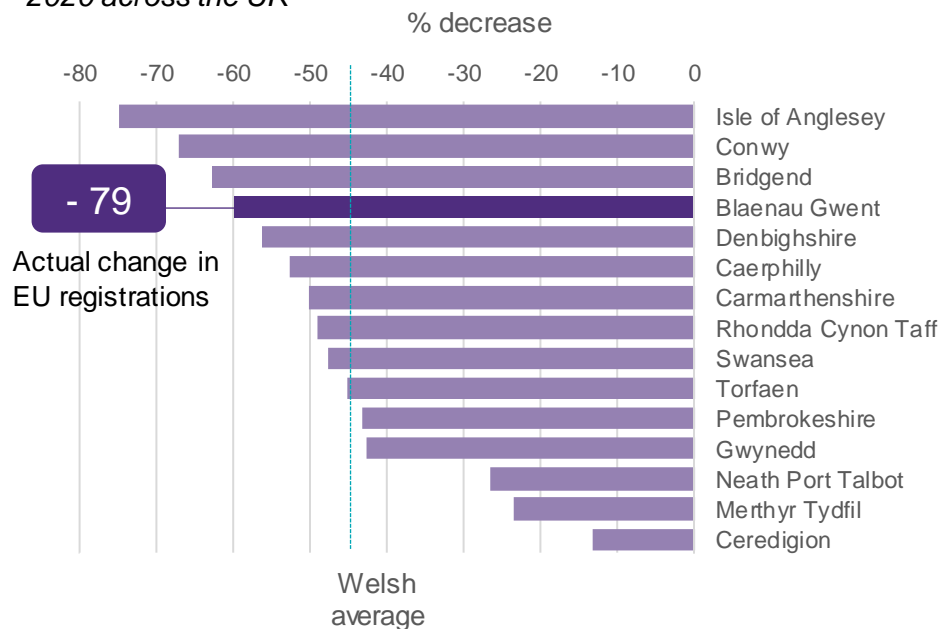
Rank out of 22
 Welsh authorities...



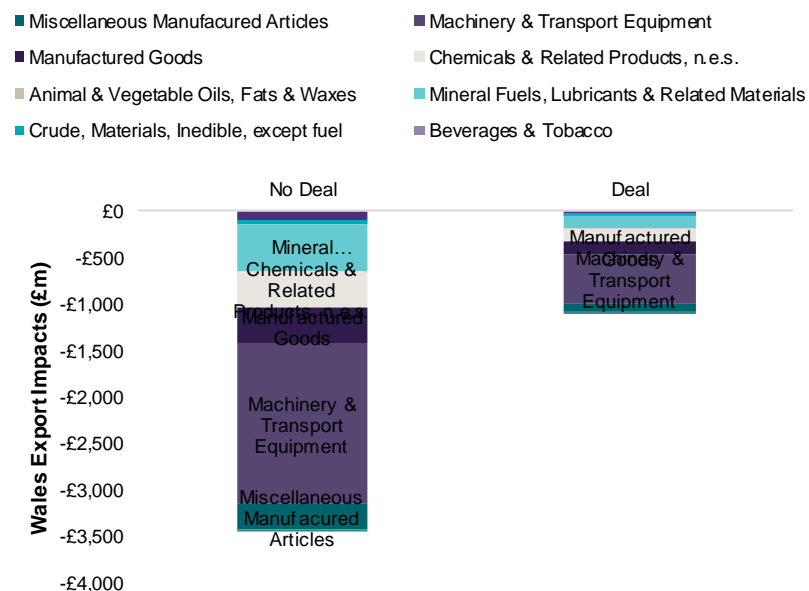
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National Insurance Number (NINO) registrations

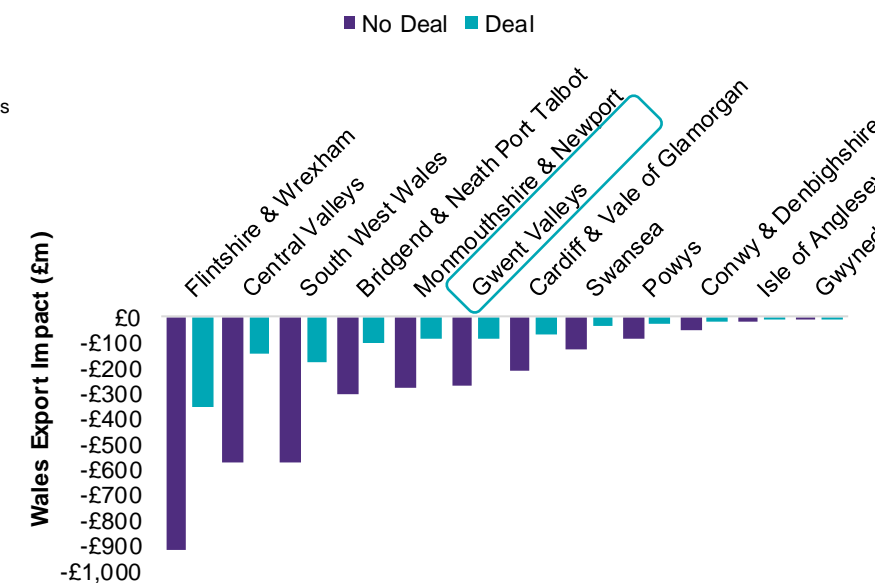
47% reduction in EU registrations between June 2016 and June 2020 across the UK



Export impact value ('No-deal' & 'Deal') by SITC codes, Wales, (Annualised, £m)



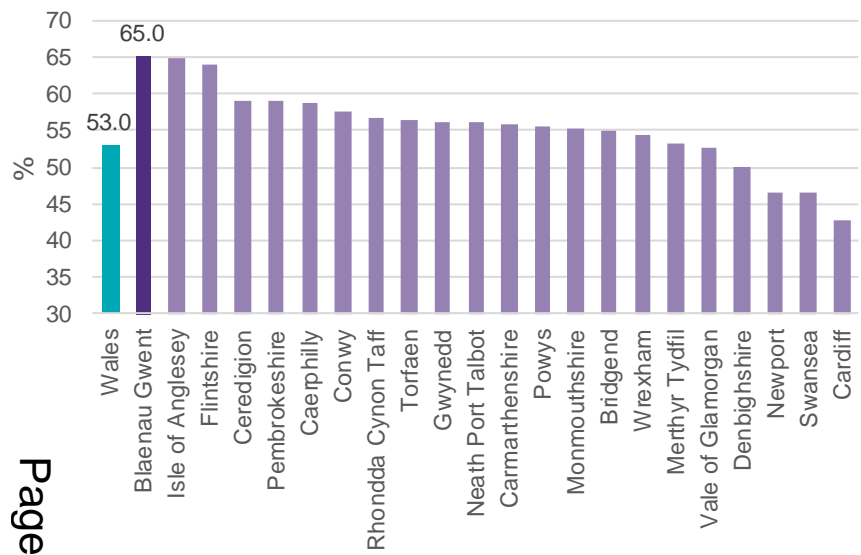
Total Export impact value by Welsh NUTS3 Regions (Annualised, £m)



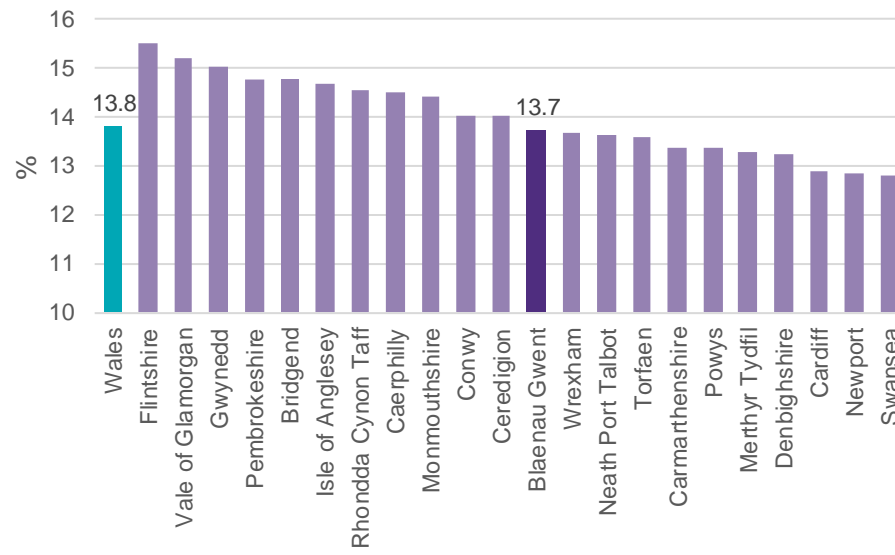


Blaenau Gwent. COVID-19

Percentage of employment in COVID-19 'at risk' sectors



Estimated decline in total annual GVA resulting from COVID-19



Government support take-up rate

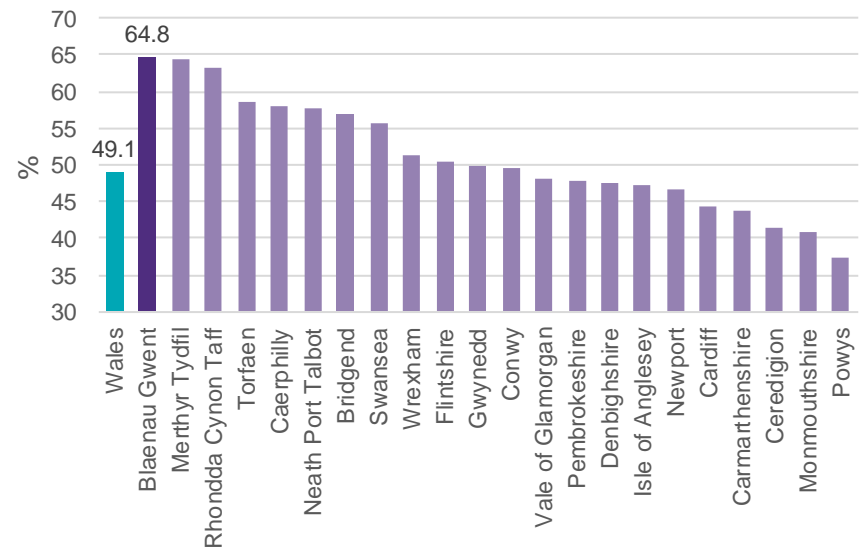


Coronavirus Job Retention Scheme
Blaenau Gwent: 30%
 Wales: 31%
 UK: 32%



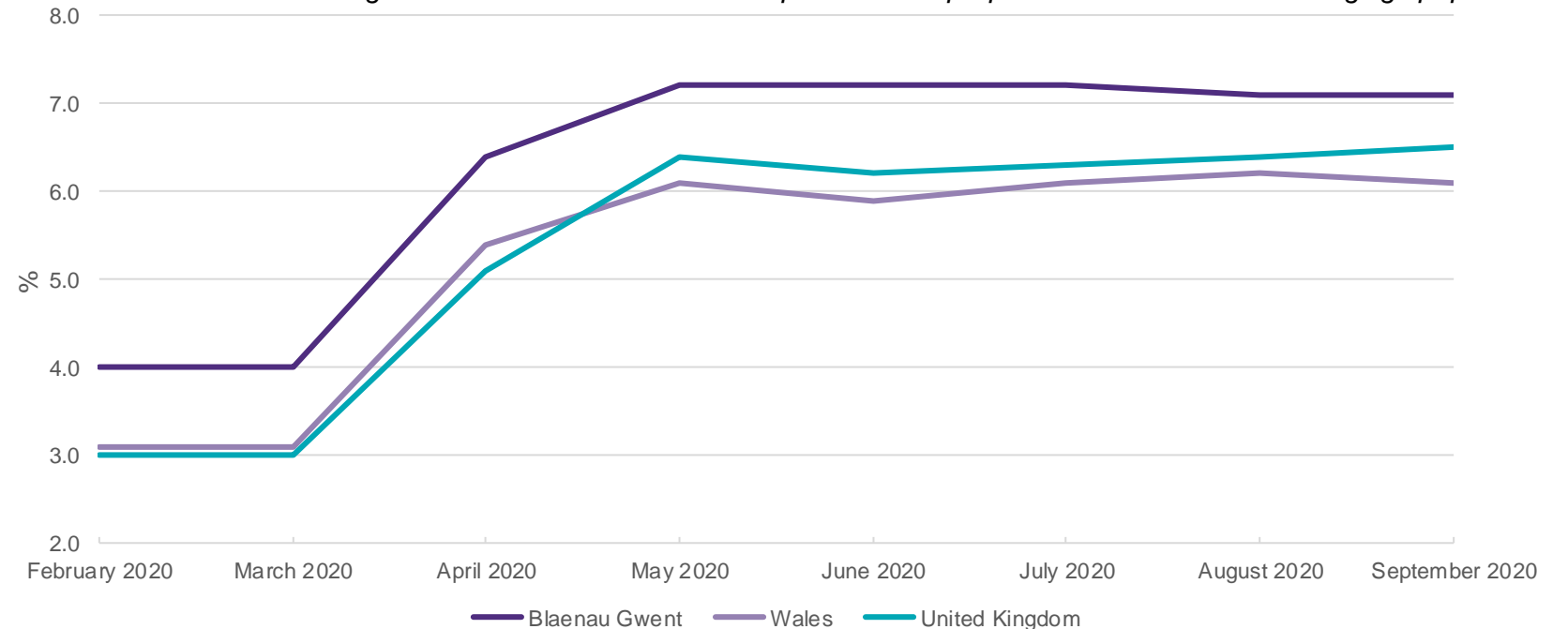
Self-Employment Income Support Scheme
Blaenau Gwent : 80%
 Wales: 78%
 UK: 77%

Percentage of businesses in COVID-19 'at risk' sectors



Claimant rate (Feb 2020 to Sept 2020)

The number of people claiming unemployment related benefits in the UK reached 2.7 million in September, an increase of 1.5 million since lockdown began in March. The rate below is expressed as a proportion of the resident working age population.



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Blaenau Gwent. Summary

Key findings

- Compared to the rest of Wales, Blaenau Gwent has a low proportion of its population who were born in the EU, at 1.4%, which compares to a Welsh average of 2.6%.
- Blaenau Gwent ranks in the top 20% on our Community Vulnerability Index, indicating very high levels of social vulnerability to Brexit.
- Notable areas of vulnerability in Blaenau Gwent include the very high levels of people employed in elementary occupations, the very low skills levels, and very low total incomes.
- Blaenau Gwent has seen the one of the largest declines in EU NINO registrations of all Welsh authorities, reducing by 59.8% between 2016 and 2020.
- Blaenau Gwent has a high proportion of employment in both Manufacturing and Retail, which are both identified as 'most at risk' industries by UK Government.
- Productivity, as measured by GVA per job, is average in Blaenau Gwent ranking 13th out of 22 authorities.
- In terms of COVID-19, Blaenau Gwent has a the highest proportion of people employed in 'at risk' sectors out of all Welsh authorities, as well as a high proportion of businesses in 'at risk' sectors.
- The estimated decline in GVA as a result of COVID-19 is predicted to be 13.7% which is slightly below the Welsh average.
- The claimant rate has risen since March this has remained above the Welsh and UK average.
- Blaenau Gwent has had an above average take-up rate of the Self-employment Income Support Scheme

Key implications

To add once Toolkit finalised

Data sources

Indicator	Output	Why include?	Source
EU born residents	Bar chart shows proportion of residents that are born in the EU compared to other authorities in the region and the Welsh average.	EU migrants form a crucial part of the economy. In order to understand the potential impacts of changes in migration, it is important to have an overview of what proportion of the current population is made up of EU born residents.	ONS, Population of the UK by country of birth and nationality (Dec 2019)
No qualifications, NVQ 1 only	Factoid showing the proportion of working age residents with no qualifications and the proportion of working age residents qualified to NVQ 1 only.	A study by the Institute of Fiscal Studies found that those with fewer formal qualifications are more likely to be employed in the most exposed industries.	Annual Population Survey (Dec 2019)
Community Vulnerability Index	Thematic map shows overall performance on the 'Community Vulnerability Index' relative to the rest of Wales. Spider chart shows how the area performs on the individual measures, relative to the national median.	Our 'Community Vulnerability Index' takes into account factors which are most likely to impact on a place's ability to adapt in a post-Brexit world, including unemployment, low skills, low level occupations, no qualifications, income and deprivation. NB: Income has been inversed in the spider chart so that a point towards the outer edge of chart indicates lower income levels.	Annual Population Survey (June 2020, Dec 2019); Survey of Personal Incomes (2018); Welsh Index of Multiple Deprivation (2019);
Long-term International migration	Factoid showing net long-term international migration	Changes to the free movement of people could have significant impacts on international migration into areas.	ONS, Local area migration indicators, UK (2019)
National Insurance Number (NINo) registrations	Bar chart to see how the number of new registrations has changed between referendum and now.	NINo numbers are often used as an indicator for the number of migrants moving into a geographical area for work. This is an important consideration given the contribution that EU workers make to the economy.	NINo registrations to adult overseas nationals entering the UK by Region / Local Authority and world region - registrations year to June 2020, DWP (June 2020)
Employment sectors	Spider chart showing proportional employment in different sectors.	Some employment sectors are more vulnerable to the impacts of Brexit, therefore it is important to understand which sectors are most prominent and whether these are any of these are high risk.	Business Register and Employment Survey (2018)
Foreign Owned businesses	Map showing the proportion of businesses that are foreign owned.	High dependence on foreign owned businesses could pose a risk as there is uncertainty as whether some of these businesses will remain within the UK or relocate.	FAME, Bureau Van Dijk (2019)
Total Gross Value Added	Factoid showing total GVA	Gross value added (GVA) is a measure of the increase in the value of the economy due to the production of goods and services. This is an important consideration given the potential impact that Brexit could have on economic output.	ONS, Regional gross value added (balanced) local authority by NUTS 1 region: UKL Wales (2018)
GVA per filled job	Bar chart showing GVA per job	GVA per filled job provides a direct comparison between the level of economic output and the direct labour input of those who produced that output. The level of productivity is useful to consider as it is a current weakness in the UK economy and may be further hindered post-Brexit.	Nominal (smoothed) GVA (B) per filled job (£); Local Authority District (2018)
Trade impacts	Bar charting showing the total Export Annualised Impact in a Deal and No deal scenario by Welsh NUTS 3 Regions (£m), NUTS 3 Regions		HMRC & Grant Thornton Analysis. Note: The data doesn't include the impact on WA BTTA, WA Energy exports & WA Other

Data sources (cont.)

Indicator	Output	Why include?	Source
Employment in 'at risk' sectors	Bar chart showing percentage of employment in 'at risk' sectors compared to the Welsh average.	The sectoral make-up of areas will have a strong influence on the economic impacts of COVID-19. For example areas with a high proportion of the workforce employed in accommodation and food services will be more heavily impacted than areas with high levels of professional and technical workers.	GT calculation based on: Business Register and Employment Survey (2018)
Businesses in 'at risk' sectors	Bar chart showing percentage of businesses in 'at risk' sectors compared to the Welsh average.	The sectoral make-up of areas will have a strong influence on the economic impacts of COVID-19. For example areas with a high proportion of the workforce employed in accommodation and food services will be more heavily impacted than areas with high levels of professional and technical workers.	GT calculation based on: Business Register and Employment Survey (2018)
Estimated decline in total annual GVA resulting from COVID-19	Factoid showing estimated percentage reduction in annual GVA under Covid-19 scenario. The modelled GVA data is based on OBR output losses by sector in 2nd quarter of 2020. A higher figure indicates greater vulnerability.		GT calculation based on: ONS, Regional gross value added (balanced) local authority by NUTS 1 region: UKL Wales (2018) and OBR output losses table
Coronavirus Job Retention Scheme (CJRS) take up rate	Factoid showing take up rate relative to Welsh and UK average.	Certain sectors have been more heavily impacted by COVID-19 than others and as a result a high level of employees have had to be put on furlough. This measure therefore gives an indication of the immediate impacts that COVID-19 is having on local areas.	ONS, Coronavirus Job Retention Scheme (CJRS) Statistics: August 2020
Self-Employment Income Support Scheme (SEISS) take up rate	Factoid showing take up rate relative to Welsh and UK average.	Research has shown that self-employed people are more at risk to the economic impacts of COVID-19. This new dataset gives an early indication of the level of self-employed people in an area who are requiring support.	ONS, Self-Employment Income Support Scheme (SEISS) Statistics: August 2020
Foreign Owned businesses	Map showing the proportion of businesses that are foreign owned.	High dependence on foreign owned businesses could pose a risk as there is uncertainty as to whether some of these businesses will remain within the UK or relocate.	FAME, Bureau Van Dijk (2019)
Total Gross Value Added	Factoid showing total GVA	Gross value added (GVA) is a measure of the increase in the value of the economy due to the production of goods and services. This is an important consideration given the potential impact that Brexit could have on economic output.	ONS, Regional gross value added (balanced) local authority by NUTS 1 region: UKL Wales (2018)
GVA per filled job	Bar chart showing GVA per job	GVA per filled job provides a direct comparison between the level of economic output and the direct labour input of those who produced that output. The level of productivity is useful to consider as it is a current weakness in the UK economy and may be further hindered post-Brexit.	Nominal (smoothed) GVA (£) per filled job (£); Local Authority District (2018)
Brexit impact on GVA	Factoid showing predicted decline in GVA under hard and soft Brexit scenarios.	One of the big concerns around Brexit is the impact it will have on economic output, with many studies predicting negative impacts. A recent study by Dhingra et al (2017) found that every local authority is predicted to see a decrease in economic output, measured by GVA, as a result of Brexit. However, it should be noted that the method used in this analysis does not factor in leaving without a Withdrawal Agreement in place, which appears now to be the most likely scenario.	The Local Economic Effects of Brexit, Dhingra et al (2017).

Risk	Description	Impact	Mitigating Actions	Timeframe
Loss of EU funding	BG currently benefits from EU funding as part of the 2014-20 funding programme, but existing projects receiving EU funds will only be guaranteed up to 2023 + any new projects developed after exit day will not be entitled	High	<ul style="list-style-type: none"> Map current levels of EU funding then consider alternative future funding streams for any new projects developed from 2021. 	Mar-21
Health and Social Care provision (impact on vulnerable people)	Economic sustainability of health and social care systems (market and staffing - EU nationals etc) and continuity of priority supplies including PPE, medicines, food, fuel, medical devices.	High	<ul style="list-style-type: none"> Work with health and social care community to ensure that they are prepared for no-deal and signpost them to relevant advice. 	Jan-21
Local Economy	Loss of income for businesses due to economic impact of Brexit (& coronavirus), plus any economic downturn could further reduce local people's spending power, placing additional pressures on households and local businesses.	High	<ul style="list-style-type: none"> Engage with businesses to determine their priority concerns, risks and opportunities and share best practice to help them prepare 	Jan-21
Council budget	Cost increases for essential goods and services that could impact negatively on current and future council services and budgets	High	<ul style="list-style-type: none"> Consider potential immediate impact on council budget as well as implications of leaving the EU during Welsh Gov 21/22 budget setting period. 	Mar-21

Food	Limited food supplies affecting schools, care settings and vulnerable/low income residents, as well as potential for new food supply sources that do not meet previous food safety standards	High	Food sub-group to consider issues	Mar-21
Supply chains	Increased border controls resulting in supply chain disruption to supplies like fuel, medicines, medical supplies, and other essential goods.	High	<ul style="list-style-type: none"> Assess the reliance of council, contractor, supplier and local businesses' supply chains on EU goods/materials 	Jan-21
Community Cohesion	Any rise in community tensions either due to food, fuel and medical supply shortages or as a result of any increases in hate crime towards EU and other non-UK BG residents	High	<ul style="list-style-type: none"> Continue to monitor community cohesion, including any possible future tensions arising towards EU residents or as a result of supply shortages. 	Mar-21
Demand on Council workforce	Increase in staff workload and lack of capacity for services responding to increased demand / regulatory changes as a result of the UK's exit from the EU	Moderate	<ul style="list-style-type: none"> Plan for expected impact on council staff in terms of any increase in workload / lack of capacity for services responding to increased demand or implementing regulatory changes. 	Jan-21
Data flows to / from EU	UK becomes a "third country" in the eyes of GDPR under no-deal scenario. Any suppliers handling/processing personal data based outside of the UK could choose to not return or send the info to the Council.	Low	<ul style="list-style-type: none"> Services to identify any suppliers based outside of UK handling/processing personal data from the council 	Jan-21
EU national residents	Ensuring approx. 1,000-1,500 EU national BG residents (particularly the most vulnerable and hard-to-reach groups) can secure Settled or Pre-Settled Status through the EU settlement scheme by June 2021	Low	<ul style="list-style-type: none"> Provide a link on BG council website to Home Office and WG guidance on EUSS and continued to communicate the scheme to raise awareness. Identify groups of more vulnerable EU residents who may need additional support in applying before the June 2021 deadline. 	Jun-21

Local EU workforce	Recruitment and retention issues for local businesses and contractors who carry out services commissioned by the council	Low	<ul style="list-style-type: none"> Engage with local businesses, contractors and agencies to establish their current reliance on EU national staff 	Jan-21
Council EU workforce	Recruitment or retention issues for council workforce due to reduction in numbers of EU citizens arriving to UK	Low	<ul style="list-style-type: none"> Regularly monitor numbers of EU national staff Provide advice on how to apply through EUSS via line managers and on intranet 	Jun-21

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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 December 2020**

Report Subject: **Corporate Communications Strategy Performance Monitoring**

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

Report Submitted by: **Anne-Louise Clark, Chief Officer Commercial**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
18.11.20	19.11.20	01.12.20			11.12.20	13.01.21		

1. Purpose of the Report

- 1.1 To consider the performance of the Communication Strategy, focus on the impact of the strategy during COVID19 Pandemic. The period covered will be from March to September 2020.

2. Scope and Background

- 2.1 The Corporate Communications Strategy was approved and accepted by Council in September 2020. Its main objective is to ensure that as a Commercial organisation the Council is seen as a trusted brand delivering quality services.
- 2.2 The overall objective of the strategy is to deliver excellent, innovative and cost effective two-way communications, building a positive reputation and increasing trust and confidence that the Council is delivering services that meet resident, businesses and visitor's needs.
- 2.3 There are 6 ambitions or themes which will drive the communications delivery
- Build and maintain a strong reputation;
 - Residents know how we are delivering council priorities.
 - Informed and engaged staff;
 - Ensure marketing campaigns are well planned, targeted and provide value for money;
 - Promote the use of digital communications channels and encourage self-service where appropriate;
 - Make sure residents are informed in advance of and at times of emergency.
- 2.4 The response to Covid-19 pandemic which started in March 2020 and continues has meant that the delivery of the strategy has almost entirely

focused on the objective to ensure that residents (staff and Members) are informed at times of emergency. This is an unprecedented challenge and the move to remote working meant that the importance of digital and social media became even more significant.

2.5 This dynamic and fast moving environment required an almost constant flow of information and content being produced by the Communications team for these channels. Our aim was to produce clear and effective communication, coordinated between all sectors.

2.6 Blaenau Gwent County Borough Council Corporate Communications was a key member of Gwent LRF Warning and Informing Group. This group is responsible for aligning communications and communicating key information to the residents of Gwent during the COVID-19 pandemic, ensuring a consistent approach between local partners, PHW and Welsh Government. The content was a mixture of partner material (Welsh Government, Public Health Wales, Health Board) and content created by the team using their creative skills.

2.7 The **aims** of the communication plan for the Covid-19 response are:

- To provide strategic direction for organisations involved in communicating a major incident or a situation where a multi-agency response is required;
- To ensure that the Gwent public, stakeholders, the media are informed in a timely manner about an outbreak and what they need to do to reduce transmission and to keep Wales safe;
- To ensure consistent use of terminology;
- To ensure that there is clear leadership and coordination of all communications activities, and that all communications activities are aligned with and supportive of each other – in line with the Gwent Warning and Informing plan and the All Wales Communicable Disease Outbreak Plan for Wales (Welsh Government, 2020a);
- To ensure that communications activity and messaging around an outbreak in Wales is carried out in line with the overall Welsh approach to dealing with the pandemic;
- To effectively communicate and share information with the communities and individuals directly affected to maintain confidence and compliance with guidance / expectations;
- To align with existing Keep Wales Safe Communications campaigns.

2.8 Lead Responders ensure the following **objectives** feature prominently in the Prevention and Response Communication Plan:

- Reassurance
- Raising awareness of any risks
- Provide proactive information on how to protect family and loved ones
- Advise on steps being taken to handle the situation
- Explain steps that will be taken to return to normality.

Appendix 1 highlights the volume of communications and some information on channel usage during the crisis.

3. **Options for Recommendation**

3.1 **Option 1:** That Corporate Overview Scrutiny Committee notes the performance of the Communication Strategy, particularly on the impact of the strategy during COVID19 Pandemic. The period covered will be from March to September 2020.

3.2 **Option 2:** That Corporate Overview Scrutiny Committee provides comments and challenges the performance of the Communication Strategy.

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

4.1 The Local Government (Wales) Measure 2009 (Section 15), places a duty on all Local Authorities in Wales to make arrangements to secure continuous improvement. As part of this, the Council is required to develop a Corporate Plan. The Well-being of Future Generations (Wales) Act 2015 also places individual duties on public bodies. The legislation is about improving the social, economic, environmental and cultural well-being of Wales and creating a Wales that we all want to live in, now and in the future. The Corporate Communications Strategy supports these objectives by delivering timely and informative communications to residents and staff.

5. **Implications Against Each Option**

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

There is no direct impact on budgets.

The majority of Council communications uses digital channels. Much of the material used in the first half of 2020 was created by partners like Welsh Government and Public Health Wales to manage the Covid-19 pandemic. Individual marketing campaigns are often externally funded by partners (eg WRAP).

5.2 ***Risk including Mitigating Actions***

The Corporate Communications team will work with colleagues and partners to ensure communications plans are delivered in a timely manner

5.3 ***Legal***

All internal and external communications activities will take account of any legal issues that may arise from publications and potential challenge.

Communication activities reflect the decision making of the Council and any exempt items will be treated in confidence. Communications relating to individuals will also protect their privacy rights.

5.4 **Human Resources**

There are no human resource implications.

6. **Supporting Evidence**

6.1 **Performance Information and Data**

- Accurate and balanced media coverage
- Increased specialist and national media coverage.
- Increasing number of visitors to the Council website.
- More social media followers.

6.2 **Expected outcome for the public**

The focus of the first half of 2020 has been on managing crisis communications and the response to Covid-19. The main objective has been regular and timely information for the public to keep them informed in a rapidly changing environment,

Communications regarding the delivery of essential public services, changes to service and introduction of brand new services has been a feature. Improving access to relevant information delivered in a timely manner utilising multiple channels.

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

Research will be carried out with residents on a regular basis to check the impact of our external communications activities. Internal communication will also be measured for impact through regular staff engagement activities.

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

The role of the Council in building the reputation of the area and shaping Blaenau Gwent the place is significant. The Communication Strategy articulates the approach the Council will take to ensure the longer term objectives of the Corporate Plan and The Well-being of Future Generations (Wales) Act 2015 and represented and the impact of the Council's work is promoted positively.

This remains our long term objective but the response to Covid-19 and its unprecedented challenges has meant short term focus on this.

6.5 **Preventative focus**

It is anticipated that effective and proactive communications will contribute to education and information campaigns designed to influence behaviour. Campaigns relating to littering, recycling and fly tipping and fostering are examples of this however across the life of the Communications Strategy there will be many other areas of behavioural change that will be significant.

This remains our long term objective but the response to Covid-19 and its unprecedented challenges has meant short term focus on this.

6.6 ***Collaboration / partnership working***

The Council works with other local authorities, partners and Welsh Government on a regular basis to deliver local, regional and national campaigns

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

Opportunities for promoting cross cutting service impact will be identified as part of the communication campaigns and particularly in relation to integrated marketing. Developing our reputation as a trusted brand will include demonstrating how our services collectively impact in positive ways for our households and businesses.

6.8 ***EqIA***

All communication activities will be screened to ensure there is no adverse impact on protected characteristics.

7. **Monitoring Arrangements**

7.1 The Communications Strategy will be monitored as part of the Directorate Performance Management arrangements and all activities will be monitored through Corporate Leadership Team and Executive Committee quarterly. Regular updates on impact will be discussed with the Executive Member.

Background Documents /Electronic Links

- Appendix 1 – Summary of Activity and Key Facts

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Facebook

3,500
POSTS



19,000

FACEBOOK
FOLLOWERS

2,000
INTERACTIONS

4.2
MILLION
REACH ON
FACEBOOK



Twitter

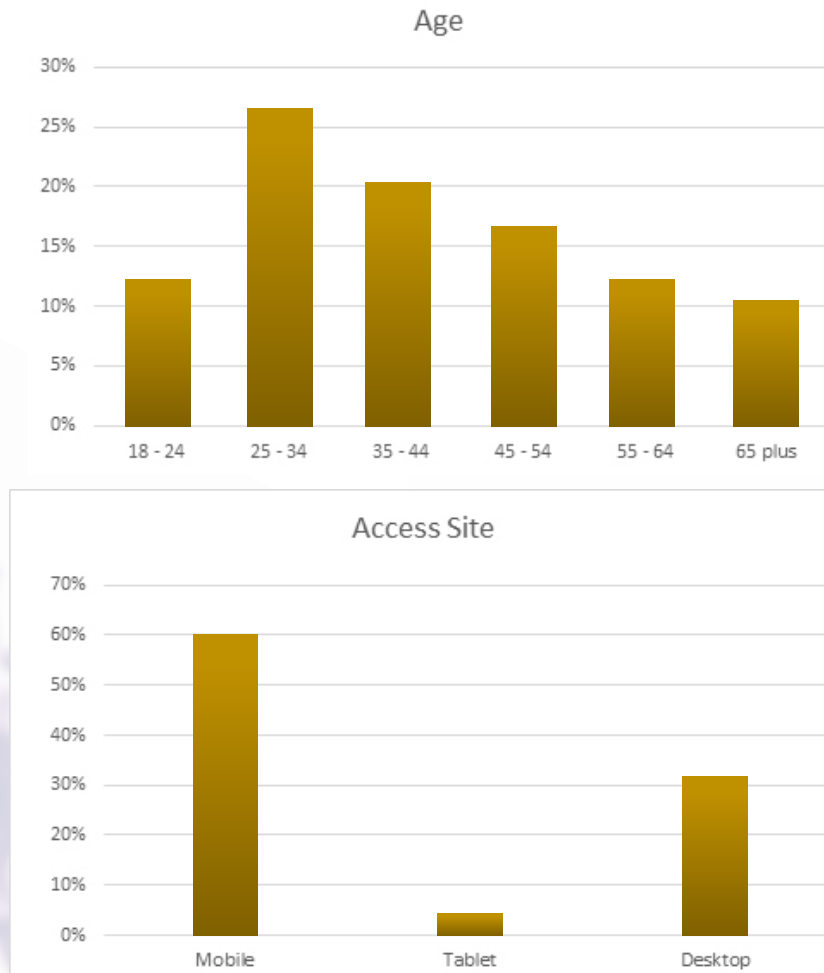
11,500

TWITTER
FOLLOWERS

17
MILLION
REACH ON
TWITTER



Website



176,000
VISITORS

1.5M
PAGE
VIEWS

VIEWING
5 **PAGES**
PER
VISIT

Top 5 most popular pages

HOME PAGE

MY SERVICES

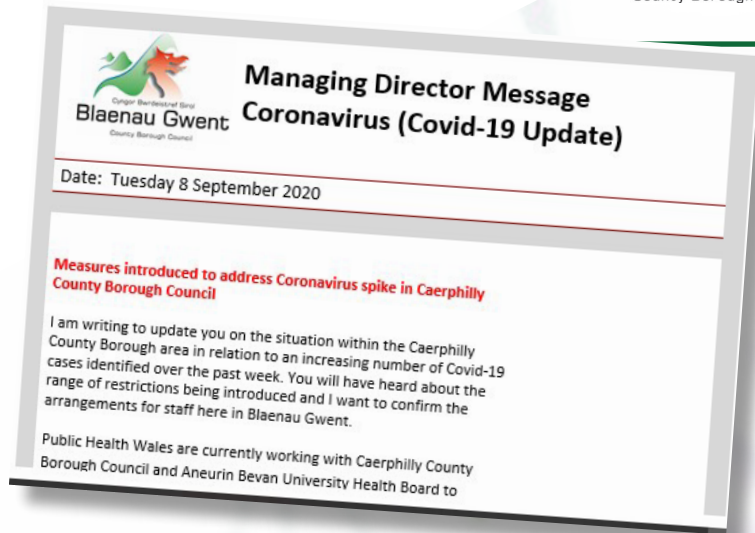
COVID-19 INFORMATION

HWRC

JOBS

Appendix 1 Internal Communications

MD Message



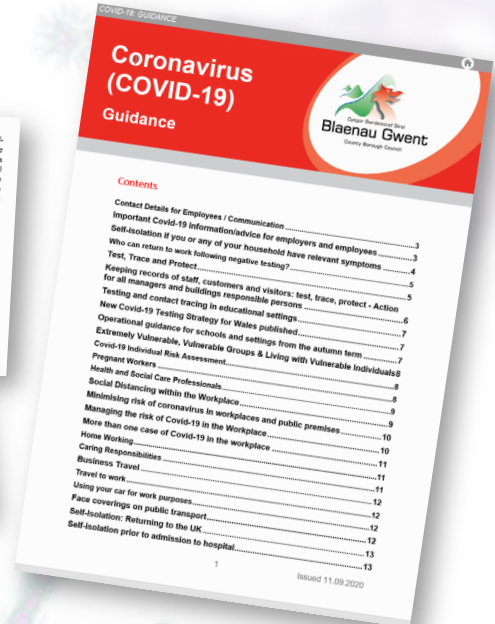
Weekly staff Guidance

Important Covid-19 information/advice for employers and employees

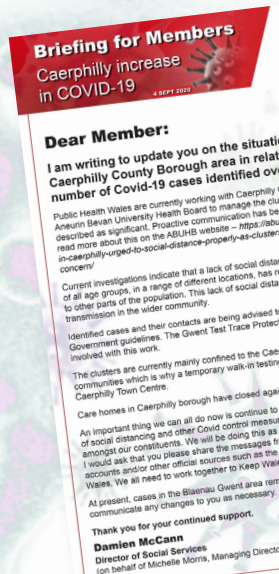
Important Covid-19 information and advice for employers and employees is now available on the [Healthy Working Wales website](#). The site brings together a raft of information from UK Government, Welsh Government, Public Health Wales and NHS Direct Wales to help signpost to the relevant guidance. It includes sector specific and general guidance.

Self-isolation requirements

- Self-isolation period for people with relevant symptoms - at least 10 days self-isolation from day of onset of symptoms (and as before, a test should be arranged within 5 days of symptoms starting). After 10 days, if you still have a temperature, you must continue to self-isolate and seek medical advice. We will require you to be a minimum of 48 hours fever free before returning to work. You do not need to continue to self-isolate after 10 days if you only have a cough or loss of smell or taste, as these symptoms can last for several weeks after the infection has gone.
- Household contacts of people with symptoms should self-isolate for 14 days - If a household contact develops symptoms during this period / or tests positive for Covid-19, then after 10 days of their symptoms starting, if they feel better and sense of smell or taste - they can return to their normal routine. As before, a test should be arranged within 5 days of symptoms starting. If their test result is negative, they must continue with isolation as part of the household for the full 14 days.
- Self-isolation period for people without symptoms but identified as positive by symptoms developing during this 10 day isolation period then they must restart the 10 day self-isolation period from the day of onset of symptoms.
- Close contacts of a confirmed case should self-isolate for 14 days - if a close contact of a confirmed case develops symptoms during the period then they test should be arranged within 5 days of symptoms starting.



Regular members team briefings



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Agenda Item 9

Executive Committee and Council only

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: **Corporate Overview Scrutiny Committee**

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

Report Subject: **Commercial Strategy Performance Monitoring**

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

Report Submitted by: **Anne-Louise Clark, Chief Officer Commercial**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
18.11.20	19.11.20	01.12.20			11.12.20	13.01.21		

1. Purpose of the Report

- 1.1 To consider the performance of the Commercial Strategy and focus on the impact of the strategy on the period from March to September 2020. This strategy is aligned to the Council's priority 'An ambitious and innovative council delivering the quality services we know matter to our communities' and it is designed to cover all services and be a document that all staff, suppliers and partners can see their role in delivering.

2. Scope and Background

- 2.1 The Commercial Strategy was approved and accepted by Council in September 2020. It brings together themes that will contribute to Blaenau Gwent County Borough Council being a commercially minded council. It covers the development of commercial activities and also highlights the conditions required for the Council to behave as a commercial organisation. This is within the context of maintaining the Council's core purpose to provide public services delivering social value.
- 2.2 The overall objective of the strategy is to deliver the following themes:
- A focus on the residents' experience of existing and new services;
 - An understanding of our investments including return on investment (benefits), profits and losses;
 - Developing our brand, trusted to deliver quality services;
 - Spend control;
 - Using data, technology and insights wisely;
 - Having an agile workforce aligned to opportunities
- 2.3 There are 5 ambitions that drive our commercial activities. These are delivered through the Commercial Services Team but clearly involve all services, suppliers and partners:

- Excellence in Commissioning and Procurement;
 - Creation of an investment Portfolio;
 - Managing commercial activities through profit and loss accounting;
 - Creation of a Commercial and Entrepreneurial Culture;
 - Excellence in Contract and Supplier Management.
- 2.4 The response to Covid-19 pandemic which started in March 2020 has and continues to have an impacted on the delivery of the strategy. During the period March to September, and building on the initial 'Bridging the Gap' Strategic Business Review of third party expenditure, the focus has been on:
- Excellence in Commissioning and Procurement;
 - Excellence in Contract and Supplier Management.
- 2.5 It is intended that in the early part of the financial year 2021/22, it will be possible to re-ignite our approach to:
- Managing commercial activities through profit and loss accounting
 - Creation of an Investment Portfolio
 - Creation of a Commercial and Entrepreneurial Culture
- 2.6 Key performance information and data used to assess the impact of the strategy includes:
- Delivery of the associated strategies and programmes;
 - Transparency and challenge for all third party expenditure;
 - Visibility of all commercial activities and publication of profit and loss accounts;
 - Business cases and business plans for all new commercial activities;
 - Leadership Development activities including entrepreneurial thinking; commissioning and negotiations skills plus contract management;
 - Programme of supplier relationship meetings and a clear timeline for contract re-negotiations
- 2.7 The ambitions are governed through a newly created Strategic Commissioning and Commercial Board. The work of this board has been significantly impacted by the pandemic. The terms of reference for the board are available at Appendix 1. The first meeting of the board took place on 4th December 2020. At the first meeting the board reviewed all the directorate procurement plans and agreed a check and challenge methodology to ensure all tender and retender arrangements are fit for purpose. This new board replaces the virtual Strategic Procurement Board. This board also has a role in reviewing the delivery of our Service Level Agreements to schools, monitoring the commercial viability of our traded services and in governing investment options using an investment framework. The Board has a delegated budget of £496k. This is to be awarded where purchasing manager or commissioners need to supplement

their budgets to meet additional inflationary uplifts where the allocated budget does not meet the uplift.

2.8 Excellence in Commissioning and Procurement/Excellence in Contract and Supplier Management

- 2.8.1 During the period March 2020 – September 2020 our focus has been on building on the initial work undertaken as part of the Bridging the Gap programme. There has been continued interrogation of all third party expenditure and in particular a forensic review of all ICT contracts.
- 2.8.2 This has resulted in a number of renegotiated contracts and more favourable contract terms and conditions being achieved. In addition, we have been able to establish more favourable terms in relation to any inflationary uplifts. All existing contracts were reviewed to establish those where an inflationary uplift was agreed. Provision was made to meet these obligations however where this was not part of the terms and conditions suppliers were challenged and we stopped automatically applying the inflationary uplift for the duration of the contracts. This provides greater transparency and more control on spend.
- 2.8.3 The Corporate Procurement Team now review all invoices received for any ICT expenditure to check that contracts are in place and challenge the need for systems.
- 2.8.4 Working with contract managers, the Corporate Procurement Team are now involved at a very early stage in any tender process. This means they can provide expert advice and also negotiate early payment arrangements. This had led to increased use of P-Cards and as a result a reduction in costs of approximately 1% of the overall charge.
- 2.8.5 A review of agency costs and the terms and conditions associated with our contracts identified some opportunities for rebates. This resulted in c£45k being returned to the organisation in overpayments.

2.9 Focus for the next quarter

- Review of all procurement plans and sequencing of check and challenge sessions;
- Review of all trading accounts for commercial activities and identification of any council subsidy for traded services;
- Review of application of inflationary uplift to newly awarded contracts;
- Strategic Commissioning and Commercial Board to meet in quarter 4 of 2020/21 financial year
- Commissioning of leadership development activities for roll out in 2021/22.

3. **Options for Recommendation**

- 3.1 **Option 1:** That Corporate Overview Scrutiny Committee notes the performance of the Commercial Strategy during the period March 2020 – September 2020.
- 3.2 **Option 2:** That Corporate Overview Scrutiny Committee provides comments and challenges the performance of the Commercial Strategy

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

- 4.1 The Local Government (Wales) Measure 2009 (Section 15), places a duty on all Local Authorities in Wales to make arrangements to secure continuous improvement. As part of this, the Council is required to develop a Corporate Plan. The Well-being of Future Generations (Wales) Act 2015 also places individual duties on public bodies. The legislation is about improving the social, economic, environmental and cultural well-being of Wales and creating a Wales that we all want to live in, now and in the future.
- 4.2 The Commercial Strategy supports these objectives and the Corporate Plan priority 'An ambitious and innovative council delivering the quality services we know matter to our communities'. It is a critical organisational strategy for the future sustainability of the organisation. It is designed to secure the best use of our resources and to create ways of working that are fit for the 21st Century.

5. **Implications Against Each Option**

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

There is no direct impact on budgets.

It is intended that this strategy complements and supports the Medium Term Financial Strategy and key aspects of its delivery are included in the Bridging the Gap Programme.

5.2 ***Risk including Mitigating Actions***

The features of the Commercial Strategy are to be built into the performance management framework so that they are embedded into Directorate Plans and individual objectives. The risks associated with underperformance against the strategy will be mitigated through a whole Council adoption of the ways of working.

5.3 ***Legal***

Changes in service delivery that might emerge through the deployment of the strategy will be reviewed from a legal perspective. Where alternative delivery models are explored due diligence will be undertaken before any

decisions are made. This will include legal and financial reviews of any business cases.

5.4 ***Human Resources***

Where changes in service delivery or role are identified normal human resources processes and policies will be applied including consultation with the Trade Unions.

6. **Supporting Evidence**

6.1 ***Performance Information and Data***

Key performance information and data will include:

- Delivery of the associated strategies and programmes;
- Transparency and challenge for all third party expenditure;
- Visibility of all commercial activities and publication of profit and loss accounts;
- Business cases and business plans for all new commercial activities;
- Leadership Development activities including entrepreneurial thinking; commissioning and negotiations skills plus contract management;
- Programme of supplier relationship meetings and a clear timeline for contract re-negotiations

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

Through the delivery of the strategy the Council will become more effective in the deployment of its resources to ensure value for money is achieved and investments are made in activities that deliver the best outcomes for the public. This strategy will also contribute to the financial resilience and sustainability of the organisation therefore protecting front line services.

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

User research will be a key part of the commissioning cycle to ensure service specifications take account of the needs of service users. Any changes to service delivery models will be consulted on in the usual way.

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

This strategy is at the heart of the medium and long term planning for Blaenau Gwent and recognises not only where the Council needs to seek new income streams but also where it needs to review how it deploys its current expenditure.

This remains our long term objective but the response to Covid-19 and its unprecedented challenges has meant short term focus on this.

6.5 ***Preventative focus***

This strategy is designed to support the needs of the Council now and in the future. It is designed to build financial resilience and to prevent the need to seek service cuts.

This remains our long term objective but the response to Covid-19 and its unprecedented challenges has meant short term focus on this.

6.6 *Collaboration / partnership working*

There are opportunities through this strategy to consider commercially advantageous ways of working across local authorities and the Public Service Board. This strategy seeks to identify commercial opportunities to work with suppliers across public sector organisations and to spend the Blaenau Gwent pound wisely.

6.7 *Integration (across service areas)*

This strategy takes a whole council approach and promotes transparency across the organisation, learning from each other, building best practice outside of directorate silos and sharing skills. Through the supplier relationship element of the strategy benefits will be seen across services.

6.8 *EqIA*

All service changes arising for this strategy will be screen to ensure there is no adverse impact on any protected characteristics.

7. *Monitoring Arrangements*

7.1 The Commercial Strategy will be monitored through the Performance Management Framework at directorate level and all activities will be monitored through Corporate Leadership Team and Executive Committee quarterly. Regular updates on impact will be discussed with the Executive Member. Reports will be presented to Council having previously been through Corporate Overview Scrutiny on a quarterly basis.

Background Documents /Electronic Links

- Appendix 1 – Terms of Reference for the Strategic Commissioning and Commercial Board

Strategic Commissioning and Commercial Board

Terms of Reference

1. Background

As a key element of the Blaenau Gwent County Borough Council Commercial Strategy, the Strategic Commissioning and Commercial Board (SCCB), will provide strategic guidance to the Commissioning and Procurement community and assess major commercial and procurement projects that are on-going within the Council. The goal of the SCCB is to ensure shared ownership for the realisation of desired outcomes and efficiencies across the Council and to ensure that commercial activities become an enabling function and that fully supports Council priorities.

2. Purpose

The SCCB is an Officer Board which will:

- provide oversight and scrutiny of the Council's commercial activities, primarily commissioning, procurement, investments and trading;
- review and approve commercial activities at key stages of the commissioning and procurement lifecycle;
 - o Assess the intended outcomes and benefits of critical commissioning and procurement activities and their link to corporate priorities;
 - o Review procurement activity or contracts not performing against agreed standards;
 - o Ensure appropriate Contract Management resources are allocated;
 - o Review the performance of key commissioned and procured services to aid future scoping;
 - o Ensure adherence to constitutional requirements for all commercial activities;
- ensure alignment with corporate priorities, corporate objectives and ensure value for money;
- provide commercial expertise offering advice and support;
- inform best practice in the Council's commercial activities and ensure continuous development;

3. Objectives

The SCCB will focus on the strategic direction of the Council's commercial activities including the commissioning and procurement of the organisation's 3rd party spend,

4. Board Membership and Structure

- The SCCB is Chaired by the Managing Director;

- Membership includes Directors and/or nominated deputies for each Directorate and Chief Officer Service plus representatives from Procurement, Commercial Services and Finance officers and where agenda items require, Legal and OD representation;
- Board members are required to attend meetings regularly for continuity and consistency but may nominate deputies to attend by exception. Decisions will be taken by attendees of the meeting without referral to absentees wherever possible.

5. Authority

The Group's authority comes from the Corporate Leadership Team and the Executive as part of the Council's Commercial Strategy. The chair of the Group will report to Corporate Leadership Team after each meeting, normally by tabling minutes from the Group at the following meeting of the Corporate Leadership Team. Corporate Leadership Team may ask the SCCB to include specific reviews to seek assurances on value of money and delivery of intended outcomes. The work of this group will be reported through Corporate Overview Scrutiny on a quarterly basis and on an annual basis on the Commercial Strategy Council as part of the regular reporting on the Commercial Strategy.

6. Budget

The Group has a delegate budget of £496k. This is to be awarded where purchasing manager or commissioners need to supplement their budgets to meet additional inflationary uplifts where the allocated budget does not meet the uplift.

7. Quorum

The Group will be quorate with the Chair, representation for each directorate (Environment and Regeneration, Education, Social Services, Commercial Services and Resources), and representatives from the organisation's Commercial and Procurement team.

8. The Role of the Secretariat (Blaenau Gwent County Borough Council Commercial and Procurement Service)

- The Secretariat is responsible for:
 - a. Development of the Forward Plan;
 - b. Ensuring that the Corporate Contracts Register is completed and maintained;
 - c. Initial assessment and acceptance or rejection of all submissions from the commercial lead;
 - d. Selection and submission of items for the Board agenda (in consultation with the Chair);
 - e. Providing commercial advice and guidance for papers/commercial issues which do not get included on the Board Agenda;
 - f. Reviewing and providing quality assurance for waiver requests prior to submission to Commercial and Procurement Services;
 - g. Providing feedback to the commercial lead on outcomes and issues discussed by the Board;
 - h. Dissemination of information and guidance to officers involved in commercial activities;

- i. Supporting the standardisation and continuous improvement of Council's commercial approaches;

9. Submission Process

- a) All pre-contract activity (such as early thoughts or initial plans for commercial activities and sourcing strategies), contract award recommendations and all variations to contracts subject to the criteria outlined within the Council's Contract Procedure Rules (CPRs) must be submitted to the Board for review and approval to proceed. A checklist and template for presenting information will be provided to all commercial leads in advance.
- b) The commercial lead must submit a report to the Board Secretariat in advance of the meeting (for early thought or initial plans this must be done in the quarter before the intended start date for the procurement process. Other timings will be dictated by the forward plan allowing sufficient time for due diligence and challenge).
- c) The Board Chair and Secretariat will review the Contracts Register and Forward Plan at or before each meeting and may also request progress reports or information on any of the commercial activities identified.

10. Frequency of meetings

The Group will meet quarterly in February, May, September and November. Special meetings may be called if required.

11. Evaluation

The Group's effectiveness and terms of reference will be reviewed annually by Corporate Leadership Team and the Group, including a review of membership and relevant skills. Changes to the terms of reference must be agreed by Corporate Leadership Team. The Group will review its handling of any significant project it manages within three months of the end of the project and will report back to Corporate Leadership Team on any lessons learned.

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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**

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

Report Subject: **Sickness Absence Performance**

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

Report Submitted by: **Andrea J Prosser
Head of Organisational Development**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
30.09.20	01.10.20				11.12.20	Info – 13.01.21		

1. Purpose of the Report

- 1.1 The purpose of this report is to provide Elected Members the opportunity to scrutinise and challenge the sickness absence performance for 2019/20, the continued actions to support improvement in attendance and recognise the positive attendance of the majority of the workforce.

2. Scope and Background

- 2.1 Staff attendance is critical in delivering services and the Council's priorities and is a key performance indicator reflected in the quarterly Finance and Performance report. Whilst sickness levels remain high, it is important to note that the majority of employees have little or no sickness absence and attend work regularly.

- 2.2 Improving attendance does remain a key priority and is identified as a key risk for the Council as it is acknowledged that high levels of sickness absence will have a detrimental impact on the ability of the Council to deliver services effectively. Therefore, the need to reduce the impact and cost of sickness absence has been identified as a corporate priority.

2.3 Performance Information 2019/20

- 2.3.1 The overall year end outturn figure for the Council of 13.91 days per full time equivalent (FTE) employee (13.48 days excluding Covid 19 sickness) sees an increase from the previous year's outturn of 12.66 days and exceeds the target set of 11 days.
- 2.3.2 The total days lost represents a loss in productivity equating to 135 extra employees being available to work for the full year. The calculation applied is based on 220 working days per year per FTE employee.

- 2.3.3 Over the last five years the Council has had sustained absence levels with three of the last five years exceeding 12 days sickness absence per FTE employee and the outturn for 2019/20 exceeding the previous four years. Appendix 1 sets out the trend over the current and previous years.
- 2.3.4 The absence pattern is further illustrated at Appendix 2 (Table 1 and 2) which details the rank order of days lost and the highest three months of absence and the lowest month of absence within the reporting period.
- 2.3.5 It is recognised that typically when comparing different organisations that absence is normally more heavily weighted towards short term with a 70/30 split between short and long term. 69.19% of all absences in the Council are more than 4 weeks and are classed as long term. The Council is almost meeting its total FTE days lost target in long term absence alone. Table 3 at Appendix 2 details the breakdown of short and long term absence by directorate.
- 2.3.6 In managing long term absence, the Health and Safety Executive (HSE) report *that 'if you have been off work for six months you have an 80 per cent chance of being off for five years'*. Effective management to facilitate a return to work sooner or to expedite a termination where a fair process has been followed and a return to work is not foreseeable significantly impacts in reducing sickness absence.
- 2.3.7 In line with the Attendance Management Policy where an employee's absence exceeds the absence triggers identified in the policy an Absence Review Meeting is held. These reviews are an essential way of managing sickness absence, maintaining contact and reinforcing the level of expectation in relation to attendance at work. Table 4 at Appendix 2 details the number of formal warnings, dismissals and ill health retirements during 2019/ 20 and the previous two years.
- 2.3.8 The Office of National Statistics (ONS) latest published data quantifies that more than a quarter (27.2%) of all days lost through sickness absence in the UK were attributed to minor illness such as coughs and colds This was followed by musculoskeletal problems at 19.7%. After "other" conditions, mental health conditions were the next most common reason, accounting for 12.4%.
- There are more individual classifications (789) of gastro-intestinal absences which includes vomiting and diarrhea than any other form of absence but the main cause of **total days lost** in the authority is related to mental health (stress personal, stress at work, anxiety and depression). Stress at work accounts for 27% of the total days lost to Psychiatric / Mental Health.
- 2.3.9 The table at Appendix 3 sets out the sickness absence categories for 2019/20. The table is ranked by calendar days lost during the period and includes absences that commenced prior to the reporting year that remained open during the year. The table also provides the detail breakdown of the number of absences and employees against each sickness absence category.

2.4 External Benchmarking

- 2.4.1 The publication of the all Wales comparative data for 2019/20 has been delayed and is not yet available. Set out in Appendix 4 is the comparative data for the previous two years. In 2018/19 the Council reported the highest days lost of all reporting councils moving from the fourth highest reporting in 2017/18.
- 2.4.2 Blaenau Gwent reported lower quartile results for two consecutive years’.
- 2.4.3 The best performing Local Authority reported 8.3 days with a year on year reduction and was only one of two authorities to deliver a result that was less than 9 days.

2.5 Historical Measures to Improve Attendance

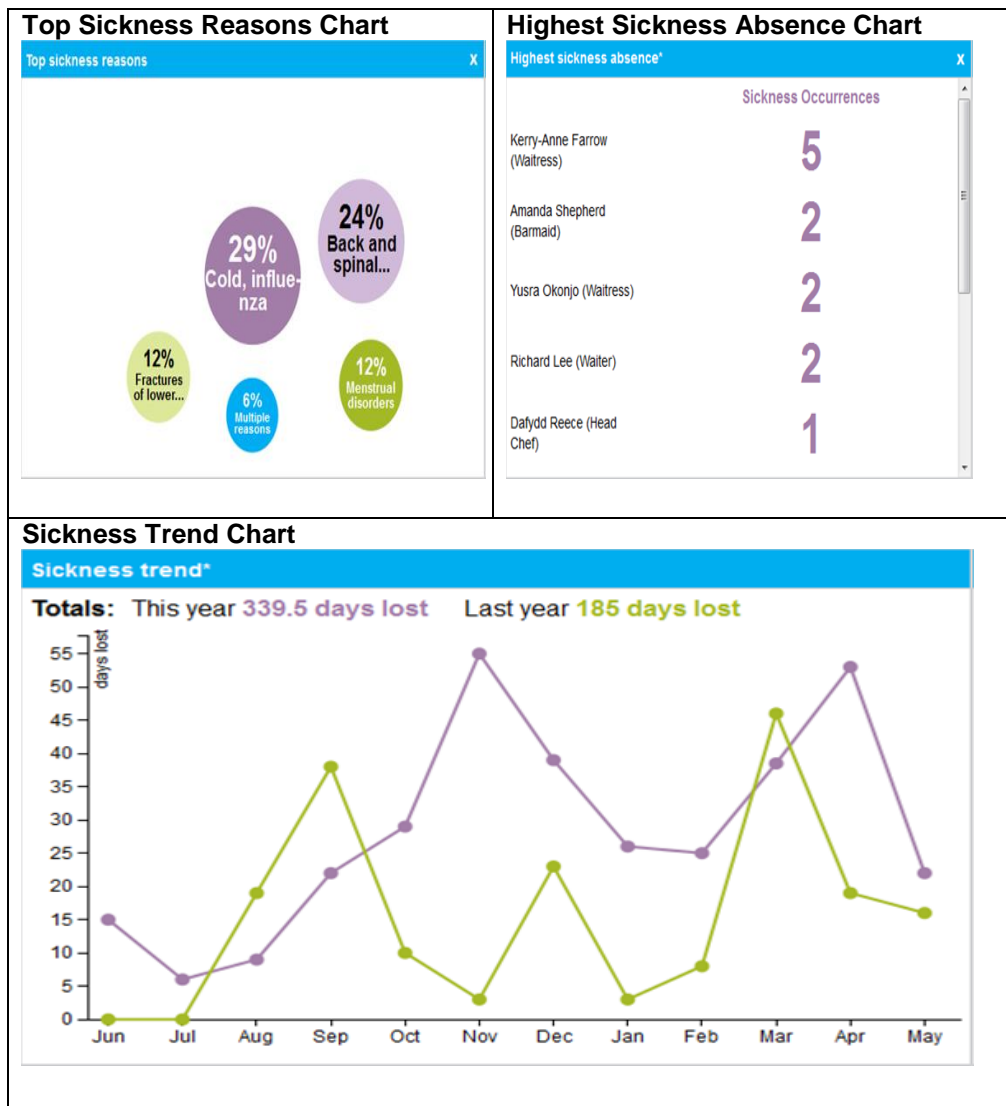
- 2.5.1 The Council has, over many years, introduced a range of initiatives to assist in the effective management of attendance. Detailed below, are some of the key aspects of the Council’s improvement programme:
- An Attendance Management Policy that defines the expectations for attendance and sets out guidance on the management of sickness absence.
 - Training/briefing sessions for front line managers on the management of attendance.
 - A policy and practical toolkit for managers in managing stress related issues with an immediate referral to the Occupational Health Service for stress related absences.
 - A fundamental review of the management of sickness absence by an Elected Member Task and Finish Working Group.
 - An extensive range of flexible working arrangements which are more than comparable to other Local Authorities in Wales.
 - A guide signposting managers and employees to sources of practical advice to improve support for staff experiencing stress or dealing with mental health issues.
 - Regular discussion and learning nationally and regionally.
 - A review of the top 20 trigger cases for both the Council and Schools.
 - The Corporate Leadership Team reviewing sickness absence data for 2018/19 and setting out key managerial actions:
 - Target setting per service and seasonally
 - Hold focussed sessions quarterly to review sickness absence – on agenda for team meetings.
 - Hold managers to account for managing sickness – end to end.
 - Objective for managers as part of annual performance coaching and regular 121s.
 - Ensure managers are using ITrent effectively and timely.
 - Application of the Managing Attendance Policy ‘to the letter’
 - Managers recognising good attendance.
 - Push ownership to the individual.

2.6 Ongoing Measures to support improvements in attendance

2.6.1 HR/Payroll System (iTrent)

Managerial self-service is an enabler in managing sickness absence, the manager can record and view sickness absence directly in iTrent. Further enhancements have been rolled out to managers including:

- Availability of absence management information reports for Managers to extract data from within iTrent.
- Scheduled reports published to Managers on the 1st of each Month, if a Manager has had sickness in their team.
- Removal of manual reporting of sickness statistics which are now extracted from the data inputted by managers into iTrent.
- Introduction of a Manager Dashboard for sickness absence which provides quick and easy-to-view absence data for a service as set out below:



2.6.2 Continued Actions for Managers

- Target setting per service and seasonally
- Hold focussed sessions quarterly to review sickness absence – on agenda for team meetings.
- Hold managers to account for managing sickness – end to end.
- Objective for managers as part of annual performance coaching and regular 121s.
- Ensure managers are using ITrent effectively and timely.
- Application of the Managing Attendance Policy ‘to the letter’
- Managers recognising good attendance.
- Push ownership to the individual

2.6.3 Performance information

Quarterly sickness absence outturn figures are provided to senior management and reported into Corporate Overview Scrutiny Committee as part of the performance management framework and an annual performance report is presented to Corporate Overview Scrutiny Committee by the Organisational Development Service.

Corporate Overview Scrutiny Committee agreed that each Directorate is to report sickness data into their respective Scrutiny Committee as part of the forward work programme. The first two quarters of 2019/20 were reported to the relevant Scrutiny Committees and Executive during the earlier part of this year prior to the lockdown.

Workforce profiles providing service workforce data and management information to help managers to plan and lead service performance and improvement are issued to directorates and all Schools. The Corporate Leadership Team considers a corporate workforce profile for the Council and Schools.

To support the analysis and action planning for sickness, the Organisational Development Service also attends Directorate Management Teams and there are annual focussed sessions held within schools with each Headteacher.

2.6.4 Performance Targets

Sickness absence targets were set by the Corporate Leadership Team for a three year period – 11 days for 2019/20, 10.5 days for 2020/21 and 10 days for 2021/22. These targets are set based on an analysis of previous performance and recognising the need for the targets to be realistic but also challenging.

In addition Service Managers have been requested to set targets for their respective service areas for 2020/21.

2.6.5 **Attendance Management Policy**

The Policy remains a key aspect of the Authority's commitment to improving performance and the policy sets out a modern, strategic approach to the management of attendance. Following the most recent review the Task and Finish Group confirmed that the policy framework remained fit for purpose, albeit there was some scope to simplify and make better use of managerial guidance. This work has commenced and is running alongside developments within iTrent where manual processes can be automated.

2.6.6 **Training**

In addition to the development of managerial guidance, a reviewed line management training session has been developed utilising case studies. The Corporate Leadership Team has approved that this training becomes mandatory for all managers as part of a Leadership Development Programme.

The Council working in partnership with the Trade Unions and other partners is developing a proactive approach to raising awareness in relation to mental health in the workplace. Training for a number of managers and staff has initially been rolled out which will equip them with the skills to support in managing mental health issues and staff will benefit from increased awareness of how they can support employees with mental health.

In addition to the above training there is a plan to introduce Mental Health Champions. These Champions are employees in the workplace who offer assistance and signposting for colleagues who are or may be experiencing mental health issues. The expectations are that they are volunteers who are trained to identify, assist and direct colleagues to further support if and when required.

2.6.7 **Wellbeing**

Employee wellbeing is intrinsically linked to levels of attendance. Wellbeing is more than an avoidance of becoming physically sick. It represents a broader concept that includes physical, mental and social health.

The Organisation Development Strategy which is under review will include a strategic focus on wellbeing. An externally facilitated workshop on developing a 'Healthy Organisation' was held in August 2019 with senior management representation from each directorate and there were plans to run a Healthy Organisation Workshop for CLT in July 2020 – this has been postponed as a result of the response to the Covid-19 emergency.

An Employee Assistance Programme (EAP) for employees has been reintroduced which provides a range of services including counselling, advice and information, ranging from practical and emotional issues such as wellbeing, family matters, relationships and debt management. The service is available 24 hours a day, 7 days a week, 365 days a year and is accessible by phone or online.

In addition, a number of workshops and drop-in sessions were held as part of Wellbeing in Work month in March of this year. The aim of which was to increase awareness of mental health and other wellbeing issues and to

signpost the support and resources available to help employees deal with such issues. The drop-in sessions involved advice and support from organisations such as the National Exercise Referral Service, The Library Service, Aneurin Bevan UHB Wellbeing Service, Weightwatchers, etc. There were also workshops and activities on the following topics; Influencing Skills, Unconscious Bias, Nutrition, Mindfulness, Digital Communities, Personality Dynamics, Confidence Building. Some sessions had to be cancelled due to the lockdown.

Other initiatives implemented to support employee wellbeing include:

- A retendered Occupational Health Service – working in partnership with the Council to support attendance management and wellbeing.
- A weekly wellbeing bulletin introduced and issued to all staff.
- Signposting and encouragement of employees to self-access the flu immunisation

2.6.8 **Flexible working and special leave**

The Council continues to offers an extensive range of flexible working and special leave provisions which compare favourably with other Local Authorities. These policies provide a range of support for employees which could support a reduction in sickness absence. Managers play a key role in promoting these policies to employees.

3. **Options for Recommendation**

CLT in consideration of the performance information and the proportion of sickness absence that is attributed to long term absences will undertake, through Directorate Management Teams, a review of the Top 20 long term absence cases to understand what this is telling us and what are the barriers/challenges in dealing with these cases. This exercise will also take account of the data available for 2020/21 to understand the impact of the Covid-19 emergency. The first quarter outturn figure of 2.49 days (2.21 days excluding Covid-19 related absence) has demonstrated an overall reduction in the level of sickness absence from 3.05 days during the same period in 2019/20.

3.1 **Option 1**

That the Scrutiny Committee having scrutinised the sickness absence performance information and the ongoing actions to support improved attendance within the Council identify any further areas for improvement in order to drive forward performance improvement.

3.2 **Option 2**

That the Scrutiny Committee endorse the report and the ongoing actions to support improvement in attendance.

4. **Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**
 - 4.1 **Impact on Budget** (short and long term impact)

There are direct and indirect costs of sickness absence which are a key driver in the Council's approach to effectively improve attendance at work.
 - 4.2 **Risk including Mitigating Actions**

The underperformance in relation to the high levels of sickness absence does present a significant risk in terms of the impact on front line service delivery and continuity through lost time and staffing changes. In addition, the financial implications associated with sickness absence directly impact on the Council's budget. Mitigating actions are detailed within the report.
 - 4.3 **Legal**

There are no legal implications arising from this report.
 - 4.4 **Human Resources**

The staffing implications are detailed within the content of the report.
5. **Supporting Evidence**
 - 5.1 **Performance Information and Data**

The detailed performance evidence is detailed in the body of the report as well as the actions taken to address the level of underperformance.
 - 5.2 **Expected outcome for the public**

Information included within the report will provide opportunity for the public to scrutinise the Council's performance and provide accountability across the Council.
 - 5.3 **Involvement** (consultation, engagement, participation)

Trade Union Comments

The Trade Unions believe it is everyone's interest to reduce sickness absence levels to an acceptable level and will continue to work positively with the Council to achieve this. High sickness levels have a significant impact on staff who have to undertake a greater compressed workload for absentees resulting in those helpful staff reporting sick themselves with stress and anxiety.

In previous scrutiny meetings The Trade Unions have stated there needs to be a consistency in approach by managers in addressing absenteeism in staff's one to one meetings. The Trade Unions call upon the Council to ensure that the current sickness and absenteeism policies and procedures are being followed by all managers, and to address the small percentage of sickness absenteeism.
 - 5.4 **Thinking for the Long term** (forward planning)

Options detailed in this report contribute directly to enabling the workforce for the future.

- 5.5 **Preventative focus**
The review of the Organisational Development Strategy will focus on prevention.
- 5.6 **Collaboration / partnership working**
There are regular discussions with the national Human Resources Directors Network and regionally in terms of good practice or emerging practice in reducing sickness absence.
- 5.7 **Integration** (across service areas)
NA
- 5.8 **EQIA**
The review of sickness absence performance was carried out and included all employees of the Council.
- 6. Monitoring Arrangements**
- 6.1 Sickness absence statistics are reported to the Corporate Leadership Team (CLT) and Scrutiny Committee on a quarterly basis and an annual performance report is presented to Corporate Overview Scrutiny Committee. Biannual workforce profiles are discussed with Managers and Headteachers.
- 7. Background Documents /Electronic Links**
Appendices 1 – 4

Council – Sickness Days Lost Per Full Time Equivalent Employee

Council - Days Lost per FTE				
2015/16	2016/17	2017/18	2018/19	2019/20
11.39	12.49	11.23	12.66	13.91

Directorate - Days Lost per FTE						
Directorate (Historical)	2015/16	2016/17	2017/18	Directorate	2018/19	2019/20
Resources	4.83	5.46	7.38	Corporate Services	8.29	8.81 ↑
Corporate Services & Strategy	7.07	11.08	6.65			
Education	14.94	8.19	6.11	Education	6.94	8.07 ↑
Education School based (Teachers)	13.65	11.82	9.07	Education School based (Teachers)	12.20	11.57 ↓
Education School based (excluding Teachers)	11.29	9.77	9.71	Education School based (excluding Teachers)	10.64	13.98 ↑
Environment	10.35	18.67	19.19	Regeneration and Community Services	11.21	16.15 ↑
Social Services	12.59	14.45	13.60	Social Services	18.19	17.81 ↓

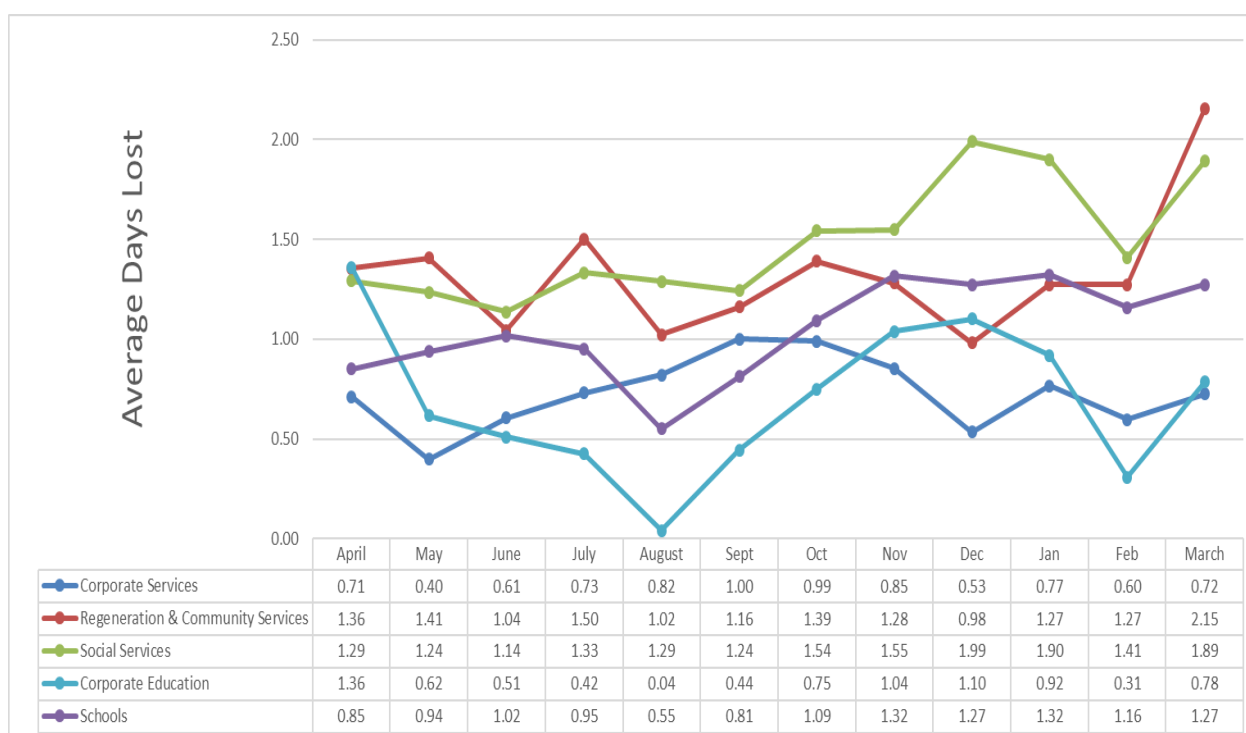


Table 1 - Rank order of FTE days lost per month

Rank	Month	Total FTE days lost	% of total days lost
12th	March	3210.40	10.84%
11th	January	2923.16	9.87%
10th	November	2783.18	9.40%
9th	December	2730.16	9.22%
8th	October	2655.28	8.97%
7th	February	2465.45	8.32%
6th	July	2372.94	8.01%
5th	April	2239.15	7.56%
4th	May	2186.82	7.38%
3rd	September	2147.33	7.25%
2nd	June	2104.10	7.10%
1st	August	1798.35	6.07%

Table 2 – Rank order by Directorate

Directorate	Bottom 3 months (i.e. highest absence)			Best month (lowest)
	12th	11th	10th	1st
Corporate Services	September	October	November	May
Regeneration & Community Services	March	July	October	December
Social Services	December	January	March	June
Education	April	December	November	August
Schools	January	November	December	August

Table 3 - Short and long term sickness absence by Directorate.

Directorate	Short Term %	Long Term %
Corporate Services	37.97	62.03
Regeneration & Community Services	29.75	70.25
Social Services	26.74	73.26
Education	45.05	54.95
Schools	32.51	67.49
BGCBC	30.81	69.19

Table 4 - Number of formal warnings, dismissals and ill health retirements

	2017/18	2018/19	2019/20
Number of formal warnings issued	11	28	22
Dismissals	17	12	6
Number of ill health retirements	7	9	8

Sickness Absence Reasons

Rank	Category	Calendar Days	Number of Absences	Number of Employees
1	Psychiatric / Mental Health	22792	444	371
2	Musculo-skeletal & Injuries	15232	392	348
3	Cancer, malignancy	3387	48	45
4	Gastro-intestinal	3300	789	658
5	Cardiovascular	3283	48	40
6	Gynaecological, obstetric, pregnancy related	3159	138	114
7	Respiratory	1967	156	129
8	Infectious diseases	1933	387	343
9	Neurological	1573	164	145
10	COVID19	1455	166	155
11	Ear Nose and Throat	1212	160	141
12	Dermatological	880	36	29
13	Haematological	616	5	5
14	Genito-urinary	608	52	49
15	Debility	418	27	22
16	Ophthalmological	337	33	29
17	Endocrine / Metabolic	244	7	6
18	Dental	67	23	23

All Wales Comparative Data

Local Authority	FY 2018-19	FY 2017-18	Movement Year on Year
Blaenau Gwent	12.7	11.2	1.5 ↑
Bridgend	11.9	10.8	1.1 ↑
Wrexham	11.5	10.9	0.6 ↑
Cardiff	11.5	11.3	0.2 ↓
Monmouthshire	11.5	10.9	0.6 ↑
Caerphilly	11.3	12.3	1.0 ↑
Torfaen	11.2	11.1	0.1 ↓
Swansea	11	10.8	0.2 ↓
Ceredigion	10.9	13.6	2.7 ↓
Flintshire	10.5	8.9	1.6 ↑
Isle of Anglesey	10.3	10	0.3 ↑
Conwy	10.1	9.7	0.4 ↑
Newport	10.1	10.1	→
Carmarthenshire	9.8	10.1	0.3 ↓
Neath Port Talbot	9.8	9.5	0.3 ↑
Gwynedd	9.5	8.7	0.8 ↑
Pembrokeshire	9.3	10.2	0.9 ↓
Powys	9.1	9.7	0.6 ↓
The Vale of Glamorgan	9.1	10.1	1.0 ↓
Merthyr Tydfil	8.7	7.8	0.9 ↑
Denbighshire	8.3	8.4	0.1 ↓

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Cyngor Bwrdeistref Sirol

Blaenau Gwent

County Borough Council

MEDIUM TERM FINANCIAL STRATEGY

2021/2022 to 2025/2026

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1. **Introduction**

- 1.1 The Medium Term Financial Strategy (MTFS), the Council's key financial planning document, is an integral part of the Council's Corporate Business Planning arrangements. The Strategy covers a 5 year period and is updated, reviewed and approved annually by Council. The Strategy will change over time as new opportunities, or policy decisions affect the financial position of the Council.
- 1.2 The MTFS includes a forward look over the next five years to assess the spending requirements the Council is likely to face to deliver its priorities and the level of cuts i.e. reducing or stopping services that will need to be made to ensure the Council can set a balanced budget each year. It provides guidance for officers and Members on the short, medium and longer term financial challenges and enables advance financial planning to be carried out, assisting the Council to understand and meet future demands. Planning now to meet known or anticipated changes in the future provides greater opportunity to phase in the impact of the changes.
- 1.3 The Strategy sets out how the Council will finance its priorities, having regard for the Corporate Plan.

2. **Corporate Plan**

- 2.1 The Council's response to the Covid-19 pandemic has provided the Council an opportunity to build on the positive work of the past few months to strengthen and modernise the Council, adopting new working practices and challenging how things were done before, in order to map out an ambitious future, create a stronger organisation and to sustain the strong relationships forged with communities and partners.
- 2.2 This has led to the Corporate Plan being refreshed and enhancing our One Council approach. The Council approved the Corporate Plan 2020-2022 in July 2020 and this sets out the Council's Vision, Values and Outcomes and these are:

Our Core Vision:

Proud Heritage

Strong Communities

Brighter Future

Our Core Values:



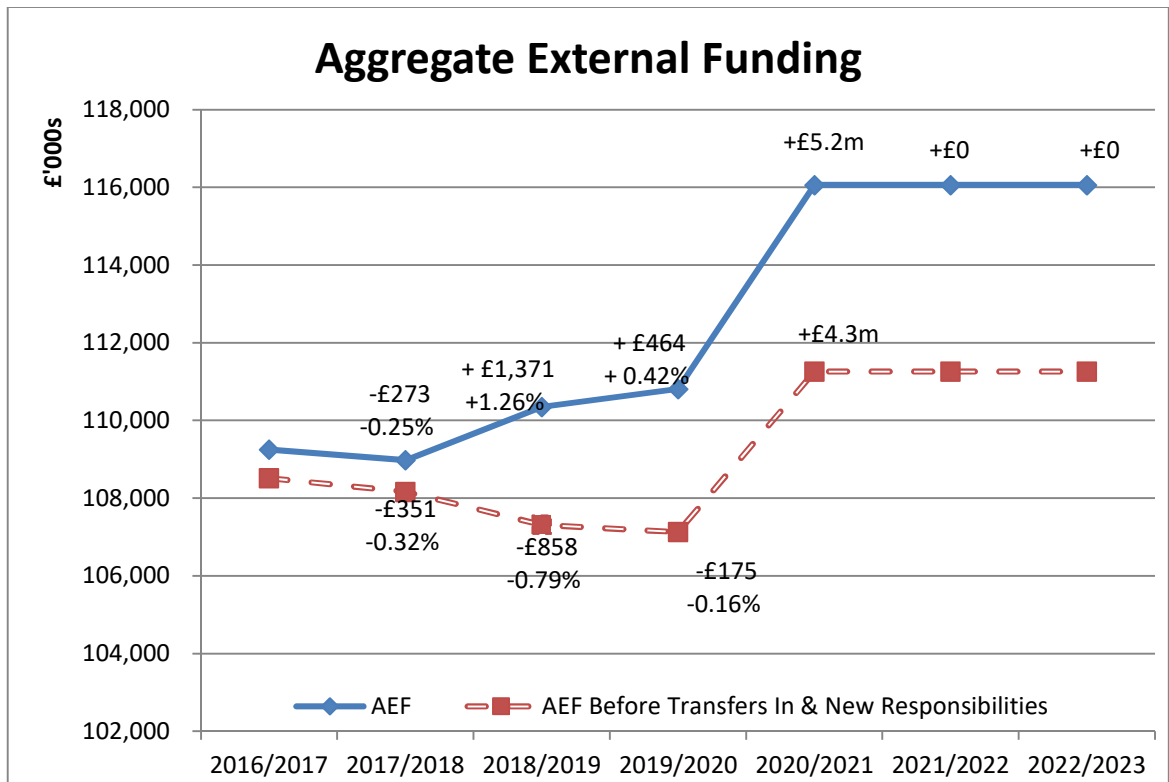
Our Outcome Statements:

- Protect and enhance our environment and infrastructure to benefit our communities
- Support a fairer sustainable economy and community
- To enable people to maximise their independence, develop solutions and take an active role in their communities
- An ambitious and innovative council delivering the quality services we know matter to our communities.

3. **Revenue Settlement – Recent Trends**

- 3.1 2020/2021 revenue settlement was the first year since 2013/2014 that the Council received an increase in the Revenue Support Grant from Welsh Government.
- 3.2 The Council's revenue settlements for the period 2016/2017 to 2020/2021 and forecast of future settlements is shown in Figure 1. This illustrates the actual cash impact and the impact excluding transfers into the settlement for grants and new responsibilities.

Figure 1: Trend in Aggregate External Funding



3.3 The graph demonstrates that on a cash basis the funding received from Wales Government has increased overall by £6.8m between 2016/17 and 2020/21. However, in real terms, when Grants transferring into the settlement and new responsibilities are excluded, the funding increase is reduced to £3m. However, RSG is still lower in cash terms by £1.1m than in 2013/2014.

3.4 This when combined with increased demand for services and increasing costs have contributed to the financial challenge the council has faced in delivering its services to the residents of Blaenau Gwent.

3.5 **2020/2021 Revenue Budget**

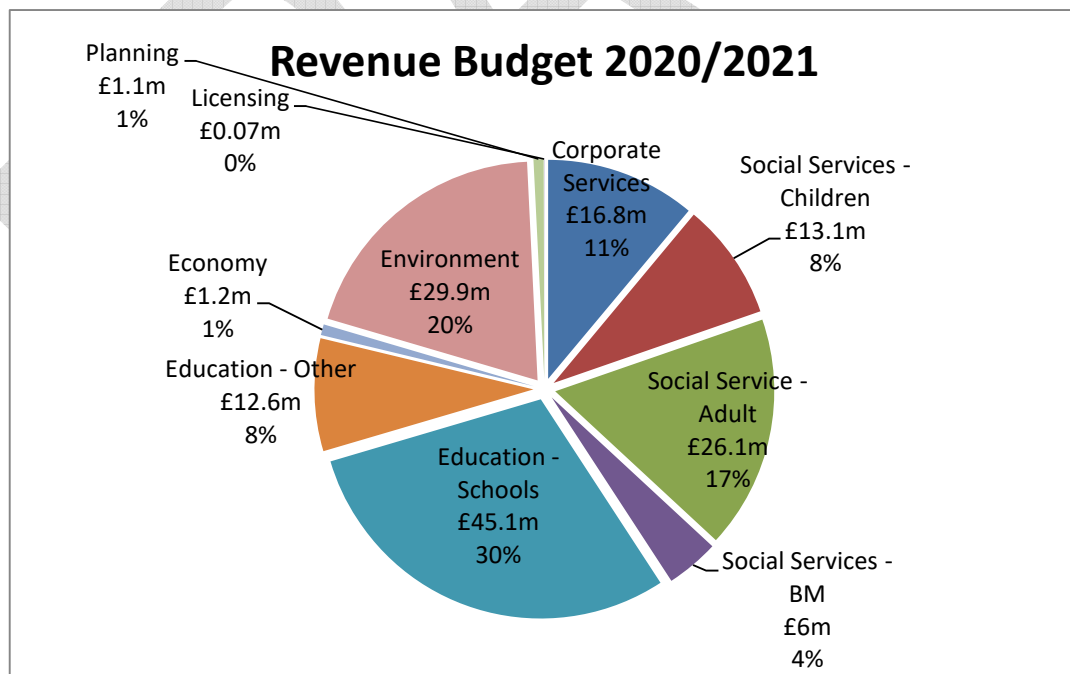
3.6 The baseline revenue funding the Council received in 2020/2021 from Welsh Government after allowing for transfers was 3.9% (£4.3m). The all Wales increase in the Local Government Settlement was 4.3%.

3.7 In setting the 2020/2021 budget, the Council agreed:-

- All grants transferring into the Settlement would be transferred to the relevant service
- Additional funding of £2m to be built into the budget, over and above pay and price inflation, to address existing and emerging cost pressures
- Bridging the Gap proposals of £1.4m
- A contribution to the General Reserve of £0.2m
- The creation and contribution to a specific reserve to support medium term financial planning - £1.5m
- Council Tax increase of 3.9%
- High level budget for 2021/2022.

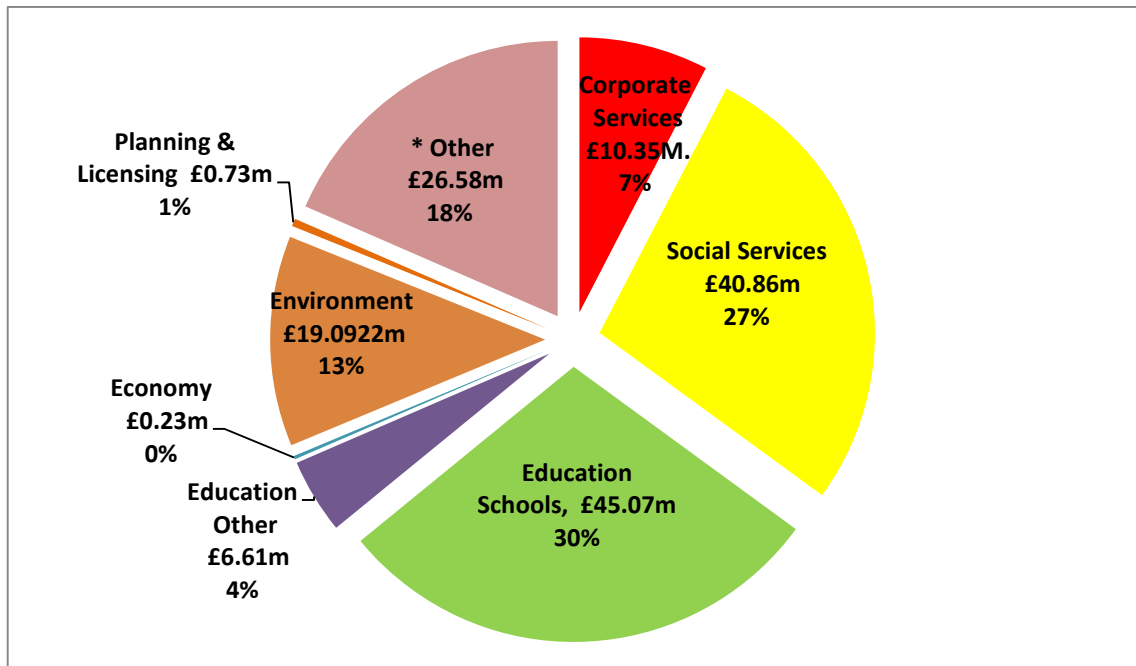
3.8 For the current financial year, the Council agreed a net budget requirement of £151.7m. The budget allocation across Portfolios is shown in figure 2 below:

Figure 2: 2020/2021 Revenue Budget per Portfolio



3.9 The graph shown in figure 3 shows the direct costs of delivering services across portfolios.

Figure 3: 2020/2021 Direct Service Costs per Portfolio



*Other includes:

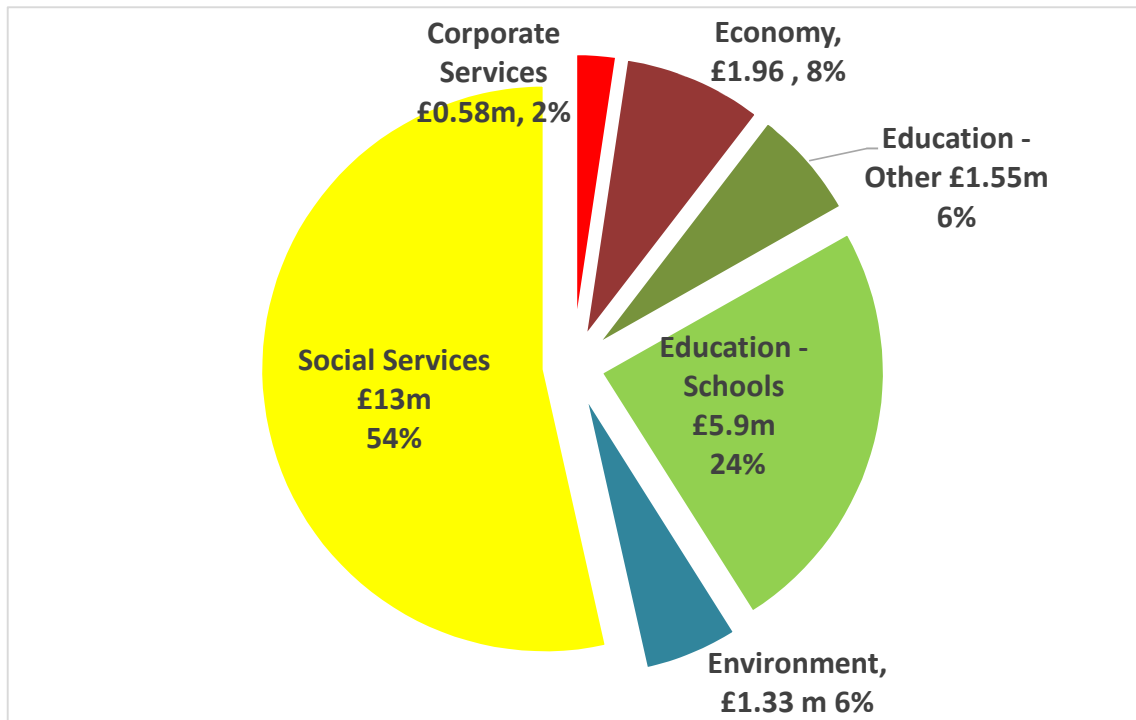
- Capital charges - £7.3m
- Fire & Apprenticeship Levy – £3.7m
- Council Tax Reduction Scheme - £9.3m
- IT, Administration Buildings & Insurance - £5.2m
- Other - £1m

3.10 In addition, to the agreed net budget, the Council spends a further £24m per annum to support the delivery of services. The Council receives specific revenue grant to fund this expenditure.

The assumption within the MTFS is that all grants will continue at the current level, and any reduction or termination of grant will be offset by a reduction in service expenditure.

3.11 Specific revenue grant allocations across Portfolios is shown in figure 4 below and it shows the current grant awards assumed for 2020/2021 as at 2019/2020 levels.

Figure 4: Specific Revenue Grant Funding Per Portfolio 2020/2021



- 3.12 During the first 6 months of 2020/2021, the global Covid-19 pandemic and the required response resulted in significant additional costs and loss of income across the public sector and beyond. The financial impact of Blaenau Gwent’s response has been additional costs in excess of £4m up to October 2020 and a reduction in expected income of £0.4m per quarter.
- 3.12 The Council (and business across the borough) have received significant financial support from Welsh Government to assist with these financial pressures:
- Hardship Funding of £3.1m (April to September 2020)
 - Income loss funding for quarter 1 - £0.78m
 - CTRS funding for April to September - £0.18m
 - Job Retention Scheme funding for the period March to July of £0.33m
 - Business Grants funding £18.3m (up to 24 November 2020)
 - Test, Track and Protect – funding of £0.9m (up to March 2021) via Public Health Wales

Central Government has announced a further £260m financial assistance for Welsh Local Government to March 2021 to support additional Covid-19 related expenditure and lost income. However,

there remains uncertainty as to the full financial impact of the pandemic in the medium/long term with no guarantee of funding from WG after March 2021.

4. **Review and Update of the MTFS**

4.1 The MTFS must be regularly reviewed to ensure preparedness from a financial planning perspective. The review will include considering and updating assumptions used in the Strategy to reflect new / emerging information for example inflation, changing demographics, service demand and policy changes and more recently the ongoing financial impact of Covid-19 on service delivery.

4.2 The table below identifies the key assumptions included in the MTFS.

Table 1: Key Financial Planning Assumptions

Financial Planning Key Assumptions	
Pay	<p>Non-Teaching staff - The Chancellor of the Exchequer announced of a pay freeze for public sector workers, however pay is determined between the employers and Trade Unions (either nationally or locally). Therefore, being prudent, 2% has been assumed for 2021/2022.</p> <p>A pay award of 2% per annum for 2022/2023 onwards</p> <p>Teaching Staff:</p> <p>As non-teaching staff above for 2021/2022. A further 3% has been assumed for subsequent academic years.</p> <p>Incremental Pay Progression – the estimated cost of annual pay progression has been applied based on existing staffing</p> <p>Pension – Based on the actuarial revaluation in 2019/2020, LGPS employer pension contributions (non-teaching) will remain cash flat for 2021/2022 and a 1% per annum increase has been recommended and assumed for 2022/2023 onwards.</p>

	<p>Vacancy Factor of 1.5% has been built into staffing budgets to reflect the financial impact of staff turnover.</p>
<p>Price Inflation (Non Schools)</p>	<p>The Consumer Price Index (CPI) fell from an average 1.5% in March 2020 to 0.5% in May 2020 as a result of the Covid-19 pandemic. As restrictions have been eased, CPI increased to 1% from July 2020.</p> <p>Forecasts for the UK economy: A comparison of independent forecasts, suggests CPI to be:</p> <p>2021 – 1.5% 2022 onwards – 2.1%</p> <p>Given the uncertainty with Covid-19 and the impact of exiting the EU potentially without a trade deal, it is proposed to maintain the annual inflationary increase at 2%.</p> <p>Utilities – Based on forecasts provided by Crown Commercial Services for 2021/2022, energy prices are expected to decrease. However, to remain prudent, 2% per annum increase have been assumed.</p> <p>Income Inflation – Increase in discretionary fees and charges in line expenditure inflation above.</p> <p>Council Tax Reduction Scheme – This has been increased in line with the assumed increase in Council Tax of 4.0%.</p>
<p>Schools Growth (ISB)</p>	<p>No inflationary increase has been applied to the Individual Schools Budget (ISB), it is assumed to be cash flat for the term of the MTFs in line with the assumption for Welsh Government funding.</p> <p>Projected increases or decreases in pupil numbers will impact upon the ISB and based on September 2020 data collection and projecting the pupils through the year groups:</p>

		Increase / (Decrease) in Pupils	Financial Impact Increase / (Decrease) in Funding
	2021/2022	(81)	(150,000)
	2022/2023	(23)	45,000 *
	2023/2024	(83)	(213,000)
	2024/2025	15	126,000
	*The increase in funding is due to a shift in pupils from Primary to Secondary and the Age Weighted Pupil Unit is higher for Secondary schools.		
Specific Grant Funding	<p>This has been assumed to remain at the 2019/2020 level (as identified on the Revenue Grants Register). It is assumed that any reduction in funding is offset by a reduction in expenditure.</p> <p>Hardship Funding – It has been assumed that Covid-19 related expenditure will continue to be funded by Welsh Government</p>		
Capital Financing	<p>Capital Financing – Capital financing costs reflect the schemes within the current capital programme, with borrowing costs for future schemes funded from either USB (Unhypothecated Supported Borrowing) or prudential borrowing. For 2022/2023, the MRP charge will increase to approximately £2.6m per annum from £0.75m in 2021/2022. However, this is still lower than the MRP charge under the previous policy of £3.8m.</p> <p>The revised MRP policy has enabled the MRP charges to be reduced by £15m during the period 2017/2018 to 2021/2022. The MRP figure is incorporated into the overall revenue budget through the Capital Adjustment. Taking into account the above, the forecast overall impact in the Capital Adjustment in 2022/2023, will be an increased cost of £1.8m per annum.</p>		
Council Tax	<ul style="list-style-type: none"> • Council Tax increased by 3.9% in 2020/2021. For planning purposes, it has been assumed that Council Tax will increase by 4% per annum. 		

	<p>(1% increase will generate approximately £354,000 additional funding).</p> <ul style="list-style-type: none"> • No additional funding has been assumed at this stage from an increase in the Council Tax Base for 2021/2022 onwards.
Estimated Funding reduction (Aggregate External Funding)	<p>Welsh Government does not currently provide funding forecasts for future years. 2020/2021 saw an increase of 3.9% (£4.3m) in AEF (after allowing for transfers of grant into the settlement). Following a cash flat budget for 2019/2020.</p> <p>For planning purposes, a cash flat budget for Blaenau Gwent has been assumed for the next 5 years.</p>
Reserves	<p>The financial modelling assumes a minimum contribution to General or specific reserves of £200,000 per annum.</p>

4.3 **Medium Term Financial Forecast**

- 4.4 The table below identifies the funding gap after applying the above assumptions to the 2020/2021 approved Estimates.

Table 2: Assessed Budget Gap

	Medium Term Budget Gap				
	2021/2022 £'000	2022/2023 £'000	2023/2024 £'000	2024/2025 £'000	2025/2026 £'000
Draft Expenditure					
Draft Estimates	152,740	157,940	161,120	160,730	162,380
Revenue Grants	24,350	24,350	24,350	24,350	24,350
Assumed Savings	0	(91)	(3,729)	(1,740)	(1,748)
Adjusted Draft Budget	177,090	182,199	181,741	183,340	184,982
Draft Funding					
AEF	116,063	116,063	116,063	116,063	116,063
Council Tax	36,786	38,257	39,788	41,379	43,034
Revenue Grants	24,350	24,350	24,350	24,350	24,350
Total Draft Funding	177,199	178,670	180,201	181,792	183,447
Budget Gap	109	(3,529)	(1,540)	(1,548)	(1,535)
Contribution to Reserves	(200)	(200)	(200)	(200)	(200)
Adjusted Funding Gap	(91)	(3,729)	(1,740)	(1,748)	(1,735)

4.5 The table identifies a potential funding gap of £9m over the next 5 years should the Council continue to deliver services in their existing form and before considering cost pressures.

4.6 **Additional Costs Built into the MTFS**

4.7 The draft estimates have been prepared based on the approved 2020/2021 budget and increased in line with the assumptions included in Table 1, and these costs are detailed in the table below:

Table 3: Estimated Additional Costs Compared to 2019/20 Budget

	2021/2022 £'000	2022/2023 £'000	2023/2024 £'000	2024/2025 £'000	2025/2026 £'000
Pay and Pension Inflation	1,226	1,725	1,745	1,766	1,787
General Inflation –					
Third party Expenditure	1,295	1,320	1,346	1,373	1,400
Fees & Charges	(210)	(214)	(218)	(222)	(226)
Council Tax Reduction Scheme	370	385	400	416	433
Capital Charges	243	1,981	0	0	0

TOTAL	2,924	5,197	3,273	3,333	3,394
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4.8 **New and Emerging Cost Pressures**

4.9 New and emerging Cost Pressures and Growth items have been assumed at £1m per annum for 2022/2023 onwards.

4.10 In identifying the Cost Pressures and Growth items for 2021/2022, consideration have been given to:

- Covid-19 and the potential additional / increased costs arising from the response to the pandemic
- The impact the pandemic has had on income generation and the achievement of the Bridging the Gap proposals
- Cost pressures identified as part of the 2020/2021 financial reporting within overspending portfolios
- Changes in demand for services
- New services/ responsibilities

4.11 **Covid-19 Pandemic**

4.12 The Council has incurred additional expenditure of £4m for the period April to October 2020 in responding to the pandemic, the majority of which has been funded by the Welsh Government Hardship Fund. However, it is uncertain if these additional costs will continue to be required and there is no guarantee that WG will continue to fund these cost pressures passed March 2021 into 2021/2022.

4.13 As a result of the impact the pandemic has had on the economic environment, the Council has seen an increase of 4.5% in new applications for council tax support between March and October 2020. A cost pressure has been included on the Cost Pressure list split between:

- Covid-19 Pandemic Cost pressure of £350,000 (£29,000 per month) – this relates to the element of the cost pressure currently being funded by the hardship funding
- Existing Service Cost Pressure of £280,000.

4.14 The longer term impact of Covid-19 and exiting the EU without a Trade Deal, upon the wider economy of Blaenau Gwent, Wales and the UK remains uncertain with the risk that applicants will continue to increase following business contracting or failing. Unemployment in Wales increased to 4.6% (as at September 2020) - the largest

increase in joblessness in the UK and the end of the Job Retention Scheme in March 2021 may result in a further potential increase in unemployment.

- 4.15 There has been an impact on the fees & charges collected by the Council, the most significant being within the catering service relating to paid meals (£340,000 for the period April to June 2020). It has been assumed that income levels will return to normal levels of activity for 2021/2022 as services become fully operational, however a number of cost pressures have arisen in particular within the growth strategy areas of the Bridging the Gap proposals for 2020/2021 onwards.
- 4.16 2020/2021 Cost Pressures
- 4.17 Current in year cost pressures have been reviewed to assess the likely continuation into 2021/2022. An assessment has also been undertaken to evaluate the portfolios ability to mitigate cost pressures from within existing budgets e.g. budget realignment.
- 4.18 Service Demand
- 4.19 Education – The pupil population data is collected at the end of September. Any increase will require an increase in funding to the Individual School Budget. As identified in Table 1 – Key Planning Assumptions, pupil population has declined between September 2019 and September 2020 and the current forecast is that the pupil population will continue to reduce over the medium term. This will have an impact on school funding and the revenue support grant received from Welsh Government in future years.
- 4.20 Social Services (Adults) – Expenditure on Community Care increased by 7% (£1.4m) between 2018/2019 and 2019/2020, whilst the number of clients receiving services have been reducing. Between 2016/2017 and 2018/2019, the total clients receiving services reduced by 261 (9.9%). Despite this costs are continuing to increase and this can be attributed to:
- the annual increase in the minimum living wage (an increased by 11.4% between April 2018 and April 2020),
 - reduction in fees due to an increase in the capital limit for means testing
 - increased complexity of care.

The current level of specific grant funding received / forecast for Social Services (Intermediate Care Fund and Welsh Government Winter pressures funding), are assisting with the management of these increased costs within existing budgets.

- 4.21 Social Services Children's – The number of Children Looked After has reduced from 237 to 214, and the number of children in residential care has reduced from 18 to 13 (as at September 2020), this is as a result of the preventative services established over the last few years including the Supporting Change Team and the My Support Team.
- 4.22 The most significant cost pressure within Children's Services is the cost of legal fees, expenditure was £0.78m in 2019/2020, with a potential increase in 2020/2021 (costs incurred for April to September 2020 is £0.55m compared to £0.32m for the same period in 2019/2020).
- 4.23 These costs are currently being managed within the overall budget for the Social Services Portfolio.
- 4.24 Corporate Services - Shared Resource Services – The Council has recently agreed the Business Case with the SRS and Partners to move to a new data centre with additional revenue costs for the Council is estimated to be £11,000 per annum.
- 4.25 The ICT budget was established with an assumed contribution of £130,000 from reserves and an assumption that efficiencies could be identified over a period of time. However, cost reductions/efficiencies have not materialised to mitigate the reserve funding. Therefore, this has been included as a cost pressure.
- 4.26 Environment – Waste and Recycling Services – The financial impact of Covid-19 during the current financial year on waste and recycling services, due to the requirement to maintain social distancing requiring additional staffing and vehicles, the suspension of services (bulky waste collection) and loss of income from the sale of recyclate and trade waste has resulted in significant increased costs. The cost pressure has been mitigated through the Welsh Government Hardship fund for 2020/2021. The current MTFs assumes that Covid-19 related expenditure will continue to be funded by WG.

- 4.27 The cost pressures identified for 2021/2022 is attached at Appendix 1 and the table below shows the impact the non Covid cost pressures have on the funding gap.

Table 4: Assessed Budget Gap including Cost Pressures

	Medium Term Budget Gap				
	2021/2022 £'000	2022/2023 £'000	2023/2024 £'000	2024/2025 £'000	2025/2026 £'000
Draft Expenditure					
Draft Estimates	152,740	160,759	162,122	161,730	163,380
Revenue Grants	24,350	24,350	24,350	24,350	24,350
Assumed Savings	0	(2,910)	(4,729)	(2,742)	(2,746)
Cost Pressures	2,621	1,000	1,000	1,000	1,000
Growth	198	0	0	0	0
Adjusted Draft Budget	179,909	183,199	182,743	184,338	185,984
Draft Funding					
AEF	116,063	116,063	116,063	116,063	116,063
Council Tax	36,786	38,257	39,788	41,379	43,034
Revenue Grants	24,350	24,350	24,350	24,350	24,350
Total Draft Funding	177,199	178,670	180,201	181,792	183,447
Budget Gap	(2,710)	(4,529)	(2,542)	(2,546)	(2,537)
Contribution to Reserves	(200)	(200)	(200)	(200)	(200)
Adjusted Funding Gap	(2,910)	(4,729)	(2,742)	(2,746)	(2,737)

- 4.28 The potential funding gap increases to £16m over the next 5 years with the inclusion of cost pressures.
- 4.29 Cost pressures will be reviewed and updated to reflect new /emerging information for example the financial impact of Policy decisions and cost pressures emerging during the current financial year.
- 4.30 If the cost pressures identified as a result of the Covid-19 pandemic, estimated at £0.4m per month continue into 2021/2022, and Welsh Government are not in a position to provide financial support, this will impact on the funding gap.

4.31 **Sensitivity Analysis**

4.32 The funding gap identified in table 4 (after allowing for cost pressures), is an indication of the financial challenge facing the Council. The assumptions used in the financial modelling may change over time. The following tables show the impact of changes on the Revenue Support Grant and potential decisions relating to Council Tax levels, pay & funding for Schools.

4.33 **Revenue Support Grant (RSG)**

4.34 Table 5 below indicates the impact on the funding gap based on a range of scenarios for Welsh Government funding for 2021/2022 as compared to the 2020/2021 base position. (Note: a +/-1% change in WG funding equates to approximately £1.16m).

Table 5: Impact of changes to RSG

	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Funding Gap - Cash Flat (as per MTFs)	£2.9m	£4.7m	£2.7m	£2.7m	£2.7m
Impact on the Funding Gap, with a reduction of:					
1%	£4.1m	£5.7m	£3.9m	£3.9m	£3.9m
1.5%	£4.7m	£6.4m	£4.4m	£4.4m	£4.4m
2%	£5.2m	£7m	£5m	£5m	£5m
2.5%	£5.8m	£7.6m	£5.6m	£5.6m	£5.6m
3%	£6.4m	£8.2m	£6.2m	£6.2m	£6.2m
Impact on the Funding Gap, with an increase of:					
1%	£1.7m	£3.5m	£1.5m	£1.5m	£1.5m
1.5%	£1.2m	£3m	£1m	£1m	£1m
2%	£0.6m	£2.4m	£0.4m	£0.4m	£0.4m
2.5%	(£0.0m)	£1.8m	(£0.2m)	(£0.2m)	(£0.2m)
3%	(£0.5m)	£1.2m	(£0.8m)	(£0.8m)	(£0.8m)
(figures in brackets denotes a surplus)					

4.35 **Council Tax**

4.36 The Council increased Council Tax in 2020/2021 by 3.9%. The Council Tax increase is assumed to be 4% each year through to 2025/2026 in the MTFs. The table below sets out the implications on the Council's resources on a range of scenarios on future changes:

Table 6: Impact of changes to Council Tax Assumptions

Council Tax	2021/2022 £'000	2022/2023 £'000	2023/2024 £'000	2024/2025 £'000	2025/2026 £'000
Increase in Council Tax Yield as per MTFs – 4% per annum	1,415	1,471	1,530	1,591	1,655
Increase in Council Tax Yield per year - 4%; 3.5%; 3%; 2.5% 2% (in respective years)	1,415	1,287	1,142	980	804
Impact on Funding Gap - Increase	0	+184	+388	+611	+851
3% increase per annum	1,061	1,093	1,126	1,160	1,194
Impact on Funding Gap - Increase	+354	+378	+404	+431	+461
6% increase per annum	2,122	2,250	2,385	2,528	2,671
Impact on Funding Gap - Decrease	-707	-779	-855	-937	-1,016

4.37 **Pay**

4.38 The MTFs provides for a pay award of 2% per annum totalling £1m for 2021/2022. A change in the assumption would impact as follows:

Table 7: Impact of Changes to Pay Assumptions

Assumption Change	+/- £'000
0.5%	250
0.75%	375
1.0%	500
2% (Pay freeze)	1,000

4.39 **Individual School Budgets (ISB)**

4.40 The MTFs assumes no inflationary increase to the ISB in line with the Welsh Government funding assumption of a cash flat budget. However, at September 2020, there has been an overall decrease in pupil demographics of 81 pupils when compared to September 2019, the will result in a reduction in the funding requirement of £150,000 and this has been included in the assessed funding gap in Table 2.

- 4.41 The 2020/2021 ISB budget is £45m. A change in the assumption would impact on the funding gap as follows:

Table 8: Impact of changes to ISB Assumptions

Assumption Change	+/- £'000
0.5%	225
1%	450
2.0%	900

5. **BRIDGING THE GAP PROGRAMME**

- 5.1 In recognising the challenges that the Council faces in the short, medium and long term, a programme of Strategic Business Reviews has been developed to deal with potential gaps between anticipated funding and expenditure that aims to build financial resilience. Based on strategic themes our Bridging the Gap programme will identify savings opportunities, potential cost avoidance and new revenue streams. Designed to support a balanced budget it is also focussed on creating the conditions of a commercially minded council. This includes seeking new revenue streams and ensuring resources are aligned to the strategic imperatives of the council. Following year on year funding reductions increasing costs and changes in demand, the Council needs to redesign and reshape services in order to reduce costs and maximise income. The approach has a particular emphasis on:

- Maximising the potential of income generation and taking a clearly commercial approach where it is appropriate to do so;
- Re-procurement and re-negotiation of contracts;
- Exploiting the opportunity that digital transformation can provide;
- Making best use of our assets and property;
- Considering what action we can take to influence and reduce demand;
- Looking for opportunities to support residents to do more for themselves;
- Exploiting the opportunities to strengthen financial resilience by supporting growth in the borough

- 5.2 We will continue to ensure we have secured all efficiencies and are practicing robust 'housekeeping' throughout plus seeking potential to work differently through partnership and collaboration.
- 5.3 In setting the budget for 2020/2021, £1.4m was identified through the strategic business reviews and this was set aside in a specific reserve to support medium term financial planning.
- 5.4 Appendix 2 provides a summary of the current Strategic Business Reviews, an update on progress and the latest assessment of the estimated financial achievement for 2021/2022 to 2024/2025.
- 5.5 The Council's income generation ability has been impacted by the Covid-19 pandemic. The current assessment of the range of savings that could be delivered between 2021/2022 and 2024/2025 is between £4.4m and £7.2m, and the impact on the funding gap (after allowing for cost pressures) is shown in the table below.

Table 9: Assessed Budget Gap and the Impact of Bridging the Gap

	Medium Term Budget Gap				
	2021/2022 £'000	2022/2023 £'000	2023/2024 £'000	2024/2025 £'000	2025/2026 £'000
Adjusted Funding Gap (with Cost pressures)	(2,910)	(4,729)	(2,742)	(2,746)	(2,737)
Low Estimated Achievement - BtG	500	1,173	864	946	946
Adjusted Funding Gap	(2,410)	(3,556)	(1,878)	(1,800)	(1,800)
High Estimated Achievement - BtG	1,000	1,733	1,414	1,546	1,546
Adjusted Funding Gap	(1,910)	(2,996)	(1,328)	(1,200)	(1,200)

- 5.6 As future opportunities are identified through these strategic business reviews the MTFs will be updated to reflect the impact on each financial year. Some of the reviews will inevitably take longer to have

an impact but will potentially yield higher returns in the latter years of this MTFS.

6. MTFS – SCHOOLS

6.1 For 2020/2021, the Individual Schools Budget received an uplift of 4.9%, and this was due to a number of specific grants transferring into the settlement to fund teachers' pay award and the employers' pension contribution (£1.075m), growth and cost pressures approved for an increase in the pupil population and the unfunded element of the teachers' pay award (£1.16m).

6.2 The table below highlights the potential cost increases in relation to school expenditure, compared to assumed funding increases over the next 5 years, based on the assumptions identified in table 1 above.

Table 10: Potential Cost Increases for Schools

	2021/2022 £'000	2022/2023 £'000	2023/2024 £'000	2024/2025 £'000	2024/2025 £'000
Expenditure					
Pay increases	705	833	858	884	911
Pension Increase – APT&C	0	105	110	110	110
Inflation – non pay	199	203	207	211	215
Inflation – Utilities	46	48	50	52	54
Total Expenditure Increase	950	1,189	1,225	1,257	1,290
Funding					
Proposed Increase in ISB	0	0	0	0	0
Pupil Demographics	(150)	50	(213)	125	0
Additional RSG (Grants transferred)	0	0	0	0	0
Total Funding Increase / (Reduction)	(150)	50	(213)	125	0
Funding Gap	(1,100)	(1,139)	(1,438)	(1,132)	(1,290)

6.5 The table indicates that schools are potentially facing financial cost pressures of £1.2m per annum based on an annual cash flat budget for the ISB.

- 6.6 School Balances have been increasing over the last few years, with an overall increase of £271,000 when compared to 2018/2019 and £1m increase when compared to 2017/2018. An analysis across sectors is shown in the table below:

Table 11 – Actual School Balances (Surplus/ (Deficit))

Phase	2016/2017 £'000	2017/2018 £'000	2018/2019 £'000	2019/2020 £'000 (Provisional)
Secondary	325	189	285	336
All Through	128	(847)	(762)	(829)
Primary	552	857	1,285	1,604
Special	(35)	81	245	214
TOTAL	970	280	1,054	1,325

7. Reserves Strategy

- 7.1 Financial resilience is a Council priority and this includes ensuring that reserves are adequate to be able to respond to unexpected events, emerging need or unforeseen budget pressures.
- 7.2 General reserves are unallocated amounts that enable the Council to meet non-specific and/or unforeseen financial liabilities.
- 7.3 The Council's agreed protocol for the management of general reserves specifies a target level for general reserves of 4% of the last reported actual net revenue expenditure (as included in the Revenue Outturn return).
- 7.4 The provisional level of the general reserve at 31 March 2020 is £6.348m, an in-year increase during the year of £0.454m. This outturn position represents 4.69% of net revenue expenditure as reported for 2019/20, exceeding the target by 0.69%.
- 7.5 Earmarked reserves are held by the Council to meet potential future expenditure on specifically identified risks, liabilities and commitments.
- 7.6 The Council has an agreed protocol for the establishment, retention, management, review and reporting of earmarked reserves. In addition to the statutory requirements to consider the

adequacy of reserves when setting the budget and the extensive disclosures made in the Statement of Accounts, member scrutiny has been enhanced by the preparation of detailed quarterly monitoring reports. The Chief Officer Resources also holds regular meetings during the year to consider the ongoing requirement and value of earmarked reserves held.

- 7.7 The provisional level of earmarked reserves has declined from £21.437m at 1 April 2012 to £7.7m at 31 March 2020 (a reduction of £13.67m or 63.74%). This decrease in reserves highlights the application of sums for their intended purposes and to some extent the impact of reduced levels of funding for the Authority as a consequence of austerity.
- 7.8 In setting the 2020/2021 budget, a planned increase in reserves has been agreed with a £200,000 contribution to general reserves together with the establishment of a £1.5m earmarked reserve to support medium term financial planning.
- 7.9 It is the Council's intention to maintain the general reserves at a minimum level of 4% and increase the overall level of reserves over time to support the Council's financial resilience.
- 7.10 Given the current level of the General Reserve, it is not planned to utilise any of this reserve to balance the annual budget. The continuation of the inclusion of a budget contingency within the annual budget setting process is proposed of £200,000 per annum, to allow the replenishment of the Council's useable reserves.
- 7.11 This would result in an increase to reserves of £1m over the period of the MTFS.

8. **RISKS**

- 8.1 The Corporate Plan, MTFS and the Bridging the Gap programme are designed to complement each other. They provide the narrative that describes the outcomes we plan to deliver, the financial envelope we intend to work within, and our approach to deliver a balance budget in 2021/2022 and beyond whilst creating the conditions for improved financial resilience.
- 8.2 The risks identified with the Medium Term Financial Strategy are:

1. Covid-19 Pandemic

There is a risk that the pandemic will continue into the medium/long term, impacting on the delivery of Council services and budgets, and the risk that WG will not continue to provide additional funding into the medium term.

There continues to be a significant impact of the pandemic on the economic environment, on businesses and residents living in Blaenau Gwent:

- the highest proportion of employment (65%) is in “covid-19 at risk” business sectors including manufacturing and retail
- 7% of the working age population is claiming unemployment benefits and this is an increase of 3% since the start of the pandemic and remains above the welsh average.

2. Exiting the European Union

There is a risk of a slow-down in the UK economic growth arising from exiting the EU with or without a deal. The impact could include an increase in both costs and demand for services.

The impact on the wider economy will depend to a large extent on the precise terms of the withdrawal agreement, however, the impact of Covid-19 on businesses may result in them not being prepared for the withdrawal from the EU.

It is not considered necessary at this point in time to set aside financial resources in the MTFs to assist in such a scenario. However, this will need to be carefully monitored in the subsequent weeks/months.

3. Uncertainty around future WG Funding levels

The absence of any future year guidance on levels of likely settlement from WG.

4. MTFS Assumptions

The budget gap is based on a number of assumptions and any changes may have a significant impact on the funding gap.

The assumptions are reviewed and any potential changes monitored. Section 4.28 to 4.37 above models the impact on the funding gap for a range of scenarios.

4. Achievement of Bridging the Gap proposals

The achievement of planned savings is monitored as part of the budget monitoring & reporting process. Corrective action is taken where adverse variances are identified.

5. Grant Funding

The MTFSS assumes that grant funding remains constant. Any decrease in funding or the termination of grant programmes could have a significant impact for the Council, particularly for those grants that are supporting service provision such as Families First, Flying Start, and ICF etc.

The Society of Welsh Treasurers works closely with the WLGA and Welsh Government to ensure that grants are maintained or transferred into the settlement.

Where grants are reduced, Services will need to ensure that expenditure is reduced in line with the grant.

6. Volume of Demand

Increased demand for services poses significant risks to planning and this will be monitored.

Document History			
Author	Version		Date
G. Taylor	Draft v1	CLT	15 October 2020
G. Taylor	Draft v2	CLT	05 November 2020

DRAFT

PORTFOLIO	SERVICE	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	Comments
		£	£	£	£	£	
EXISTING SERVICE COST PRESSURES							
Corporate Services							
	ICT	160,000					
	Council Tax Reduction Scheme	280,000					Total forecast cost pressure is £650,000, of which £370,000 is included in the Covid-19 Pressures below.
		440,000	-	-	-	-	
Social Services							
	Legal Fees - Children's	350,000					
	Community Care - National Minimum Wage	380,000	400,000				To cover the increase in the Minimum Living Wage over & above inflation and non pay related cost increases.
		730,000	400,000	-	-	-	
Education							
	Home to School Transport	100,000					Increased number of pupils at Penycwm - impact on Transport
	Schools - Teachers Pay	495,420					Assumed Cash flat ISB
	Schools - Non Teaching Staff Payaward	209,333					Assumed Cash flat ISB
		804,753	0	0	0	0	
Environment							
	Legionella Monitoring	50,000					One member of staff and software (Water quality Report)
	Corporate Landlord	60,000					Ongoing budget shortfall
	Environmental Health	24,000					End of collaboration with Torfaen CBC - remaining cost pressure. Delayed due to interim response to Covid-19, and will be considered as part of SMR2 in due course
	Cwmcrachen Utility Costs	22,000					Improved position compared to 19/20 Investigations into electricity consumption being carried out
	General Offices	23,000					Potential loss of rental income
		179,000	-	-	-	-	
Economy							
	Industrial Units	133,000					Reduced income opportunities due to economic uncertainty and increased income target (BtG Strategic Business Review). If target figure is further increased for 2021/2022 budgets, the adverse figure will increase significantly. Budget holder requests target figure for 2021/2022 to freeze.
		133,000	-	-	-	-	
Planning							

	Review of LDP	66,500	66,500				Delays to producing the new Local Development Plan due to Covid-19 and as a result the shortfall will fall over 2 financial years
		66,500	66,500	-	-	-	
Licensing	Fees & Charges	33,000					Cost pressure arising as a result of no increase being approved to the fees charged
		33,000	-	-	-	-	
All Portfolios	Cardiff City Deal	34,500					previous scheme is funded from insurance fund contributions. However, this funding source is no longer sustainable (22 years of repayments remaining, from 30 year PB loan)
	Highways Prudential Borrowing funding	200,000					
		234,500	-	-	-	-	
TOTAL EXISTING COST PRESSURES		2,620,753	466,500	0	0	0	

GROWTH / NEW RESPONSIBILITIES

Corporate Services

SRS - New Data Facility	11,000			57,000			Business Case developed
Community Hubs	120,000						
	131,000	-	-	57,000	-		

Education

ALN Reform	100,000						statutory post currently grant funded
Pupil Population	(192,000)	45,000	(213,000)	126,000			
Pupil Population at Pen y Cwm	42,000						
	(50,000)	45,000	(213,000)	126,000	0		

Environment

Waste Wardens	67,000						Ongoing shortfall with management fee, usually covered by in year virements but this is no longer sustainable.
Waste Services - Transfer Station (Operated by Silent Valley)	50,000						
	117,000	-	-	-	-		

SUB TOTAL GROWTH / NEW RESPONSIBILITIES	198,000	45,000	-213,000	183,000	0
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TOTAL COST PRESSURES / GROWTH (BAU)	2,818,753	511,500	-213,000	183,000	0
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BAU - business as usual

Per Month

COVID-19 PANDEMIC COST PRESSURES

Corporate Services

CTRS	29,167						Based upon current claimant levels - full year impact £350,000
	29,167	-	-	-	-		

Social Services

Financial Support to Care providers	207,000						Based on the financial support provided by WG Hardship Fund for 2020/2021 (full year impact £2,484,000):
Residential Providers							Based on 132 placements - £50 per week is £344,000
Nursing Care							Based on 70 placements - £50 per week is £182,000
Supported Living							Based on 70 placements - £37 per week is £135,000

Domicillary Care

Based on additional £1 per hour (68,650 hours claimed July to Sept 20) is £275,000

207,000

Environment

Additional Cleaning Costs 8,333
 Loss of School Meal Income /
 Increased costs for FSM 48,680
 Waste Services 90,167

Schools / Corporate Buildings (£100,000 pa)
 Based upon current monthly payments of
 FSM annual impact = £585,000
 Impact of Covid-19 (Annual)
 - Additional Agency Staff £640,000
 - Staff Overtime - £83,000
 - Vehicles Hire & Fuel - £271,000
 - Loss of Recyclate Income - £88,000

Trade Waste 3,000

Loss of income from business closures
 due to COVID - full assessment of impact
 is being undertaken (based upon 25%
 reduction on full year budget).

Environmental Health - Capacity 12,280

Capacity issues? Impact of COVID which
 may result in ongoing pressures - Annual
 impact £148,000

Homelessness - Provision of
 temporary accomodation 33,145

Currently funded by Covid Hardship grant,
 potential to be cost pressure in 21/22, if
 funding ends - Currently incurring monthly
 costs of approx £19,000 for accomodation
 plus Security costs of £14,000 = annual
 cost £397,740

General Offices 1,083
196,688

£13,000 pa

Economy

Industrial Units 12,417

Covid - calculated > loss of 25% of
 forecasted income (2020/21) = £149K
 Note. this figure would increase if there is a
 requirement to reinstate the Business
 Tenant Support Scheme in 2021/22 (rent
 free and/or deferred rent options).

12,417

All Portfolios

Enhanced Infection Control

PPE/ Hand Sanitisers/ Wipes etc

SUB TOTAL - COVID-19

445,272

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Strategic Business Reviews

Strategic Business Reviews

Review	Outcome Statement	Scope & Update		Estimated Achievement 2021/2022		Estimated Achievement 2022/2023		Estimated Achievement 2023/2024		Estimated Achievement 2024/2025		BRAG Status
		Low £000	High £000	Low £000	High £000	Low £000	High £000	Low £000	High £000	Low £000	High £000	
<u>Maximising Income</u>												
Industrial Portfolio	Support a fairer sustainable economy and community	0	0	0	50	0	100	50	200			
<p><u>Scope of the Review:</u> To review the Council's Industrial Unit Portfolio to identify areas for improvement and opportunities for change to ensure the service operates to maximise income and income efficiency in our net income streams.</p> <p><u>Progress Update:</u> The Covid19 pandemic has disrupted much of the planned work although some prioritised work has continued. The majority of resources we have spent on responsive business support and preparation and administration of various grants that have been managed by the Business and Innovation and Finance Teams. This work has taken most of the available resource away from the planned work and channelled it into a response for businesses facing hardship during the pandemic.</p> <p>The consultant's report was received in the summer, during lockdown and an action plan is being reviewed by the internal officer group in line with the original aims, but taking into account the disruption being caused by the pandemic.</p> <p>The key to ensuring delivery is the recruitment of a Team Manager for the Industrial Portfolio. Three rounds of recruitment during the last six months has been unsuccessful, and could be to do with the pandemic and current market disruption. We will be going out for recruitment for one final time either before or after Christmas, if this round of recruitment is unsuccessful we will look at other options for delivery of the action plan.</p> <p>The reduction in income for this year and future years is tied up in the effects of the pandemic on business across the UK and the failure to recruit. It is anticipated that a number of businesses will close over the next 6</p>												

months and discussions with businesses on delayed payment arrangements on rental. We have not been able to fully quantify the numbers yet but we are currently estimating 25-30% of businesses closing completely or possibly downsizing out of our portfolio. It will take a while to market the vacated units back out to businesses and so this will represent another delay in achieving the current income budget.

Work Completed

One of the report actions was around prioritising improvements to those units that could not be let due to the buildings being unfit, but would attract a good income if they were improved. Work has started on this action with Roseheyworth South site being completed in March 2020.

Further improvements will be started on other units once completion of the building surveying work which is being undertaken at the moment.

Work has continued through the last six months on changing to more modern leases across the whole portfolio.

Review	Outcome Statement	Scope & Update	Estimated Achievement 2021/2022		Estimated Achievement 2022/2023		Estimated Achievement 2023/2024		Estimated Achievement 2024/2025		BRAG Status
			Low £000	High £000	Low £000	High £000	Low £000	High £000	Low £000	High £000	
Commercial Waste	<p>Protect and enhance our environment and infrastructure to benefit our communities</p> <p>An ambitious and innovative Council delivering the quality services we know matter to our communities</p>	<p><u>Scope of Review:</u> To roll out a new Commercial Waste service borough wide. A capital bid was submitted to Welsh Government to purchase a new bespoke vehicle and receptacles. The bid was successful and secured £250,000 (Capital) for Blaenau Gwent's Commercial Waste Service. During the financial year 2019/2020, the Trade Waste Service will undergo a full revamp with an implementation date of 1st April 2020.</p> <p><u>Progress Update:</u> Due to Covid-19 the new Trade Waste Service has not been implemented in 2020/21 and therefore the estimated achievement target for 2020/2021 will not be met.</p> <p>The service is still waiting for the new bespoke vehicles to be delivered in order to roll out the service. In addition, the impact of the national and local lockdowns on local businesses has meant a suspension of collections from a large number of customers and a phased reintroduction of collections as regulations have allowed.</p> <p>The estimated achievement per year has been reviewed and it is anticipated that the earliest any growth in income can be achieved is for 2022/2023 financial year.</p>	0	0	23	23	64	64	96	96	

Review	Outcome Statement	Scope	Estimated Achievement 2021/2022		Estimated Achievement 2022/2023		Estimated Achievement 2023/2024		Estimated Achievement 2024/2025		BRAG Status
			Low £000	High £000	Low £000	High £000	Low £000	High £000	Low £000	High £000	
Income Recovery	An ambitious and innovative Council delivering the quality services we know matter to our communities	<p><u>Scope of the Review:</u> To review current income recovery activities to ensure best / efficient practices in place.</p> <p>Objectives of the review will be to ensure:-</p> <ul style="list-style-type: none"> Income recovery policies are appropriate and include early intervention actions agreed Fees & charges are implemented payment in advance of service delivery (where appropriate) thereby avoiding costs of issuing invoices easy access to various payment methods use of technology is maximised <p><u>Progress Update:</u> During 2019/20 progress had been made in relation to reallocation of income to the more recent debt which increased the Council's in year collection rate and minimises the risk to debtors of further recovery action (provided agreed arrangements are complied with).</p> <p>In addition, colleagues from Revenues & Benefits began trialling a project with Flying Start colleagues to engage residents at an earlier stage – the aim to help identify whether people struggling financially are accessing the benefits and support schemes available to them. Unfortunately, these activities have been suspended as a result of Covid 19.</p> <p>The pandemic has had a significant impact on income recovery levels during 2020/21 and potentially future years however the £54,000 included within the budget has been achieved by staffing reductions.</p>	0	0	0	0	0	0	0	0	

Review	Outcome Statement	Scope	Estimated Achievement 2021/2022		Estimated Achievement 2022/2023		Estimated Achievement 2023/2024		Estimated Achievement 2024/2025		BRAG Status
			Low £000	High £000	Low £000	High £000	Low £000	High £000	Low £000	High £000	
<p>Fees and Charges</p>	<p>An ambitious and innovative Council delivering the quality services we know matter to our communities</p>	<p><u>Scope of the Review:</u> To review and develop an approach to the setting of fees and charges that reflects full cost recovery. With options to create stretch targets on those budget lines that over achieve.</p> <p><u>Progress Update:</u> The Fees & Charges Register for 2020/2021 was agreed by Council in March 2020, which included increases in fees from cash flat to 5.5%. In a number of areas, income was exceeding the income target and stretched targets were applied. However, fees and charges have been significantly affected by Covid-19 as some services were temporarily suspended (bulky waste, day services, weddings etc). The financial impact on income loss for 2020/2021 is being mitigated by hardship funding from Welsh Government. However, it may take a longer period of time to return to normal income levels given the impact that the pandemic has had on the environment.</p> <p>The Fees & Charges Register will be reviewed, updated and presented to Council alongside the Revenue budget setting process.</p> <p>We have secured Digital Transformation funding to develop our income recovery arrangements and this should assist with up front collection of any charges and help improve any cashflow or outstanding debt issues.</p>	0	100	100	100	100	100	100	100	

Review	Outcome Statement	Scope	Estimated Achievement 2021/2022		Estimated Achievement 2022/2023		Estimated Achievement 2023/2024		Estimated Achievement 2024/2025		BRAG Status
			Low £000	High £000	Low £000	High £000	Low £000	High £000	Low £000	High £000	
Commercial activity, investment and new income	An ambitious and innovative Council delivering the quality services we know matter to our communities	<p><u>Scope of the Review:</u> This strategic review will focus on identifying additional commercial opportunities to supplement the current activities of:</p> <ul style="list-style-type: none"> • Fees and charges • Developing the Industrial Portfolio • Current income from traded or shared services • Property Investment inside the Borough and out of the Borough • Investment in energy and low carbon activities • Disposals or development of assets and property <p>The review will include:</p> <ul style="list-style-type: none"> • Service and baseline review of current commercial activities • Opportunities to charge for discretionary services • Opportunities for further traded or shared services. <p><u>Progress on Update:</u> This is linked very strongly to other Strategic Business Reviews and has a focus on additional commercial opportunities. This has been significantly affected by the impact of COVID. There are a number of actions that will be reignited in 2021/22 including a review of all trading accounts to establish if our current traded services are operating in a commercial manner.</p>	0	0	50	50	50	50	50	50	

Review	Outcome Statement	Scope	Estimated Achievement 2021/2022		Estimated Achievement 2022/2023		Estimated Achievement 2023/2024		Estimated Achievement 2024/2025		BRAG Status
			Low £000	High £000	Low £000	High £000	Low £000	High £000	Low £000	High £000	
Maximising Resources											
Third party expenditure – commissioning, procurement and contract management	An ambitious and innovative Council delivering the quality services we know matter to our communities	<p><u>Scope of the Review:</u> The Council holds a number of high value contracts with third party suppliers across all of its services. When re-procuring at the end of a contract all steps will be taken to ensure value for money is gained and savings achieved. Similarly during the life cycle of the contract, officer will attempt to make efficiencies where possible. Through a targeted approach to commissioning, procurement, contract and supplier management it is anticipated that savings can be identified.</p> <p><u>Progress on Update:</u> Significant in year focus has been on the renewal / re-negotiations of a number of the Council's corporate ICT contracts which have realised a combination of cost reductions, more advantageous payment terms and additional / enhanced functionalities being made available to system users.</p> <p>In year competitive tendering activities has resulted in reduced unit costs in areas such as provision of agency staffing and mobile telephony etc. Proactive contract management has avoided annual increases in several supply type arrangements including: MFD's, cleaning materials, confidential waste etc and has resulted in more commercially favourable payment terms inc. early settlement discounts and an increased use of purchase cards as the preferred method of payment.</p> <p>Officers will continue to review existing contracts to ensure compliance and commercial benefit and support client departments in their future scouring activities in an attempt to maximise economic and social benefits.</p>	250	550	250	550	250	550	250	550	

Review	Outcome Statement	Scope	Estimated Achievement 2021/2022		Estimated Achievement 2022/2023		Estimated Achievement 2023/2024		Estimated Achievement 2024/2025		BRAG Status
			Low £000	High £000	Low £000	High £000	Low £000	High £000	Low £000	High £000	
Assets and Property	Support a fairer sustainable economy and community	<p><u>Scope of the Review:</u> The Council has a range of property assets that is maintains and has a cost pressure relating to its Corporate Landlord role. This review will undertake a strategic review of these assets to ascertain their value to the Council both in financial terms and what service value they afford. The aim of this strategic business review is to identify how best to maximise these assets to strengthen our balance sheet. It will consider the future use of the assets and identify those that may provide opportunities for development, commercialisation or sale. This review would include buildings and green spaces and will align with the growth strategy.</p> <p><u>Progress Update:</u></p> <ul style="list-style-type: none"> • Cook and Arkwright commissioned to carry out a rates review on council owned property. A number of appeals have been submitted and if successful will reduce the Council's NNDR liability. • A programme of disposals of non operation buildings have been developed for 2020 to 2023 and it is anticipated that cost reductions will be achieved. 	50	100	150	210	0	0	0	0	

Review	Outcome Statement	Scope	Estimated Achievement 2021/2022		Estimated Achievement 2022/2023		Estimated Achievement 2023/2024		Estimated Achievement 2024/2025		BRAG Status
			Low £000	High £000	Low £000	High £000	Low £000	High £000	Low £000	High £000	
Maximising Enablers											
Customer Experience	An ambitious and innovative Council delivering the quality services we know matter to our communities	<p>Scope of the Review: Better customer experience should lead to reduced cost for the Council. This Strategic Business Review will consider the most frequent customer contact issues and review the end to end experience from the customer view. Changes and improvements in those experiences will be developed to enable customer to resolve their issues seamlessly, enabling them to self-serve as much as possible to ensure our resources are deployed for those you cannot self-serve.</p> <p><u>Progress Update:</u> Covid-19 has delayed the deployment of full end to end process review.</p>	0	50	50	50	50	50	50	50	
Work Place Transformation	An ambitious and innovative Council delivering the quality services we know matter to our communities	<p><u>Scope of the Review:</u> Building on the first phase of work place transformation this strategic business review is design to:</p> <ul style="list-style-type: none"> Identify cost savings in relation to ICT expenditure and contract management Review the print and telephony arrangements to reduce costs Implement a digital strategy to maximise the use of technology Realise the benefits of Office 365 and collaborative working tools and reduce duplication of other ICT solutions Enable remote working to release dependency on our building (linked to the assets and property Strategic Review) <p>Develop our employee offer and become an employer of choice.</p> <p><u>Progress Update:</u> The impact of Office 365, a review of telephony, mail and other departmental budgets as a result of the change in working practices should realise the target.</p>	50	50	50	50	50	50	50	50	

Review	Outcome Statement	Scope	Estimated Achievement 2021/2022		Estimated Achievement 2022/2023		Estimated Achievement 2023/2024		Estimated Achievement 2024/2025		BRAG Status
			Low £000	High £000	Low £000	High £000	Low £000	High £000	Low £000	High £000	
Growth & Investment Strategy	Support a fairer sustainable economy and community & Protect and enhance our environment and infrastructure to benefit our communities	<p>Scope of Review: Our Growth Strategy describes our ambition for developing our Borough and creating new communities. This will involve a programme of housing development that will see an impact on our revenue streams through increase Council Tax. This will contribute to the MTFs and is a critical element of building strong communities.</p> <p>Progress Update: Council approved the Removal of the Empty Property Discount Allowance which allows the authority to use discretionary powers to remove the level of council tax discount in respect of dwelling that were classified as long term empty properties. The removal of the discount increased the amount of council tax the Council are able to collect.</p> <p>House building within the borough has continued with a number of new dwellings now occupied. This will continue to increase the council tax base and increase council tax collection.</p>	150	150	300	300	100	100	100	100	
Low Carbon	Protect and enhance our environment and infrastructure to benefit our communities	<p>Develop a Low Carbon Plan which sets out an ambitious vision and targets for BG to become a Low Carbon Borough and supports the corporate objectives of being a more Efficient Council and Strong & Environmentally Smart Communities;</p> <p>Scope should include:-</p> <ul style="list-style-type: none"> Assessment of current carbon footprint to identify current good practice, gaps and opportunities to move towards being low carbon; 	0	0	200	350	200	350	200	350	

		<ul style="list-style-type: none"> Identify Council operations which can make a significant contribution towards a low carbon target – property, fleet, digital, energy, schools, housing – and a more efficient council, this will include where investment is needed to achieve outcomes; Community and Partner engagement to achieve a ‘Whole Borough’ approach utilising (for example) Public Service Board, Town & Community Councils, Youth Forum, Leisure Trust and other existing partnerships; Identify links to Regeneration Themes and projects taking place across the Region through CCRCD, Valleys Task Force and Tech Valleys; <p><u>Progress Update:</u></p> <p>The Decarbonisation Plan 2020-2030 has been completed and presented to and approved by Council on 24 September 2020 and this Plan will be delivered through critical projects including:</p> <ul style="list-style-type: none"> Strategic property Review Depot Review Future of Silent Valley Energy Prospectus Workplace Transformation Fleet Review Considering how the Council procures & commission services <p>There have been significant changes to the way the council operates due to Covid-19, one area is homeworking and the reduction in travel for commuting and business meetings. This is an example of how it is possible to reduce emissions without cutting delivery of services to the public.</p>												
<p>TOTAL ESTIMATED ACHIEVEMENT (@ November 2020)</p>			500	1,000	1,173	1,733	864	1,414	946	1,546				

<u>Strategic Business Reviews</u>		
Strategic Business Reviews		
Review	Corporate Priority	Scope
BRAG Status		
<u>Maximising Resources</u>		
Use of external grants	An ambitious and innovative Council delivering the quality services we know matter to our communities	<p><u>Scope of the Review</u> This strategic business review is concerned with the bidding, receipt and deployment of additional grant funding that is available to the council and its partners. It is estimated that the organisation receives approximately £22m additional funding to support our priorities. This review will explore how the grants are utilised across the council to deliver outcomes for our residents. It will also review our governance arrangements to increase transparency and a One Council approach to seeking and using this additional funding.</p> <p>This review will also consider the impact of the removal of these grants and the risk placed on core funding.</p> <p><u>Progress Update:</u> Phase1 focussed on a review of the CCG with the Head of Children services. The review was undertaken and a report presented to Corporate overview scrutiny. A CCG board and robust monitoring arrangements are in place. Phase 2 will focus on the ICF grant. An initial scoping exercise for the review has been done with an anticipated initial report on findings in early 2021. The review will include a focus on links to corporate priorities, impact and value for money, the allocation process and governance.</p>

<u>Managing Demand</u>		
Prevention and early intervention services	Social Services & Education	<p><u>Scope of Review</u> This review will focus on an evaluation of the long term impact of prevention and early intervention on reducing the requirement for high cost services and better outcomes for our most vulnerable residents.</p> <p><u>Progress Update:</u> In terms of Prevention and Early Intervention then there has been no progress given the impact the pandemic has had on both directorates and we will look to restart meetings in the future when we have the second wave of the virus under control.</p>
<u>Maximising Enablers</u>		
Using data to deliver better services	An ambitious and innovative Council delivering the quality services we know matter to our communities	<p><u>Scope of Review:</u> Becoming a 21st Century Council means using data and insight to drive decision making. This Strategic Business Review will identify opportunities for the sharing of data to design services and target our resources to deliver outcomes for our residents.</p> <p><u>Progress Update:</u> Data insight work has progressed with the main focus on supporting the response to CV19 Pandemic. In the initial phases this include supporting the locality teams and data analysis on shielding residents. An intelligence hub has been established with representation from across Directorates. Key data work streams to support the ongoing response are progressing including Learners; supporting public protection and required Data Cymru returns and community based data modelling including care homes and contact tracing. Data work on economic impact forecasting and modelling is also being undertaken.</p>
Reducing demand by changing behaviours		

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Agenda Item 12

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 December 2020**
Report Subject: **Forward Work Programme: 22nd January 2021**
Portfolio Holder: **Cllr Nigel Daniels, Leader / Executive Member
Corporate Services**
Report Submitted by: **Cllr Stewart Healy, Chair of the 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)
x	x	01.12.20			11.12.20			

1. **Purpose of the Report**
 - 1.1 To present to Members the Corporate Overview Scrutiny Committee Forward Work Programme for the Meeting on 22nd January 2021 for discussion and agreement.
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 revised Corporate Plan, corporate documents and supporting business plans.
 - 2.3 Effective work programmes are essential to ensure that the work of scrutiny makes a positive impact upon the Council's delivery of services.
 - 2.4 The Committee's Forward Work Programme was agreed in September 2020, recognising the fluidity of the document to enable the Committee to respond to urgent and emerging issues, and included timescales when reports will be considered by the Committee. The work programme is managed and implemented by the Scrutiny and Democratic Officer under the direction of the Chair and Committee.
 - 2.5 The forward work programme for the forthcoming meeting will be presented to Committee on a 6 weekly cycle in order that Members can consider the programme of work; request information is included within the reports, as appropriate and / or make amendments to the work programme.

3. **Options for Recommendation**

3.1 **Option 1:** The Scrutiny Committee consider the Forward Work Programme for the meeting 22nd January 2021, and

- Make any amendments to the topics scheduled for the meetings;
- Suggest any additional invitees that the committee requires to fully consider the reports; and
- Request any additional information to be included with regards to the topics to be discussed.

3.2 **Option 2:** The Scrutiny Committee agree the Forward Programme for the meeting 22nd January 2021, as presented.

Background Documents /Electronic Links

- Appendix 1 – Forward Work Programme – Meeting on 22nd January 2021

Corporate Overview Scrutiny Committee Forward Work Programme

Dates / Deadlines	Topic	Purpose	Lead	Executive / Council
<p>Friday 22nd January 2021</p> <p>Deadline: 6th January 2021</p>	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
	3. Information Security Policy	Pre Decision To consider the policy.	Rhian Hayden	Executive
	4. Proposed amendments to the Violence Against Women, Domestic Abuse and Sexual Violence Policy	Pre Decision To consider, challenge and provide views on the proposed revision to the policy and recommend approval by Council.	Andrea Prosser	Council
	5. HR Policy review	Pre Decision To consider HR policies reviewed for 2020/21.	Andrea Prosser	Executive or Council <i>(dependent on policy)</i>
	6. Workforce Strategy	Pre Decision To consider the workforce strategy including change in circumstances following COVID and future working arrangements.	Andrea Prosser	Executive Council Approval
	Information Management Monitoring Report	Information To provide information of progress against identified action on a half yearly cycle.	Rhian Hayden	Executive Information

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