

T: 01495 357788 Ext./Est: 7788

E: committee.services@blaenau-gwent.gov.uk

Contact:/Cysylltwch â: Democratic Services



THIS IS A MEETING WHICH THE PUBLIC ARE ENTITLED TO ATTEND

8th March 2021

Dear Sir/Madam

JOINT SCRUTINY COMMITTEE (BUDGET MONITORING)

A meeting of the Joint Scrutiny Committee (Budget Monitoring) will be held in Virtually via Microsoft Teams - if you would like to attend this meeting live via Microsoft Teams please contact committee.services@blaenau-gwent.gov.uk on Monday, 15th March, 2021 at 10.00 am.

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

Yours faithfully

Michelle Morris
Managing Director

AGENDA

Pages

1. SIMULTANEOUS TRANSLATION

You are welcome to use Welsh at the meeting, a minimum notice period of 3 working days is required

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

should you wish to do so. A simultaneous translation will be provided if requested.

2. **APOLOGIES**

To receive.

3. **DECLARATIONS OF INTEREST AND DISPENSATIONS**

To receive.

4. **JOINT SCRUTINY COMMITTEE (BUDGET MONITORING)**

5 - 16

To receive the minutes of the special Joint Scrutiny Committee (Budget Monitoring) held on 23rd February, 2021.

(Please note the minutes are submitted for points of accuracy only).

5. **ACTION SHEET - 23RD FEBRUARY 2021**

17 - 20

To receive the Action Sheet.

6. **REVENUE BUDGET MONITORING -2020/2021, FORECAST OUTTURN TO 31 MARCH 2021 (AS AT 31ST DECEMBER 2020)**

21 - 74

To consider the report of the Chief Officer Resources.

7. **CAPITAL BUDGET MONITORING, FORECAST FOR 2020/2021 FINANCIAL YEAR (AS AT 31 DECEMBER 2020)**

75 - 96

To consider the report of the Chief Officer Resources.

8. **USE OF GENERAL AND EARMARKED RESERVES 2020/2021**

97 - 108

To consider the report of the Chief Officer Resources.

To: Councillor S. Healy (Chair)
Councillor M. Cook (Vice-Chair)
Councillor P. Baldwin
Councillor D. Bevan
Councillor G. Collier

Councillor M. Cross
Councillor G. A. Davies
Councillor G. L. Davies
Councillor M. Day
Councillor P. Edwards
Councillor L. Elias
Councillor K. Hayden
Councillor J. Hill
Councillor W. Hodgins
Councillor J. Holt
Councillor H. McCarthy
Councillor C. Meredith
Councillor J. Millard
Councillor M. Moore
Councillor J. C. Morgan
Councillor J. P. Morgan
Councillor L. Parsons
Councillor G. Paulsen
Councillor K. Rowson
Councillor T. Sharrem
Councillor T. Smith
Councillor B. Summers
Councillor S. Thomas
Councillor H. Trollope
Councillor D. Wilkshire
Councillor B. Willis
Councillor L. Winnett
T. Baxter
A. Williams

All other Members (for information)
Manager Director
Chief Officers

This page is intentionally left blank

COUNTY BOROUGH OF BLAENAU GWENT

**REPORT TO: THE CHAIR AND MEMBERS OF THE JOINT
SCRUTINY COMMITTEE (BUDGET MONITORING)**

**SUBJECT: JOINT SCRUTINY COMMITTEE
(BUDGET MONITORING) –
23rd FEBRUARY, 2021**

REPORT OF: DEMOCRATIC & COMMITTEE SUPPORT OFFICER

PRESENT: COUNCILLOR S. HEALY (CHAIR)

Councillors M. Cook

D. Bevan

M. Cross

P. Baldwin

G.A. Davies

G.L. Davies

M. Day

L. Elias

P. Edwards

K. Hayden

W. Hodgins

J. Hill

J. Holt

L. Parsons

G. Paulsen

C. Meredith

H. McCarthy

J. Millard

M. Moore

J.C. Morgan

K. Rowson

T. Smith

B. Summers

S. Thomas

H. Trollope

B. Willis

L. Winnett

Mr. A. Williams (Co-opted Member)

WITH: Chief Officer Resources
 Corporate Director Education
 Corporate Director Social Services
 Interim Chief Officer Commercial
 Head of Community Services
 Head of Corporate & Legal Compliance
 Communications, Marketing & Customer
 Access Manager
 Team Leader Neighbourhood Services
 Scrutiny & Democratic Officer/Advisor

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>	
No. 2	<p><u>APOLOGIES</u></p> <p>Apologies for absence were received from Councillor D. Wilkshire, Corporate Director Regeneration & Community Services; and Mr. T. Baxter.</p> <p>It was also pointed out that a number of Members were unable to join the meeting due to technical issues.</p>	
No. 3	<p><u>DECLARATIONS OF INTERESTS AND DISPENSATIONS</u></p> <p>The following declarations of interest were reported:</p> <p>Councillor B. Summers – Item No. 6 Revenue Budget 2021/2022 (Silent Valley)</p> <p>Councillor J. Hill - Item No. 6 Revenue Budget 2021/2022 (Silent Valley)</p> <p>Councillor M. Cook - Item No. 6 Revenue Budget 2021/2022 (Silent Valley)</p>	
No. 4.	<u>JOINT SCRUTINY COMMITTEE (BUDGET MONITORING)</u>	

	<p>The Minutes of the Joint Scrutiny Committee meeting held on 23rd November, 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 – 23rd NOVEMBER, 2020</u></p> <p>The action sheet arising from the Joint Scrutiny (Budget Monitoring) Committee held on 23rd November, 2020 was submitted, whereupon:-</p> <p><u>Item 8 – Capital Budget Monitoring – 2020/21</u> <u>Quarter 1 – Splash Pad Funding Allocation / Play Equipment</u></p> <p>In response to a question raised, a Member explained that following discussions at the previous meeting it was reported that the decision to reallocate the splash pad funding was taken under delegated powers by CLT in consultation with the Leader of the Council.</p> <p>A Member said he had requested the information on the spend on children’s play grounds following issues raised in relation to the splash pad funding, and the fact that some Members felt there was a lack of transparency in the course of actions taken since the splash pad was initially earmarked for Parc Bryn Bach.</p> <p>The Member then referred to the funding breakdown provided (attached to the Action Sheet) and expressed concern regarding the equity of funding across the Borough as the majority of the projects were in the eastern valley.</p> <p>In response the Chief Officer Resources explained that the £185k spend at Parc Bryn Bach was funded through the Welsh Government Valleys Regional Parks initiative, and was included within the briefing note to provide Members with the total spend and investment in play areas across the Borough.</p> <p>A Member sought assurance that the funding for play equipment had been spread equitably across the Borough.</p>	

In response the Head of Community Services said all the information had been provided in the briefing note attached to the Action Sheet, and confirmed that the funding had been allocated in line with the priorities identified in the Council's agreed play area strategy.

Another Member referred to the list of projects and pointed out that the works were undertaken at Duffryn Park and not Central Park as reported. She also expressed concern that local Members were not updated on the works and had not been asked for their input.

In terms of the actions taken in relation to the splash pad, a Member said it was his recollection that the Leisure Trust had stated that they were not in a position to deliver the project due to the ongoing running costs required. He said this was reported to Members along with an explanation as to why it was intended to move the project to the Garden Festival site, i.e. in order to spend the funding rather than return it to WG.

In response a Member said he could not accept the fact that the Council submitted a bid for funding for a splash park without the knowledge that additional works would be required. He said this was a major disappointment for the residents of Tredegar and felt that the whole situation could have been dealt with more democratically.

Revenue Budget Monitoring – 2020/21 Quarter 2 (Leisure Trust)

A Member referred to the spend on books in 2019/20 in the sum of £51,681 and said whilst it was a substantial amount of money, approximately £82k was ring-fenced for the book fund. He asked where the remaining money had been spent, or whether it came back to the Council.

In response the Chief Officer Resources said whilst the money was ring-fenced for books, it was paid as part of the Council's management fee to the Leisure Trust and was retained by the Leisure Trust for future expenditure.

The Scrutiny Officer confirmed that the WPLS 2019/20 report would be presented to the Education & Learning Scrutiny Committee on the 9th March, 2021. The Leisure Trust had

	<p>been invited to the meeting and Members would have the opportunity to raise this issue at that meeting.</p> <p>The Corporate Director of Education said the report was based on the WPLS return, and there was still a gap in the spend on books against the book fund. However, there was commitment moving forward for increased spend on books in the region of 20% additional expenditure to cover the funding gap identified. He confirmed that Members would have the opportunity to discuss this with the Leisure Trust at the Scrutiny meeting on the 9th March.</p> <p>A brief discussion ensued when the Corporate Director confirmed that following consideration of the WPLS report by the Education & Learning Scrutiny Committee, a briefing note would be brought back to the Joint Scrutiny Committee outlining the spend against the book fund and proposals moving forward.</p> <p>The Committee AGREED, subject to the foregoing, that the Action Sheet be noted.</p>	
<p>No. 6</p>	<p><u>REVENUE BUDGET 2021/2022</u></p> <p>Consideration was given to report of the Chief Officer Resources.</p> <p>The Chief Officer Resources presented the report which provided Members with an update on the positive provisional Local Government Settlement for 2021/22, and its impact upon the Council's budget. The report also proposed the detailed revenue budget for 2021/22; and proposed the level of Council Tax increase for the 2021/2022 financial year in line with the Medium Term Financial Strategy assumptions.</p> <p>The Provisional Settlement contained details of the revenue funding that Welsh Authorities could expect to receive in 2021/22 in order to allow them to set their budgets and determine levels of Council Tax for that year. It also provided details of the Capital funding that Authorities could expect to receive to fund their Capital Programmes. Indicative figures for the 2022/23 financial year and beyond have not been provided at this stage. The written statement</p>	

from the Minister for Housing and Local Government is attached as Appendix 1.

The Chief Officer Resources said the positive Provisional Settlement, combined with the opportunities identified in the Bridging the Gap programme meant the Council was able to invest in key priorities, avoid cuts to services and enhance its financial resilience.

The Officer pointed out that with the exception of the NHS and for those on the lowest pay, the UK Government's decision to pause public sector pay increases meant that Welsh Government did not receive additional funding to provide for the wider public sector pay awards. As a consequence, any financial impact arising from pay increases would therefore need to be accommodated within the overall funding settlement.

The Chief Officer then went through the report and highlighted points contained therein. The headline increase for BGCBC after allowing for transfers was 3.6% (£4.2m), compared to the all Wales increase of 3.8%. The positive settlement combined with the opportunities identified in the Bridging the Gap programme meant that, subject to the recommendations in the report being agreed, the Council was able to agree a budget for 2021/2022.

A Member said he could not support the proposed 4% Council Tax increase, and pointed out that during the period of austerity when the Council was facing £12m cuts and £32m cost pressures, the previous administration managed a 2.6%, 3.6% and 3.4% Council Tax increase. He said the covid pandemic had had a devastating impact on the community with many residents furloughed, job losses, and the fact that many businesses would never be able to recover. He said on the basis of such a positive settlement he could not support a 4% increase in Council Tax.

Another Member agreed that a 4% Council Tax increase was unacceptable. She also stated that during the covid pandemic there had been a significant increase in the demand for animal welfare services, and asked how much it would cost the Council to bring the service back in-house, as the current arrangement was insufficient.

A brief discussion ensued when a Member said this was the only opportunity Members had had to scrutinise the budget and raise issues. Previously, Members would have sight of the 'long list' which was beneficial to Members during the budget setting process and suggested that it be reinstated for future years.

The Chief Officer Resources said the costs of bringing the service back in-house would depend on the level of service should the Council make that decision.

A number of Members agreed that straying animals was an issue across the Borough, and that any surplus monies should be used to provide extra services for the benefit of residents

A Member referred to the previous collaboration of public protection and trading standings with Torfaen CBC that ended last year, and asked what savings had been achieved from bringing the service back in-house, in terms of any honorariums that were being paid to staff.

In response the Chief Officer Resources explained that when the collaboration arrangement ended last year, a cost pressure was identified and a review of the service was to be undertaken in order to identify savings to address the cost pressure. Unfortunately, due to the pandemic that work had been delayed, and whilst work had now commenced on the restructure, nothing had been built into the current budget.

In response to a question raised by a Member in relation to Cwmcraehen utility costs on Appendix 3, the Chief Officer Resources explained that this related to electricity charges at the site. She said Members would recall that this was previously highlighted as a significant overspend and the Department undertook investigations at the site. The Chief Officer confirmed that individual metres had now been installed, but there was still significant electricity use at the site which was not recoverable from the tenants.

In response to a further question regarding potential loss of rental income at the General Offices, the Officer said this was likely based on the proposal to relocate the Democratic hub to the GO from the Civic Centre. If the rooms at the

GO were being used for Council meetings there would be periods of time where those rooms would not be available for rental by the general public. She said there would be some savings as a result of not operating the Civic Centre, but the Council's move towards new agile working arrangements would likely incur additional costs. A report on the new operating and working arrangements, including potential costs and savings, would be reported to Council in March 2021.

The Interim Chief Officer Commercial said the Commercial Strategy that had been agreed by Council included key aspects of work in terms of looking at potential new income and commercial activity, as well as the Council being prudent in the way we spend and manage our contracts.

A Member then referred to the £133k cost pressure within the industrial units portfolio, and requested that an update be provided on the review of the Industrial Units.

He also referred to the Growth Strategy highlighted at Appendix 4 and said in his opinion the figure of 500+ new houses to be built over the next 5 years was far too ambitious. He pointed out that new housing developments also resulted in an increase on the school population, and asked whether the additional expenditure required for increased school provision and play grounds etc. had been taken into account, particularly when the Section 106 Agreement was removed from a development in the Northern Corridor.

In relation to the industrial units portfolio, the Chief Officer Resources said the original estimate for 2021/22 was revised down to zero in light of the impact of the covid pandemic on businesses in the area. However, she confirmed that the portfolio continued to be under constant review.

In terms of the Growth Strategy the Officer agreed that the figure was an ambitious target but the Council needed to be ambitious. The number of properties had increased by over 200 between 2019/20 and 2020/21 and there was also a number of significant housing developments happening in Blaenau Gwent. She understood that the housing market within the Borough was buoyant and would remain that

way, but it would be under review for future years. In relation to the Member's comment regarding increased school population and associated costs, the Officer said most of our schools had surplus places so significant increases in costs in relation to increased resident numbers was not anticipated.

The Corporate Director of Education said the Council had been successful in achieving funding through Section 106 Agreements recently and a report would be submitted to the Education & Learning Scrutiny Committee on Section 106 Agreements in due course. He said new developments would hopefully mean increased pupil population, and there was still an element of surplus places in excess of 10% which would continue to be monitored.

In response to a question raised by a Member regarding third party expenditure, the Chief Officer Resources explained that across all budgets, revenue and capital, the Council spent in the region of £80m on payments to suppliers for goods and services, or payments e.g. Council Tax Reduction Scheme.

A lengthy discussion ensued regarding the proposed Council Tax increase.

Following a request made by a Member the Chief Officer Resources explained that 1% increase on the current level of Council Tax equated to approximately £370k. She said the report identified that the surplus for 2021/22 would be just over £1.3m should a 4% increase be agreed. However, if a lower Council Tax increase was agreed the surplus would be reduced.

The Chief Officer pointed out that the report was proposing a 4% Council Tax increase as part of the assumptions within the MTFs agreed by Members. She pointed out that if Members decided a lower level of Council Tax increase for 2021/22, whilst it was unlikely to impact on the funding levels for 2021/22, it would increase the funding gaps for future years and potentially impact on service delivery.

In response a Member said it was his view that the decisions made by the Council would reflect on future funding gaps. He said he could not support a 4% Council

Tax increase at a time when residents were suffering the impact of the covid pandemic.

The Member thereupon proposed that recommendation 3.1.7 of the report be amended as follows:

‘Members recommend to Executive & Council that the proposed Council Tax increase of 4% be substantially reduced to below 2%.’

The proposal was seconded.

A recorded vote was requested.

In Favour of the amendment – Councillors P. Baldwin, D. Bevan, M. Cross, P. Edwards, L. Elias, K. Hayden, H. McCarthy, J. Millard, J. C. Morgan, T. Smith, S. Thomas, H. Trollope, B. Willis, L. Winnett.

Against the amendment – Councillors S. Healy, M. Cook, G. A. Davies, G.L. Davies, M. Day, J. Hill, W. Hodgins, J. Holt, C. Meredith, M. Moore, L. Parsons, G. Paulsen, K. Rowson, B. Summers.

The Chair had the casting vote and the amendment was not carried.

Another Member proposed an alternative amendment to recommendation 3.1.7 as follows:-

‘Members recommend to Executive & Council that the proposed Council Tax increase of 4% be reconsidered along with the consequences.’

The proposed alternative amendment was seconded.

A recorded vote was requested.

In Favour of the alternative amendment – Councillors S. Healy, M. Cook, G. A. Davies, G.L. Davies, M. Day, J. Hill, W. Hodgins, J. Holt, C. Meredith, M. Moore, L. Parsons, G. Paulsen, K. Rowson, B. Summers.

Against the alternative amendment – Councillors P. Baldwin, D. Bevan, M. Cross, P. Edwards, L. Elias, K.

Hayden, H. McCarthy, J. Millard, J. C. Morgan, T. Smith, S. Thomas, H. Trollope, B. Willis, L. Winnett.

The Chair had the casting vote and the alternative amendment was carried.

Therefore,

The Committee AGREED, subject to the foregoing, that the report be accepted and Option 1 (preferred Option) be agreed, namely:-

- i. Members recommend to Executive & Council the 2021/2022 revenue budget as shown in table 2 in paragraph 5.1.14.
- ii. Members note the outcomes within the overall provisional RSG Settlement and the potential for further change in the Final RSG Settlement (paragraphs 2.7 – 2.18).
- iii. Members note the outcomes within the BGCBC provisional RSG Settlement and its impact upon the Medium Term Financial Strategy (paragraphs 2.19 – 2.25).
- iv. Members recommend to Executive & Council the cost pressures and growth items (£2.074m in total) identified in Appendix 3 (paragraphs 5.1.7 – 5.1.10) for inclusion in the Council's budget.
- v. Members recommend to Executive & Council an uplift of £1.472m which equates to a net 3.3% increase to the ISB. This reflects a gross uplift of 3.6% (which incorporates the Teachers pay grant transferring into the settlement of £84,000) adjusted for a £150,000 reduction in demographics (paragraphs 5.1.11 to 5.1.13).
- vi. Members recommend to Executive & Council that any achievement of Bridging the Gap proposals which exceeds the in-year budget requirement be transferred into an earmarked reserve to support medium term financial planning, specifically for the

	<p>later years of the Medium Term Financial Strategy (paragraph 5.1.21).</p> <p>vii. Members recommend to Executive & Council that the Council Tax increase of 4% be reconsidered along with the consequences.</p>	
--	--	--

Blaenau Gwent County Borough Council

Action Sheet

Special Joint Budget Scrutiny Committee – 23rd February 2021

Item	Action to be Taken	By Whom	Action Taken
5	<u>Action Sheet – 23rd November 2021</u> A Member requested an update on the Book Fund.	Lynn Phillips	Members to be provided with a briefing note, following the Welsh Public Library Standards report being considered by the Education and Learning Scrutiny Committee.
6	<u>Revenue Budget Monitoring 2021/22</u> A Member requested that an update be provided on the review of the Industrial Units.	Ellie Fry	See attached Briefing Note.

This page is intentionally left blank

Briefing Note 4th March 2021

Industrial Portfolio Review and Actions

Background

- In May 2019 the Chartered Institute of Public Finance and Accountancy (CIPFA) undertook a detailed review of our industrial portfolio. The report identified that our portfolio ***'generates significant income and requires intensive management to keep it operating'***.
- We know from the EDU enquires that there is good demand for industrial space in the Borough in a variety of sizes and locations.
- The Portfolio provides a valuable resource to the Council in establishing the foundations for SME's to develop within the Borough.
- The report highlighted a number of issues and outlined recommendations to improve the performance of the estate.
- These have formed the basis of the Industrial Portfolio Review and subsequent actions.

Strategic Purpose

- The purpose of the work is to ensure that the Industrial Portfolio becomes a net income generating asset for the Council. This will facilitate the growth of SME's within the Borough, support job creation and provide a supply of specialist property not currently met by the private sector.
- In order to do this, we must take a professional approach to property management, ensuring the portfolio is fit for purpose, now and in the future.

Action Plans

- An Industrial Unit Team Leader was appointed on the 1st February 2021 with the objective of implementing the report recommendations.
- To date we have undertaken the following:
 - Completed a review of all lease documentation and implemented changes to improve consistency and commerciality across the estates.
 - Identified pilot sites for the implementation of a new service charge system.
 - Identified key working groups to take forward specialist projects in the following areas:
 - Statutory testing and maintenance obligations.
 - Finance and accounting.
 - Development of new asset management structure.

Time scales

Based on the work involved and persons required for each task the following are a selection of headline objectives with provisional time scales.

From	Task
0-6 Months	<ul style="list-style-type: none">○ Implementation of project sub-groups to push forward with priority objectives.○ Review of estates profile to highlight high risk areas.○ Implementation of compliance work on high risk sites.○ Set up shadow trading account system
6-12 months	<ul style="list-style-type: none">○ Begin rolling program of statutory inspections.○ Begin the implementation of service charges in pilot estates.○ Complete new asset management structure.○ Identification of outstanding rent reviews and lease renewals to help grow rent roll.
12-24 months	<ul style="list-style-type: none">○ Continued roll out of service charges.○ Identify strategic investment opportunities.

Expected Outcomes

The last 12 months has not provided us with an opportunity to manage the portfolio in normal trading conditions due to the pandemic and its effect on businesses. Over the course of the next 12 months we expect the proposed changes to the management of the industrial estates to being to deliver positive cash flow to the Council.

Reinvestment of revenue generated from the units will facilitate this together with WG grant opportunities in areas such as decarbonisation, highways improvements and broadband infrastructure.

Longer term, increased occupancy levels will also enable an effective service charge regime which will improve the overall appearance of the estates and add significant value to the Council balance sheet.

Agenda Item 6

Executive Committee and Council only

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: **Joint Budget Scrutiny Committee**

Date of meeting: **15th March 2021**

Report Subject: **Revenue Budget Monitoring -2020/2021, Forecast
Outturn to 31 March 2021 (As at 31st December 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)
	04/02/2021	03.04.21			15.03.21	14 /04/21		

1. Purpose of the Report

- 1.1 The purpose of the report is to provide members with the forecast financial outturn position across all portfolios for the financial year 2020/2021 (as forecast at 31st December 2020).

2. Scope and Background

- 2.1 This report provides details on the following:
- Forecast financial position to the end of March 2021 across all portfolios
 - Forecast outturn for Fees & Charges
 - Progress on the achievement of the Bridging the Gap Projects for 2020/2021.
- 2.12 This report will inform the quarterly financial reporting framework to Members.

3. Options for Recommendation

3.1 Option 1 (Recommended Option)

Members to consider and provide appropriate challenge to the financial outcomes in the report.

3.2 Option 2

Members do not accept the report.

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

- 4.1 This report supports the Council Corporate Plan proposed outcome statement 2020/2022 "An ambitious and innovative council delivering the quality services we know matter to our communities".

5. Implications Against Each Option

5.1 Impact on Budget

5.1.1 The overall forecast outturn as at December 2020, is an adverse variance of £4.719m. This is before the application of Welsh Government Hardship funding, moving the forecast adverse variance to a favourable variance £0.552m. This is a much improved position compared to the forecast as at September 2020, which indicated an adverse variance of £0.248m (after the application of Hardship and furlough funding).

5.1.2 The forecast overall financial position across all portfolios at 31 December 2020 (and before the inclusion of Covid-19 related expenditure) is shown in the table below:

Portfolio/ Committee	2020/2021 Revised Revenue Budget	2020/2021 Forecast Outturn @ 31 Dec 2020	Favourable/ (Adverse) To 31 March 2021	Append ref:
	£m	£m	£m	
Underspending Portfolios				
Corporate Services & Financial Management & Strategy	16.726	15.808	0.918	2a
Education & Leisure	62.132	61.905	0.227	2c
Social Services	45.352	45.242	0.110	2b
Sub Total (1)	124.210	122.955	1.255	
Overspending Portfolios				
Economy	1.215	1.378	(0.163)	2d
Environment	25.532	25.853	(0.321)	2e
Planning	1.118	1.132	(0.014)	2f
Licensing	0.070	0.097	(0.027)	2f
Sub Total (2)	27.935	28.460	(0.525)	

Crosscutting costs as a result of the pay date move (October 2020)		<u>0.111</u>		
Total	<u>152.145</u>	<u>151.526</u>	<u>0.619</u>	
Covid-19 Costs				
Social Services		2.275	(2.275)	
Education		0.285	(0.285)	
Environment		2.778	(2.778)	
Sub Total – Covid19		<u>5.338</u>	<u>(5.338)</u>	
WG Hardship funding			<u>3.417</u>	
WG SS Hardship funding			<u>1.854</u>	
Revised Total			<u>0.552</u>	

- 5.1.3 The forecast includes actual and estimated funding from the Hardship fund for April to December 2020 of £5.271m.
- 5.1.4 The forecast shows a positive movement of approximately £0.8m from the quarter 2 forecast. Movements greater than £100,000 relates to:
- Corporate Services/ Financial Management - £832,000.
- 5.1.5 Welsh Government has considered and paid claims from local authorities for loss of income for quarter 1 and 2 totalling £1.3m of which:
- £1m relates directly to portfolio budgets
 - £115,000 for schools who arrange their own catering arrangements and
 - £272,000 for the Leisure Trust.
- 5.1.6 A Claim has been submitted for quarter 3 loss of income of £0.467, in line with a set of principles issues by Welsh Government and the assumption in the portfolio forecasts is that loss of income will be funded to 31st March 2021.
- 5.1.7 Taking Hardship funding, Furlough income and the initial claims for lost income into account, the net impact on the Council's revenue budget is a forecast favourable variance of £0.552m.
- 5.1.8 The increased caseload in the Council Tax Reduction Scheme is currently resulting in an adverse variance of £0.23m after applying hardship funding of £0.35m. It has been assumed that Welsh Government are committed to funding the cost pressure to the end of the financial year.

5.1.9 **PORTFOLIO ANALYSIS**

5.1.10 A summary of the main adverse variances is shown as Appendix 1 and details on the main variances within the Portfolios are included below.

5.1.11 Action plans to address cost pressures are attached at Appendix 4.

5.1.12 **Corporate Services – £918,595 favourable variance (quarter 2 £87,365 favourable variance)**

5.1.13 The movement in the favourable variance from quarter 2 to quarter 3 of £831,000 mainly relates to:

- Departmental Budget - £199,000 and this is due to the delayed implementation of the Commercial Services Restructure and savings from staff secondments
- Council Tax Collection - £76,000 due to an increase in the forecasted Surplus on Collection income
- CTRS - £311,000 due to the inclusion of loss of income from WG £348,000
- Cross Cutting Budgets - £246,000 – Committed spend on the Transformation Fund budget has been reduced to 50% of the total budget.

5.1.14 There are three main adverse variances within the Portfolio:

5.1.15 ***Council Tax Reduction Scheme (CTRS) - £229,959***

5.1.16 As previously reported, this is due to an increase in the number of claimants resulting from the economic impact of the Covid-19 pandemic. Recent information indicates that the level of new claims has now decreased when compared to the same period in 2019. This is shown by the decreasing cost pressure compared to the start of the year. However, the full effect of the recent national lockdown that was enforced in December, is not known at this stage.

5.1.17 WG has now considered the CTRS cost pressure across Wales, with income of £174,000 being received in respect of quarters 1 and 2. A commitment for financial support for the period October to March 2021 has been assumed.

5.1.14 ***ICT Service - £160,000***

5.1.15 This adverse variance is mainly as a consequence of income being built into the budget which was intended to be funded by reserves, with the view that future savings, due to merging of software systems, would produce savings and therefore reduce the need of reserve funding. These savings have not yet been achieved, as the Software Contracts are still Blaenau Gwent's responsibility.

Attempts to try to mitigate this adverse variance has not been possible, with a cost pressure being identified for the financial year 2021/2022.

5.1.16 ***Registrars - £33,431***

5.1.17 The forecast adverse variance is due to a reduction in income from fees & charges due to Covid-19 pandemic. £4,000 has been received from WG in respect of loss of income for quarter 1, however this only equates to 50% of our initial claim, as it is assumed that income will improve throughout the year. Quarter 3 has shown improvement as suggested, so it has been assumed that this will continue until the end of the financial year along with a commitment that WG will fund any lost income for the year.

5.1.18 ***Apprenticeship Levy - £21,379***

5.1.19 The forecast adverse variance is due to an increase in the NI-able pay of staff paid to date. This is mainly due to the additional staff and backdated pay for TTP staff, increase in overtime claims and additional hours (due to the Covid-19 pandemic) and the four weekly staff who transferred over to the new monthly payroll (receiving additional pay for days owing from September 2020).

This is an in year pressure only and should not be an issue in future years.

5.1.20 These adverse variances have been offset by two main favourable variances:-

5.1.21 ***Cross Cutting Budgets - £742,410***

5.1.22 Commercial & Contract Management (£496,410) – This budget has been set up to fund contract price increases during 2020/2021, that cannot be managed within portfolio budgets. However, no requests for funding have been considered to date.

5.1.23 The Transformation Fund of £492,000 has been assumed to be 50% committed at this stage, to progress and support the Bridging the Gap programme. However, the only transformation project that has been considered to date was the business case for the development of the Festival Park estate.

5.1.24 ***Departmental Budgets - £401,734***

5.1.25 The forecast favourable variance mainly relates to employee related savings due to vacant posts (as a result of long term/new secondments), maternity leave, staff on temporary reduced hours and the utilisation of one-off grant funding. In addition, the delayed implementation of the Commercial Services restructure has further increased this favourable variance.

5.1.26 ***Council Tax Collection - £166,870***

5.1.27 The forecasted favourable variance mainly relates to an increase in the Surplus on Collection income budget.

5.1.28 **Social Services – £109,000 favourable variance (quarter 2 £116,000 favourable variance)**

5.1.29 The forecast is made up of the following main variances: -

- Children's Services
There is an overall adverse variance of £468,000 (£58,000 adverse variance in quarter 2) which is mainly due to the continuing cost pressure in legal fees resulting from court proceedings in relation to Children Looked After.

5.1.30 The adverse variance have been offset by the following areas:

- Adult Services
The favourable variance of £518,000 is mainly due to the application of ICF and Home First Grant funding for a number of established posts and the significant loss of income within Provider Services has been offset by the loss of income grant from Welsh Government and a reduction in staffing cover costs. There has been an assumption that Day Services will not resume service until the end of the calendar year.
- Support Services and Management Costs
The favourable variance of £60,000 is due to accumulated underspends in staffing costs, travelling expenses and Supplies and Services within the departmental budget and the Workforce Development Plan budget.

5.1.31 **Education and Leisure – £227,000 favourable variance (quarter 2 £293,000 favourable variance)**

5.1.32 As the Leisure Services budget now falls under the remit of the Corporate Director of Education, the relevant budgets are grouped together in this section. There are five main areas of favourable variances:

- School Budget Supporting SEN £13,000 favourable variance (£106,000 favourable variance in quarter 2)– relating mainly to a higher than estimated number of out of county placements in independent SEN schools.
- Assuring Access £33,000 favourable variance (£27,000 favourable in quarter 2)– relating mainly to the 25% agreed reduction on Home to School Transport contracts. In addition, an estimated increase in Home to School Transport for pupils attending Pen y Cwm School has been forecast.
- LEA Budget Supporting SEN £70,000 favourable variance (£77,000 favourable variance in quarter 2) – relating to the secondment income for the Principal School Psychologist.
- Home to College Transport £32,000 favourable variance (no change from the quarter 2 variance)- relating a saving from the non-payment of travel passes for the summer term 2020.
- Strategic Management £35,000 favourable variance (no change from the quarter 2 variance) – relating to pension contributions to the local government pension scheme for school based staff.

- Departmental budget - £37,000 favourable variance (£11,000 adverse variance in quarter 2) – mainly relating to the forecast delay in the appointment of the Head of School Improvement & Inclusion post.

5.1.33 **Economy – £163,000 adverse variance (quarter 2 £221,000 adverse variance)**

5.1.34 The forecast is made up of the following main variances:

- Industrial Units £123,000 adverse variance – down from £182,000 in quarter 2, as a result of a loss of income claim. At present the adverse variance relates to a contingency for loss of rental income for 6 months from tenants who are deemed high risk in terms of rent payment (amounting to approx. £100,000). Work is ongoing to secure rent repayment agreements.
- Estates Non Rechargeable £11,000 adverse variance – The impact on COVID-19 on the collection of ground rents, albeit an improvement on the quarter 1 forecast of a £55,000 adverse variance. At this stage it is unclear if this income will be lost to the Council or the collection is delayed.

5.1.35 **Environment Portfolio – £432,000 adverse variance (quarter 2 £402,000 adverse variance)**

5.1.36 The forecast is made up of the following main variances:

- Increased salary costs of £111,000 as a result of the revised single pay date. These will be one-off in year only costs for 2020/2021.
- Waste collection, transfer and disposal which is forecasting an adverse variance of £0.315m, mainly due to:
 - Additional cost of 2 Waste Wardens which cannot be met within existing resources.
 - An increase in residual waste tonnages during the lockdown period, which has only been partly offset by the WG Hardship Fund.
 - There is a decrease in recyclate income of £90,000 compared to financial year 2019/2020. This is due to fluctuations in the market prices and a general downturn in activity. Only the decrease in income from the plastics, cardboard and textiles market has been directly affected by Covid-19 and hardship funding has been built in to partly offset this decrease.
 - The delay to the opening of the HWRC as a result of Covid-19, has impacted on the forecast increase in the volume and sale of recyclate material.
 - An increase in green waste recycling costs - £40,000 mainly as a result of the contractor closing for business which resulted in a contingency arrangement put in place at short notice, which has been costly. There is now a new contract in place for a longer term solution. The increased

tonnage collected during the first lock down period has been partly been offset by the WG Hardship Fund.

5.1.37 **Cross cutting issues**

5.1.38 There are some areas of expenditure which will see reductions across a number of portfolios:

- Car allowances – an increase in home working and the transfer of meetings online has led to a significant reduction in claims. For example, there has been a reduction in expenditure of approximately £238,000 comparing April to December 2020 to the previous financial year.
- Energy costs – the closure of some Council buildings and schools has led to a reduction in expenditure. For information, there has been a reduction in expenditure of approximately £106,000 comparing April to December 2020 to the previous financial year.
- There are also a number of vacant posts as at 31st December 2020 (together with the monthly salary plus oncost value) in each portfolio, *where the vacant post has not been used to offset cost pressures elsewhere* and excluding grant funded posts (see Appendix 6). The Appendix indicates that there are currently 21 vacant posts at a total monthly salary value of £80,000 in this category. This equates to a potential saving of £240,000 to the end of the financial year (should the posts not be filled). The Appendix also includes information relating to vacant posts that are being held vacant to offset cost pressures for varying periods of time, at a total monthly salary value of £12,000.

Additional costs of £111,000 will be incurred in the 2020/2021 financial year as a result of transferring staff paid on a 4 weekly basis to a monthly basis. period. In previous years the 4 weekly pay period ended in the middle of March and pay for the latter March period was accounted for in the following financial year. However, this will be a one-off cost for the 2020/2021 financial year.

5.1.39 **Fees & Charges**

5.1.40 The 2020/2021 portfolio estimates include income budgets in relation to fees & charges (excluding Council Tax) of £14.8m across all portfolios. Attached at Appendix 3 is an analysis of income received against budget for the financial year for individual portfolios, and current forecast indicates an adverse variance against this target of £1.44m, primarily relating to lost income in the sale of recycle, charges for Community Care and rental income for Industrial Units.

5.1.41 Whilst the analysis of fees and charges is useful, it should not be considered in isolation, as elements of any shortfall within Portfolios can be inextricably linked to underspends in expenditure within the same budget heading. Where this is the case, budget holders should action budget virements to ensure that the income targets reflect more accurately expected income. Likewise, any over

achievement in income which offset overspends in expenditure within the same budget, should be treated in the same way.

5.1.42 **Bridging the Gap Programme**

5.1.43 The target for the financial achievement of the Strategic Business Reviews in 2020/2021 is £1.465m. Many of the proposals relate to income generation / maximisation and therefore these areas have been factored into the fees and charges information contained within Appendix 3. An overall summary of financial progress within each proposal is attached as Appendix 5.

5.1.44 Appendix 5 forecasts that £1.218m (83%) of savings will be achieved in this financial year. This forecast will be updated for the final quarter out turn position and is therefore subject to change.

5.2 **Risk including Mitigating Actions**

5.2.1 Grants form a significant element of the Council's income and support the delivery of priority services to the people of Blaenau Gwent. There is a risk that a reduction or cessation of grant funding will result in service levels reducing or services no longer being delivered.

5.2.2 A grants register has been developed and is being maintained and will be considered as part of the Medium Term Financial Strategy.

5.2.3 There is a risk that Action Plans will not address the cost pressures identified.

5.2.4 Action Plans have been developed, identifying actions to mitigate the forecast cost pressure. The Action Plans will be monitored as part of the Budget Monitoring and Reporting Framework and the impact reported to the Joint Budget Scrutiny Committee, Executive Committee and the Cost Pressure Sub Group.

5.2.5 Savings to date will have been factored into the current forecast. However, some will continue beyond the lockdown period and could contribute towards forecast cost pressures.

5.2.6 There is a risk that Covid-19 will continue into the medium/long term, impacting on Council services and budgets. This risk can be mitigated by the continuation of processes that the Council has introduced since March 2020 eg prioritising services, redeployment of staff, home working.

5.2.7 There is a risk that Welsh Government will not provide Hardship funding/loss of income funding for all cost pressures identified. This risk can be mitigated by a continuing dialogue and lobbying with Welsh Government, through the WLGA and the continuing development of action plans by budget holders.

5.2.8 There is a risk of increase costs for food, fuel and other essential goods and services following the ongoing situation regarding the U.K. Exiting the E.U..

5.2.9 The UK Exiting the EU has been added as an organisational risk to the corporate risk register, whilst a separate, more detailed high level action plan has been developed and is being monitored by the Core Planning Group.

5.3 Legal
N/A

5.4 Human Resources
N/A

6. **Supporting Evidence**

6.1 **Performance Information and Data**

6.1.1 A summary page for each portfolio is contained in Appendices 2a to 2g.

6.2 **Expected outcome for the public**

6.2.1 The report details the financial implications for the Council in providing services to the communities of Blaenau Gwent.

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

6.3.1 CLT have considered the forecast financial position for 2020/2021 (as 31st December 2020).

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

6.4.1 For new and emerging cost pressures identified during the financial year, budget holders have produced Action Plans which should address the cost pressure during the year. These Action Plans will form part of the quarterly budget reports and will be submitted to the Cost Pressure Sub Group for scrutiny, challenge and monitoring.

6.4.2 Cost Pressures are also considered as part of the Medium Term Financial Plan.

6.5 **Preventative focus**

6.5.1 Budget holders will continue to develop and monitor Action Plans which should mitigate the forecast adverse variance during the financial year. It may be necessary to implement further actions including maintaining vacant posts and limiting non- essential spend during the remainder of the financial year, where it is possible to do so, to prevent any unplanned draw from reserves at the year end.

6.6 **Collaboration / partnership working**

6.6.1 Accountancy works closely with budget holders during the financial year in producing the financial forecast, identifying cost pressures and in developing Action Plans.

6.7 *Integration (across service areas)*
N/A

6.8 **EqIA**

6.8.1 All Bridging the Gap Projects that were approved as part of the budget setting process had gone through the EqIA process.

7. **Monitoring Arrangements**

7.1 Financial reporting to Joint Scrutiny and the Executive is carried out on a quarterly basis. Where services are reporting significant cost pressures, there will be a requirement for Budget Holders to develop and implement Action Plans these will be reported to the Cost Pressure Sub Group, on a quarterly basis.

Background Documents /Electronic Links

Appendix 1

Appendix 2

Appendix 3

Appendix 4

Appendix 5

Appendix 6

This page is intentionally left blank

SUMMARY OF MAIN FORECAST ADVERSE VARIANCES 2020/2021

		<u>Forecast Adverse Variance at September 2020</u> £	<u>Forecast Adverse Variance at December 2020</u> £	<u>Action Plan Ref:</u>
	<u>Adverse variances in Excess of £15,000</u>			
1.	<u>Corporate Services</u>			
	ICT Service	(160,000)	(160,000)	4a
	Registration of Births, Marriages and Deaths	(40,798)	(33,431)	4a
	Council Tax Reduction Scheme	(541,007)	(229,959)	4a
	Apprenticeship Levy	5,379	(21,379)	4a
2.	<u>Social Services</u>			
	<i>Childrens Services:</i>			
	Legal Costs	(499,699)	(773,227)	4b
3.	<u>Economy</u>			
	Nursery Units	(181,869)	(123,451)	4c
4.	<u>Environment</u>			
	Waste Services	(331,583)	(315,231)	4d
	Grounds Maintenance	(17,000)	42,302	4d
	Corporate Landlord	(57,536)	(65,067)	4d
	Bridge Maintenance	(13,383)	(24,522)	4d
	Environmental Health	(89,044)	(64,901)	4d
	Cwmcrachen Caravan Site	(23,473)	(33,697)	4d
5.	<u>Planning & Licensing</u>			
	Planning Committee – Dealing with Applications	(31,293)	(31,293)	4e
	Licensing Committee	(26,419)	(26,733)	4e

This page is intentionally left blank

CORPORATE SERVICES PORTFOLIO

Item	Revised Estimate 2020/2021	Total Forecast Expenditure to March 2021	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Sept 20
	£	£	£	£
SUMMARY				
DEPARTMENTAL AND OTHER RECHARGEABLE SERVICES				
Corporate Services Department	(72,070)	(406,252)	334,182	203,049
Resources Department	(28,190)	(95,742)	67,552	(541)
Sub Total	(100,260)	(501,994)	401,734	202,508
COMMERCIAL SERVICES				
Archives	151,640	142,789	8,851	8,851
Festival Park	92,820	98,188	(5,368)	(5,368)
Housing Benefit	(117,130)	(120,894)	3,764	3,762
ICT Service	479,400	639,400	(160,000)	(160,000)
Cross Cutting	(50,000)	(50,000)	0	0
Sub Total	556,730	709,483	(152,753)	(152,755)
LEGAL & CORPORATE COMPLIANCE SERVICES				
Registration of Electors	16,670	16,853	(183)	3,082
Registration of Births, Marriages and Deaths	33,630	67,061	(33,431)	(40,798)
Sub Total	50,300	83,914	(33,614)	(37,716)
GOVERNANCE & PARTNERSHIP SERVICES				
Corporate Management	107,370	112,009	(4,639)	(4,639)
Democratic Representation and Management	1,239,940	1,232,498	7,442	(2,229)
CCTV Cameras	84,000	71,215	12,785	16,563
Civil Contingencies	100,820	100,648	172	718
Sub Total	1,532,130	1,516,370	15,760	10,413
RESOURCES SERVICES				
Corporate Management	338,810	318,609	20,201	7,475
Non Distributed Costs	827,990	825,408	2,582	2,582
Apprenticeship Levy	320,000	341,379	(21,379)	5,378
Council Tax Collection	(1,315,610)	(1,482,480)	166,870	90,846
Council Tax Reduction Scheme	9,257,740	9,487,699	(229,959)	(541,007)
N.N.D.R. Collection	(107,040)	(113,769)	6,729	3,217
Grants and Subscriptions	57,270	57,270	0	0
Cross Cutting Budget	988,410	246,000	742,410	496,410
Sub Total	10,367,570	9,680,114	687,456	64,902
CORPORATE CHARGES				
Corporate Recharges	4,319,750	4,319,737	13	13
Sub Total	4,319,750	4,319,737	13	13
Covid-19 Related Expenditure	0	0	0	0
CORPORATE SERVICES TOTAL EXPENDITURE	16,726,220	15,807,625	918,595	87,365

SOCIAL SERVICES PORTFOLIO

Item	Revised Estimate 2020/2021	Total Forecast Expenditure to March 2021	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Sept 20
	£	£	£	£
SUMMARY				
<u>SOCIAL SERVICES</u>				
Children's Services - Commissioning and Social Work	3,562,584	3,494,958	67,626	69,691
Looked After Children	6,894,281	7,471,814	(577,533)	(236,735)
Family Support Services	188,603	186,795	1,808	5,383
Youth Justice	232,922	228,118	4,804	4,804
Other Children's and Family Services	2,369,411	2,334,401	35,010	98,763
Older People Aged 65 or Over	5,947,020	5,655,668	291,352	92,627
Adults Aged Under 65 with a Physical Disability or Sensory Impairment	41,800	43,571	(1,771)	(1,771)
Adults Aged Under 65 with Learning Disabilities	3,687,899	3,447,477	240,422	66,641
Adults Aged Under 65 with Mental Health Needs	596,710	607,875	(11,165)	(22,306)
Other Adult Services	357,910	345,682	12,228	2,032
Community Care	15,486,780	15,500,228	(13,448)	(12,518)
Support Service and Management Costs	1,023,280	963,132	60,148	49,875
Corporate Recharges	4,962,770	4,962,772	(2)	(2)
Social Services COVID-19 Costs	0		0	0
Sub Total	<u>45,351,970</u>	<u>45,242,491</u>	<u>109,479</u>	<u>116,484</u>
 Covid-19 Related Expenditure	 0	 2,275,384	 (2,275,384)	 (1,473,225)
Total Expenditure	<u>45,351,970</u>	<u>47,517,875</u>	<u>(2,165,905)</u>	<u>(1,356,741)</u>

EDUCATION PORTFOLIO

Item	Revised Estimate 2020/2021	Total Forecast Expenditure to March 2021	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Sept 20
	£	£	£	£
SUMMARY				
EDUCATION				
SCHOOLS BUDGET				
Individual Schools Budget	45,069,380	45,069,380	0	0
Education Improvement Grant	257,800	267,601	(9,801)	(11,730)
Other Costs	662,320	662,834	(514)	(523)
Supporting Special Education Needs	1,707,570	1,694,346	13,224	105,810
<i>Sub Total</i>	<u>47,697,070</u>	<u>47,694,161</u>	<u>2,909</u>	<u>93,557</u>
LEA BUDGET				
Strategic Management	2,282,620	2,247,456	35,164	35,164
Assuring Access to Schools	2,133,370	2,100,217	33,153	27,248
Facilitating School Improvement	419,760	400,330	19,430	20,113
Supporting Special Education Needs	337,940	268,018	69,922	77,261
<i>Sub Total</i>	<u>5,173,690</u>	<u>5,016,021</u>	<u>157,669</u>	<u>159,786</u>
OTHER EDUCATION SERVICES				
Further Education and Training	133,290	101,450	31,840	31,840
Youth Service	380,873	376,380	4,493	4,774
Other Expenditure	141,037	155,983	(14,946)	5,487
Education Departmental Budget	0	(36,761)	36,761	(10,877)
<i>Sub Total</i>	<u>655,200</u>	<u>597,052</u>	<u>58,148</u>	<u>31,224</u>
CORPORATE CHARGES				
Corporate Support Recharges	4,225,700	4,225,700	0	0
<i>Sub Total</i>	<u>4,225,700</u>	<u>4,225,700</u>	<u>0</u>	<u>0</u>
Covid-19 Related Expenditure	0	284,651	(284,651)	(59,140)
EDUCATION TOTAL EXPENDITURE	<u>57,751,660</u>	<u>57,817,585</u>	<u>(65,925)</u>	<u>225,427</u>
LEISURE TRUSTS				
LEISURE TRUSTS				
Leisure Trusts	3,215,660	3,232,688	(17,028)	(17,028)
<i>Sub Total</i>	<u>3,215,660</u>	<u>3,232,688</u>	<u>(17,028)</u>	<u>(17,028)</u>
RETAINED SERVICES				
Corporate Recharges	1,164,900	1,139,811	25,089	24,579
General Reserve Funding Re: Staff Support	0	0	0	0
<i>Sub Total</i>	<u>1,164,900</u>	<u>1,139,811</u>	<u>25,089</u>	<u>24,579</u>
LEISURE TRUSTS TOTAL EXPENDITURE	<u>4,380,560</u>	<u>4,372,499</u>	<u>8,061</u>	<u>7,551</u>

ECONOMY PORTFOLIO

Item	Revised Estimate 2020/2021	Total Forecast Expenditure to March 2021	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Sept 20
	£	£	£	£
SUMMARY				
DEPARTMENTAL SERVICES				
Economic Strategy and Development - Departmental Budget	(1,240)	13,724	(14,964)	(14,964)
Estates Management - Rechargeable	0	8,751	(8,751)	(8,751)
<i>Sub Total</i>	<u>(1,240)</u>	<u>22,475</u>	<u>(23,715)</u>	<u>(23,715)</u>
ECONOMY SERVICES				
Affordable Housing	0		0	0
Aspire	0		0	0
Community Benefits Investment	0		0	0
CSCS	(10,000)	2,913	(12,913)	(12,913)
Destination Management	16,150	16,150	0	0
DRivE	0		0	0
Financial Support to Business	4,140	4,140	0	0
General Offices	(75,762)	(75,508)	(254)	(254)
Industrial Land	6,946	(2,450)	9,396	9,396
Inspire	0		0	0
Nursery Units/Misc. Industrial Premises	(827,315)	(703,864)	(123,451)	(181,869)
Pentagon	0		0	0
Regeneration Projects	4,900	6,075	(1,175)	(1,175)
Resilient Project	0		0	0
Estates Management Non Rechargeable	(92,998)	(82,229)	(10,769)	(10,769)
<i>Sub Total</i>	<u>(973,939)</u>	<u>(834,773)</u>	<u>(139,166)</u>	<u>(197,584)</u>
Corporate Recharges	2,189,880	2,189,880	0	0
Total Expenditure	<u><u>1,214,701</u></u>	<u><u>1,377,582</u></u>	<u><u>(162,881)</u></u>	<u><u>(221,299)</u></u>

ENVIRONMENT PORTFOLIO

Item	Revised Estimate 2020/2021	Total Forecast Expenditure to March 2021	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Sept 20
	£	£	£	£
SUMMARY				
<u>COMMUNITY SERVICES</u>				
<u>DEPARTMENTAL SERVICES</u>				
Environment Department - Corpora	0	(34,138)	34,138	9,463
Environmental Services Division	0	28,195	(28,195)	(30,984)
Technical Services - Engineering & Property Management	(6,386)	(6,386)	0	0
<i>Sub Total</i>	<u>(6,386)</u>	<u>(12,329)</u>	<u>5,943</u>	<u>(21,521)</u>
<u>WASTE SERVICES</u>				
Waste Services Team	0	0	0	0
<i>Sub Total</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>WASTE COLLECTION</u>				
Household and Trade Waste Collec	612,320	655,044	(42,724)	(29,970)
Recycling Collection	2,012,370	2,079,747	(67,377)	(69,346)
Bulky Waste Collection	(4,224)	(2,480)	(1,744)	5,296
<i>Sub Total</i>	<u>2,620,466</u>	<u>2,732,311</u>	<u>(111,845)</u>	<u>(94,020)</u>
<u>WASTE TRANSFER</u>				
Civic Amenity Sites	247,970	326,364	(78,394)	(88,022)
HWRC Roseheyworth	260,480	78,143	182,337	182,337
Transfer Station	569,370	584,609	(15,239)	(34,508)
<i>Sub Total</i>	<u>1,077,820</u>	<u>989,116</u>	<u>88,704</u>	<u>59,807</u>
<u>WASTE DISPOSAL</u>				
Disposal Of Waste	999,730	1,063,254	(63,524)	(63,635)
Recycling Disposal	18,294	213,217	(194,923)	(200,092)
Trade Waste Collection, Transfer &	(30,974)	2,669	(33,643)	(33,643)
<i>Sub Total</i>	<u>987,050</u>	<u>1,279,140</u>	<u>(292,090)</u>	<u>(297,370)</u>
<u>PUBLIC SERVICES</u>				
County Borough Cleansing	1,086,700	1,086,694	6	28,878
Cemeteries / Crematorium	(280,381)	(317,608)	37,227	27,404
Community Meals	0	0	0	0
Grounds Maintenance	942,857	900,555	42,302	(17,000)
Countryside Recreation Sites	34,690	32,608	2,082	2,082
General Entertainment	2,530	2,530	0	0
<i>Sub Total</i>	<u>1,786,396</u>	<u>1,704,779</u>	<u>81,617</u>	<u>41,364</u>
<u>FACILITIES MANAGEMENT</u>				
Corporate Landlord	1,235,205	1,300,272	(65,067)	(57,536)

ENVIRONMENT PORTFOLIO

Item	Revised Estimate 2020/2021	Total Forecast Expenditure to March 2021	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Sept 20
	£	£	£	£
Corporate Property	11,300	11,297	3	2
Building Cleaning	70,240	70,240	0	0
Catering Account	137,462	137,462	0	0
Appetite For Life	42,854	42,854	0	0
School Breakfast Club	384,010	370,574	13,436	12,185
Sub Total	1,881,071	1,932,699	(51,628)	(45,349)

ENVIRONMENT PORTFOLIO

Item	Revised Estimate 2020/2021	Total Forecast Expenditure to March 2021	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Sept 20
	£	£	£	£
<u>HIGHWAYS & ROADS SERVICES</u>				
Highways - Street Care Team	0	2,233	(2,233)	(1,754)
Non Operational Land	1,460	0	1,460	1,460
Licensing (Highway Permits)	(34,018)	(34,137)	119	0
Shopping Arcade, Abertillery	2,780	2,263	517	675
Road and Street Works Acts	(33,496)	(33,496)	0	5,789
Multi-Storey Car Parks	272,740	272,740	0	0
On Street Parking	1,100	1,100	0	0
Surface Car Parks	31,790	32,138	(348)	0
Public Transport Co-Ordination	910	910	0	0
Bridges	77,590	102,112	(24,522)	(13,383)
Structural Maintenance (Principal and Other Roads)	199,404	199,404	0	(1,890)
Environmental Maintenance (Principal and Other Roads)	19,440	19,440	0	0
Safety Maintenance (Principal and Other Roads)	71,596	71,596	0	143
Routine Repairs (Principal and Other Roads)	809,918	798,650	11,268	12,312
Street Lighting	1,193,090	1,193,090	0	0
Winter Maintenance	390,340	390,340	0	0
<i>Sub Total</i>	3,004,644	3,018,383	(13,739)	3,352
<u>TRANSPORT SERVICES</u>				
Traffic Orders	(16,024)	(16,024)	0	0
Highways Adoptions	(9,560)	(9,560)	0	0
Traffic / Accident Research	15,690	15,690	0	0
Traffic Management	6,760	7,927	(1,167)	0
Civil Parking Enforcement	0	0	0	0
Road Safety Education	18,340	18,340	0	0
Crossing Patrols	149,220	146,785	2,435	2,603
Concessionary fares and Support to Operators	281,060	280,204	856	0
Local Transport Plans	2,620	2,620	0	0
Home to School Transport	0	0	0	0
Transport and Heavy Plant	58,850	58,850	0	0
<i>Sub Total</i>	506,956	504,832	2,124	2,603
<u>CULTURAL & ENVIRONMENTAL SERVICES</u>				
General Administration and Market:	(23,870)	(23,870)	0	0
Countryside Programme and Manag	1,990	1,990	0	0
Landscaping and Afforestation	20,470	20,470	0	0
Reservoirs, Tips, Quarries and Min	10,130	10,130	0	0
Flood Defence And Land Drainage	55,380	55,380	0	0
ENRaW	0	0	0	0
City Deal	62,700	62,700	0	0
<i>Sub Total</i>	126,800	126,800	0	0

ENVIRONMENT PORTFOLIO

Item	Revised Estimate 2020/2021	Total Forecast Expenditure to March 2021	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Sept 20
	£	£	£	£
COMMUNITY SERVICES TOTAL EXPENDITURE	11,984,817	12,275,731	(290,914)	(351,134)

ENVIRONMENT PORTFOLIO

Item	Revised Estimate 2020/2021	Total Forecast Expenditure to March 2021	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Sept 20
	£	£	£	£
<u>PUBLIC PROTECTION</u>				
<u>DEPARTMENTAL SERVICES</u>				
Environmental Health	18,636	83,538	(64,902)	(89,044)
<i>Sub Total</i>	<u>18,636</u>	<u>83,538</u>	<u>(64,902)</u>	<u>(89,044)</u>
<u>CARAVAN SITES</u>				
Cwmcrachen Caravan Site	(54,735)	(21,038)	(33,697)	(23,473)
<i>Sub Total</i>	<u>(54,735)</u>	<u>(21,038)</u>	<u>(33,697)</u>	<u>(23,473)</u>
<u>ENVIRONMENTAL HEALTH</u>				
Food Safety	6,311	8,359	(2,048)	(2,048)
Control of Pollution	9,717	13,180	(3,463)	(3,463)
Dog Wardens	1,512	2,630	(1,118)	(1,118)
Animal Health and Welfare	23,358	20,000	3,358	3,358
Pest Control	62,000	62,509	(509)	(509)
Littering and Dog Control Orders	0	2,416	(2,416)	(2,744)
Health and Safety at Work (Commer	1,514	1,105	409	259
<i>Sub Total</i>	<u>104,412</u>	<u>110,200</u>	<u>(5,788)</u>	<u>(6,266)</u>
<u>HOUSING SERVICES</u>				
Homelessness	244,683	151,443	93,240	79,851
20 Church Street	16,874	19,199	(2,325)	(1,818)
General Properties	(8,164)	(7,416)	(748)	(748)
Housing Access	48,968	44,436	4,532	17,877
Works in Default	17	4,187	(4,170)	(4,170)
Disabled Facilities Grants	1,040	863	177	177
<i>Sub Total</i>	<u>303,418</u>	<u>212,713</u>	<u>90,705</u>	<u>91,169</u>
<u>TRADING STANDARDS</u>				
Trading Standards	(18,000)	(26,129)	8,129	8,310
Inspection and Enforcement	4,388	3,230	1,158	1,158
<i>Sub Total</i>	<u>(13,612)</u>	<u>(22,899)</u>	<u>9,286</u>	<u>9,468</u>
PUBLIC PROTECTION TOTAL EXPENDITURE	<u>358,119</u>	<u>362,514</u>	<u>(4,395)</u>	<u>(18,146)</u>

ENVIRONMENT PORTFOLIO

Item	Revised Estimate 2020/2021	Total Forecast Expenditure to March 2021	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Sept 20
	£	£	£	£
<u>CORPORATE CHARGES</u>				
Fire Service	3,405,680	3,405,680	0	0
Coroner's Court	120,830	112,766	8,064	0
Corporate Recharges	9,662,500	9,662,500	0	(131)
Procurement Saving	0	0	0	0
Prudential Borrowing	0	0	0	0
Flood Costs	0	32,845	(32,845)	(32,845)
Single Payroll System				
CORPORATE CHARGES TOTAL	13,189,010	13,213,791	(24,781)	(32,976)
EXPENDITURE				
 Covid-19 Related Expenditure	 0	 2,778,489	 (2,778,489)	 (1,701,174)
TOTAL EXPENDITURE	25,531,946	28,630,525	(3,098,579)	(2,103,430)
 Net Expenditure before covid / cross cutting costs		 25,852,036	 (320,090)	 (402,256)
 Cross cutting - single payroll	 0	 111,480	 (111,480)	 0
 Net Expenditure		 25,963,516	 (431,570)	 (402,256)

PLANNING COMMITTEE AND LICENSING COMMITTEE

Item	Revised Estimate 2020/2021	Total Forecast Expenditure to March 2021	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Sept 20
	£	£	£	£
PLANNING COMMITTEE SUMMARY				
<u>BUILDING CONTROL</u>				
<u>DEPARTMENTAL SERVICES</u>				
Building Control	0		0	0
<u>BUILDING CONTROL SERVICES</u>				
Building Regulations	3,140	3,140	0	0
Dangerous Structures	22,200	18,018	4,182	4,182
<i>Building Control Total Expenditure</i>	<u>25,340</u>	<u>21,158</u>	<u>4,182</u>	<u>4,182</u>
<u>DEVELOPMENT MANAGEMENT</u>				
<u>DEPARTMENTAL SERVICES</u>				
Development Management	0	(12,641)	12,641	12,641
<u>DEVELOPMENT MANAGEMENT SERVICES</u>				
Dealing with Applications	(202,740)	(171,447)	(31,293)	(31,293)
Planning Appeals	3,190	3,193	(3)	(3)
Enforcement	(30)	3	(33)	(33)
<i>Development Management Total Expenditure</i>	<u>(199,580)</u>	<u>(180,892)</u>	<u>(18,688)</u>	<u>(18,688)</u>
<u>DEVELOPMENT PLANS</u>				
<u>DEPARTMENTAL SERVICES</u>				
Development Plans	0	(59)	59	59
<u>DEVELOPMENT PLANS SERVICES</u>				
Development Plans	34,080	34,080	0	0
<i>Development Plans Total Expenditure</i>	<u>34,080</u>	<u>34,021</u>	<u>59</u>	<u>59</u>
Corporate Recharges	1,257,740	1,257,740	0	0
Funding from General Reserves	0		0	0
Covid-19 Related Expenditure	0		0	0
Planning Committee Total Expenditure	<u><u>1,117,580</u></u>	<u><u>1,132,027</u></u>	<u><u>(14,447)</u></u>	<u><u>(14,447)</u></u>
LICENSING COMMITTEE SUMMARY				
Licensing	33,360	60,093	(26,733)	(26,419)
Internal Recharges	37,010	37,010	0	0
Funding from General Reserves	0	0	0	0
Covid-19 Related Expenditure	0	0	0	0
Licensing Committee Total Expenditure	<u><u>70,370</u></u>	<u><u>97,103</u></u>	<u><u>(26,733)</u></u>	<u><u>(26,419)</u></u>

This page is intentionally left blank

Fees and Charges Forecast 2020/2021 (As at December 2020)

Portfolio	Service	Description of Income	Income Source	Revised Estimate 2020/2021	Forecast	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Sept 2020	Variance Favourable / (Adverse) as at June 2020
				£	£	£	£	£
Fees & Charges								
Corporate Services	Communications	Advertising	Fees & Charges	9,910	400	(9,510)	(18,510)	(19,010)
Corporate Services	Business Support	External Printing and photocopying charges.	Fees & Charges	8,000	5,392	(2,608)	(5,964)	(4,238)
Corporate Services	Legal Fees	Legal Charges	Fees & Charges	14,330	3,044	(11,286)	(11,263)	(12,440)
Corporate Services	Corporate Support	Land Charges	Fixed - Set Locally	32,150	30,070	(2,080)	(8,694)	(5,631)
Economy	General Offices	Rental Income	Fees & Charges	64,969	55,867	(9,102)	(8,992)	(14,499)
Economy	Departmental	Reimbursement of staff costs and receipts for external works	SLA	66,494	34,117	(32,377)	(33,026)	19,073
Environment	Household and Trade Waste Collection		Fees & Charges	0		0	0	0
Environment	Recycling Collection	Recycling Collection & Disposal Income - Commercial Customers	Fees & Charges	0		0	0	0
Environment	Trade Waste	Trade Waste Collection & Disposal Income - Commercial Customers	Fees & Charges	140,593	102,817	(37,776)	(8,201)	(130,624)
Environment	Bulky Waste Collection	Bulky Waste Collection	Fees & Charges	71,687	71,173	(514)	3,835	(23,281)
Environment	Recycling Disposal	Sale of Recyclate Materials	Fees & Charges	629,721	469,915	(159,806)	(211,344)	(272,605)
Environment	County Borough Cleansing	C&CR - External Cleansing Works	Fees & Charges	210	0	(210)	(210)	(210)
Environment	Cemeteries / Crematorium	Burial Fees	Fees & Charges	495,080	479,138	(15,942)	(37,308)	101,690
Environment	Cemeteries / Crematorium	General Properties	Fees & Charges	2,630	3,000	370	370	420
Social Services	Meals On Wheels	Sale of Meals	Fees & Charges	175,280	169,128	(6,152)	694	(29,244)
Environment	Grounds Maintenance	Income from Letting of Playing Fields, Ground Rent & Way Leaves	Fees & Charges	59,901	36,810	(23,091)	6,471	22,762
Environment	General Properties	Rental Income	Fees & Charges	8,015	7,416	(599)	(599)	(599)
Environment	Cwmcrachen Caravan Site	Rental	Fees & Charges	113,947	109,984	(3,963)	(3,963)	(10,808)
Environment	Dog Wardens	Byelaw Enforcement Fees	Fees & Charges	5,665	895	(4,770)	(4,770)	(5,171)
Environment	Corporate Landlord	Civic Centre - Rental of Land	Miscellaneous	797	693	(104)	(104)	(104)
Environment	School Catering Service	Sale of Meals		814,091	869,348	55,257	15,343	330
Financial Management and Strategy	Accountancy Division	Administration charges for administering Appointeeships	Fees & Charges	26,030	14,864	(11,166)	(11,447)	(11,405)
Infrastructure	Technical Services - Engineering & Property Management	Reimbursement of staff costs and receipts for external works	Fees & Charges	410,724	464,475	53,751	65,755	36,589
Infrastructure	FEP - Increase in Income	Fees	Fees & Charges	0	0	0	0	(52,750)
Infrastructure	Licensing (Highway Permits)	Skips & Scaffolding Permits	Fees & Charges	34,173	34,292	119	0	(8,167)
Infrastructure	General Administration and Markets	Rental income	Fees & Charges	23,870	23,870	0	0	(14,348)
Infrastructure	Traffic Orders	Income from contractors, Welsh Water etc. for road works	Fees & Charges	24,324	24,324	0	0	0
Infrastructure	Road and Street Works Acts	Inspection fees, section 74's, FPN, coring, Dropped kerbs etc.	Fees & Charges	106,380	106,380	0	26,821	0
Infrastructure	Highways Adoptions	Highway Searches	Fees & Charges	9,563	9,563	0	0	0
Infrastructure	Multi-storey Carparks	Charge to Coleg Gwent	Fees & Charges	30,000	30,000	0	0	0
Infrastructure	Civil Parking Enforcement	FPN's	Fees & Charges	105,000	83,010	(21,990)	(9,000)	(8,000)
Infrastructure	Public Transport Co-Ordination	Charge to bus companies for use of Brynmawr Bus Station	Fees & Charges	234	234	0	0	0
Licensing	Hackney Carriages	Licence Fees	Fees & Charges	78,030	47,769	(30,261)	(29,035)	(30,649)
Licensing	Private Hire Vehicles	Licence Fees	Fees & Charges	1,830	224	(1,606)	(1,647)	(1,591)
Licensing	Scrap Metal	Sale of Scrap Metal	Fees & Charges	600	424	(176)	(176)	(161)
Planning	Enforcement	Enforcement Fees	Fees & Charges	610	0	(610)	(610)	(610)
Planning	Development Plans	Heritage Officer Income	Fees & Charges	0	0	0	0	0
Social Services	Other Children's and Family Services	Training Fees (Early Years tied in with expenditure which is set	Fees & Charges	0	0	0	0	0
Social Services	Older People aged 65 or over	Fees & Charges in respect of Care (Cwrt Mytton, Home Care, Extra Care & Joint Day Care Unit)	Fees & Charges	582,720	530,057	(52,663)	(54,112)	(58,501)
Social Services	Adults aged under 65 with Learning Disabilities	Fees & Charges in respect of Care (Augusta, Supported Living Bungalows & Community Options)	Fees & Charges	337,580	105,018	(232,562)	(196,052)	(165,005)
Social Services	Adults aged under 65 with Mental Health Needs	Fees & Charges in respect of Care (Vision House & Ysbyty'r Tri Chwrm)	Fees & Charges	24,920	7,611	(17,309)	(23,246)	(20,307)
Social Services	Support Service and Management Costs	Fees & Charges in respect of Piper Alarms (IAA)	Fees & Charges	0	0	0	0	0
		Sub - Total		4,510,058	3,931,322	(578,736)	(558,984)	(719,094)

Fees and Charges Forecast 2020/2021 (As at December 2020)

Portfolio	Service	Description of Income	Income Source	Revised Estimate 2020/2021	Forecast	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Sept 2020	Variance Favourable / (Adverse) as at June 2020
				£	£	£	£	£
Fees & Charges - Set Nationally								
Corporate Services	Registration of Births, Marriages and Deaths	Registration of Births, Marriages and Deaths	Fixed - Set Nationally	94,770	54,997	(39,773)	(45,442)	(69,770)
Environment	Food Safety	Hygiene ratings & Health Certificates	Fixed - Set Nationally	2,040	1,740	(300)	3,280	3,280
Environment	Control of Pollution	Environmental Permits	Fixed - Set Nationally	16,563	9,855	(6,708)	(6,708)	1,080
Environment	Health and Safety at Work (Commercial Prem.)	Petroleum + Tattoo Licences	Fixed - Set Nationally	0	486	486	586	250
Environment	Trading Standards	Explosives Licences	Fixed - Set Nationally	776	735	(41)	(41)	(41)
Licensing	Licence Fees	Various (Gambling, Premises/Clubs & Street Trading)	Fixed - Set Nationally	57,900	57,072	(828)	(1,063)	1,239
Planning	Dealing with Applications	Planning Application Fees	Fees & Charges	213,360	150,315	(63,045)	(36,772)	(102,495)
Planning	Building Regulations	Building Regulation Fees	Fixed - Set Nationally	95,620	75,079	(20,541)	0	0
Social Services	Older People aged 65 or over	CHC Income (Home Care)	Fixed - Set Nationally	0	70,403	70,403	70,403	70,403
Social Services	Adults aged under 65 with Learning Disabilities	CHC Income (Augusta House; Supported Living Bungalows; Community Options)	Fixed - Set Nationally	50,000	34,028	(15,972)	(20,018)	40,952
Social Services	Community Care	Fees & Charges in respect of Care	Fixed - Set Nationally	3,412,830	3,112,595	(300,235)	(208,625)	(270,905)
Social Services	Older People aged 65 or over	Sale of Property (Cwrw Mytton)	Fixed - Set Nationally	0	0	0	16,886	0
Social Services	Community Care	Sale of Property	Fixed - Set Nationally	292,340	292,339	(1)	0	0
Social Services	Community Care	CHC Income	Fixed - Set Nationally	391,000	25,108	(365,892)	(378,656)	0
Social Services	Support Service and Management Costs	CHC Income (Adult Service Managers)	Fixed - Set Nationally	0	0	0	0	0
		Sub - Total		4,627,199	3,884,752	(742,447)	(606,170)	(326,007)
Fees & Charges - In Line with Local Agreements								
Economy	Industrial Land	Ground rent and commercial bookings	Fixed - Set Locally	2,824	2,804	(20)	0	0
Economy	Nursery Units/Misc. Industrial Premises	Rental income for industrial units	Fixed - Set Locally	841,195	659,653	(181,542)	(181,542)	(225,763)
Economy	Estates - Non Rechargeable	Ground Rent	Fixed - Set Locally	143,358	117,735	(25,623)	(25,624)	(66,433)
Economy	Financial Support to Business	Ground rent and commercial bookings	Fixed - Set Locally	2,650	2,605	(45)	0	0
Economy	CSCS	Charges for Construction Skills Certificates	Fixed - Set Locally	10,000	3,040	(6,960)	(6,728)	(6,728)
Environment	Corporate Landlord	Little Stars Nursery - Rent (Recovery of costs)	Miscellaneous	8,496	13,287	4,791	3,968	4,443
Education	Inter Authority Recoupment	Charges to other Local Authorities for SEN placements within Blaenau Gwent Schools	Fixed - Set Locally	631,370	793,069	161,699	124,699	204,452
		Sub - Total		1,639,893	1,592,193	(47,700)	(85,227)	(90,029)
		Total - Fees & Charges		10,777,150	9,408,267	(1,368,883)	(1,250,381)	(1,135,129)
SLA								
Aneurin Leisure Trust	SLA Income	Provision of Support Services	SLA	243,600	243,600	0	0	0
Environment	Grounds Maintenance	SLA	SLA	168,220	168,847	627	(20,373)	(144,762)
Environment	Building Maintenance	SLA	SLA	0	0	0	0	0
Financial Management and Strategy	Accountancy Division	Support Services SLA with Schools	SLA	178,270	178,270	0	0	0
Corporate Services	Organisational Development, Payroll & Health & Safety	Support Services SLA with Schools	SLA	307,210	307,210	0	0	0
Corporate Services	Legal Fees & GDPR	Support Services SLA with Schools	SLA	40,350	40,350	0	0	0
Corporate Services	Communications	Support Services SLA with Schools	SLA	3,130	3,130	0	0	0
Corporate Services	Performance (SIMS Support)	Support Services SLA with Schools	SLA	74,260	74,260	0	0	0
Corporate Services	Business Support (Courier)	Support Services SLA with Schools	SLA	5,550	5,550	0	0	0
Financial Management and Strategy	Creditors Division	Support Services SLA with Schools	SLA	6,230	6,230	0	0	0
Corporate Services	ICT	Support Services SLA with Schools	SLA	0	0	0	0	0
Environment	School Catering	SLA with Schools (excludes Corporate Landlord)	SLA	1,089,772	1,089,772	0	0	(90,000)
Environment	Cleaning Services	SLA with Schools	SLA	1,069,989	1,069,989	0	0	(270,000)
Infrastructure	CPM - Schools Biodiversity SLA	SLA with Schools	SLA	14,000	7,000	(7,000)	0	0
Infrastructure	Winter Maintenance	SLA with LA's for salt Storage	SLA	13,000	13,000	0	0	0
		Sub - Total		3,213,581	3,207,208	(6,373)	(20,373)	(504,762)

Fees and Charges Forecast 2020/2021 (As at December 2020)

Portfolio	Service	Description of Income	Income Source	Revised Estimate 2020/2021	Forecast	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Sept 2020	Variance Favourable / (Adverse) as at June 2020
				£	£	£	£	£
Court Fees/Fixed Penalty Notices/Fines								
Corporate Services	Corporate Services and Strategy	Legal income and land charges. Advertising.	Court Fees/FPN/Fines/Legal	10,000	9,612	(388)	2,873	(1,686)
Education	Welfare Service	Fixed Penalty Notices	Court Fees/FPN/Fines/Legal	2,110	2,110	0	0	0
Environment	Littering and Dog Control Orders	Income in relation to FPNs	Court Fees/FPN/Fines/Legal	128,765	5,875	(122,890)	(123,205)	(92,755)
Corporate Services	Payroll Division	Attachment Orders	Court Fees/FPN/Fines/Legal	1,020	610	(410)	(410)	(478)
Financial Management and Strategy	Council Tax Collection	Court Costs	Court Fees/FPN/Fines/Legal	162,680	151,286	(11,394)	(11,394)	(11,394)
Financial Management and Strategy	NNDR	Court Costs	Court Fees/FPN/Fines/Legal	1,800	1,800	0	0	158
Corporate Services	Housing Benefits Account	Admin Penalties	Court Fees/FPN/Fines/Legal	25,000	25,000	0	0	0
		Sub - Total		331,375	196,293	(135,082)	(132,136)	(106,155)
Consortium Arrangements								
Economy	General Offices	Annual Service & Rental Charge to Torfaen CBC in relation to Archives	Consortium Arrangements	76,438	85,022	8,584	8,583	8,584
Environment	Disposal Of Waste	Contribution from SVWS	Consortium Arrangements	110,000	110,000	0	0	0
Environment	Cemeteries / Crematorium	Crematorium Income - Reallocation of surplus at year end	Consortium Arrangements	131,925	167,114	35,189	35,189	1,766
Environment	20 Church Street	Housing Advice Centre Contribution	Consortium Arrangements	11,975	15,400	3,425	8,425	8,425
Environment	Housing Access	Income from Housing Associations in relation to Administration of the Common Housing Register	Consortium Arrangements	95,564	108,711	13,147	12,522	12,458
Environment	Environmental Health	Public Protection Collaboration with Torfaen CC	Consortium Arrangements	0	0	0	0	0
		Sub - Total		425,902	486,247	60,345	64,719	31,233
Miscellaneous								
Education	Supporting Special Educational Needs	Internal Income - Recovery of pupil lead funding from schools.	Internal Income	50,000	50,000	0	0	0
Corporate Services	Corporate Procurement Division	Rebates - Energy & Randstad	Miscellaneous	95,700	92,410	(3,290)	(3,290)	6,300
Corporate Services	Corporate Procurement Division	Purchase Card Income	Miscellaneous	5,140	13,299	8,159	8,159	(140)
Infrastructure	L&A - Invasive Weeds	Contribution from Caerphilly for Treatment of Knotweed	Miscellaneous	10,000	10,000	0	0	0
		Sub - Total		160,840	165,709	4,869	4,869	6,160
		TOTAL		14,908,848	13,463,724	(1,445,124)	(1,333,302)	(1,708,653)

This page is intentionally left blank

Action Plan

Corporate Services 2020/21 Forecast Adverse Variances (as at 31 December 2020)

Appendix 4a

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	2020/2021 Variance at Dec 2020 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
IT Service	(£160,000)	(£160,000)	(£160,000)	<p>Reason for Adverse variance</p> <ul style="list-style-type: none"> In the original IT Collaboration Business Plan, £100,000 income was built into the budget to be funded from reserves, with the view that future savings, due to merging of software systems, would produce savings and therefore reduce the need of reserve funding. These efficiencies have not been realised as the opportunity for joint contracting with the other partners has not progressed. It is unlikely that this element of the business case will now be realised. In 2020/2021 the budget for the SRS Management Fee did not match the actual charged leaving a shortfall of £4,000. An income line of £29,000 has been injected into the budget for the income from which has PSBA lines. This has never been achieved and therefore creates an ongoing gap. The Information Security service provided by Gwent Police has also increased over the years by £10,000. 	Unknown	Anne-Louise Clark

Action Plan

Corporate Services

2020/21 Forecast Adverse Variances (as at 31 December 2020)

Appendix 4a

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	2020/2021 Variance at Dec 2020 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
				<ul style="list-style-type: none"> Also, Gwent Archives element of the management fee as due to move to Torfaen in 2020/2021. This did not happen and so we need to invoice Gwent Archives. Increase systems costs where the service pledged to pay into the central budget has not been actioned in previous years. <p>Actions</p> <ul style="list-style-type: none"> All IT contracts are now reviewed and re-negotiated through the Procurement team, to ensure that the best terms and conditions are achieved. Following the deployment of Office 365, opportunities to scale back the number of systems operating across the council, are being explored, to reduce costs. The funding for increased systems costs will now be vired from service budgets. <p>Updates</p> <ul style="list-style-type: none"> Holding £84k refund from SRS, however, this will potentially be transferred to the ICT Reserve to assist with the shortfall in the laptop refresh programme. 		

Action Plan

Corporate Services 2020/21 Forecast Adverse Variances (as at 31 December 2020)

Appendix 4a

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	2020/2021 Variance at Dec 2020 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
Registration of Births, Marriages and Deaths	(£64,742)	(£40,798)	(£33,431)	<ul style="list-style-type: none"> Cannot mitigate the management fee increase over and above set estimates. £4k Cannot mitigate Information Security officer. £10K Cannot mitigate PSBA income line. £30k Cannot mitigate the non-achievement of efficiencies savings of £100k Seeking refund for Gwent Archives, due to SLA not being redirected to Torfaen. <p>Cost Pressure identified for 2021/22.</p>	Unknown	Andrea Jones
				<p>Reason for Adverse variance</p> <ul style="list-style-type: none"> Reduced income, due to Covid-19 pandemic (e.g. restrictions on wedding ceremonies) <p>Actions</p> <ul style="list-style-type: none"> Loss of income formed part of the quarter 1 claim to WG for financial support. In addition, The Registrar Service is working to clear the backlog of registration services which could have a positive impact on the forecast level of income by the year end. 		

Action Plan

Corporate Services 2020/21 Forecast Adverse Variances (as at 31 December 2020)

Appendix 4a

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	2020/2021 Variance at Dec 2020 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
				<p><u>Updates</u></p> <ul style="list-style-type: none"> Quarter 2 has seen a slight improvement in income following the easing of the lockdown. It has been assumed that this level of income will continue for the rest of the financial year however, it could be dependent upon further lockdowns being enforced. Funding of £3,958 from WG regarding loss of income due to Covid-19 has been received. This equates to 50% of our initial claim as it is assumed that income will improve throughout the year. This will be reviewed towards the end of the financial year. Quarter 3 has shown further improvement which will hopefully continue to the end of the financial year therefore reducing the adverse effect of the pandemic. 		
Apprenticeship Levy	£5,559	£5,379	(£21,379)	<p><u>Reason for Adverse variance</u></p> <ul style="list-style-type: none"> This is due to an increase in the NI able pay of staff paid. There was a large increase in this charge in month 7 mainly due to the 	Unknown	Rhian Hayden

Action Plan

Corporate Services 2020/21 Forecast Adverse Variances (as at 31 December 2020)

Appendix 4a

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	2020/2021 Variance at Dec 2020 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
				<p>take on and backdated pay for TTP staff, large amounts of overtime claims and additional hours (due to Covid-19) and the four weekly staff who transferred over to the new monthly payroll received additional pay for days owing from September.</p> <ul style="list-style-type: none"> This is an in year pressure only and should not be an issue in future years. <p>Actions</p> <ul style="list-style-type: none"> This will be funded by Departmental underspends, a virement will be actioned in quarter 4. 		
Council Tax Reduction Scheme	(£627,383)	(£541,007)	(£229,959)	<p>Reason for Adverse variance</p> <ul style="list-style-type: none"> This is due to an increase in the number of claimants following the Covid-19 pandemic. It has been assumed that the increased level of claimants will continue for the remainder of the financial year. New claims processed in Quarter 1 of 2020, compared to the same period in 2019, have increased by 911 (an increase of 158%). This position had improved by Quarter 2 as the level of 	Unknown	Rhian Hayden

Action Plan

Corporate Services

2020/21 Forecast Adverse Variances (as at 31 December 2020)

Appendix 4a

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	2020/2021 Variance at Dec 2020 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
				<p>new claims, when compared to the same period in 2019, were consistent indicating that the cost pressure had not worsened.</p> <p>Updates</p> <ul style="list-style-type: none"> • New claims processed in Quarter 3 of 2020, compared to the same period in 2019, have decreased by 106 indicating that the cost pressure has decreased to that at the start of the year. This however could change following the recent lockdown that was enforced. • £174k income has now been received from WG in respect of Quarters 1 and 2. • £174k income has been committed in respect of Quarters 3 and 4, on the assumption that WG will continue to support this cost pressure. <p>A cost pressure of £280k has been identified for 2021/22 to reflect the increased CTRS applicants not directly linked to Covid-19.</p>		

Action Plan

Social Services 2020/21 Forecast Adverse Variances (as at 31 December 2020)

Appendix 4b

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	2020/2021 Variance at Dec 2020 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
Looked After Children	(399,699)	(499,699)	(773,227)	<p>Legal Services</p> <p><u>Reason for Adverse variance</u></p> <ul style="list-style-type: none"> There is an ongoing pressure in this area due to the number of looked after children, and the problems with retention and recruitment of staff has resulted in more services being outsourced to an external provider. It is anticipated that the Legal budget will be significantly overspent again this year. <p><u>Actions</u></p> <ul style="list-style-type: none"> A long term solution will need to be identified in conjunction with Legal Services to mitigate this cost pressure for future years and a collaborative arrangement for legal services is being considered with a neighbouring council. This cost pressure is currently being offset by favourable variances within other social services budgets. <p><u>Updates</u></p> <ul style="list-style-type: none"> Efforts have been made to progress the longer term solution with a neighbouring authority on 		Tanya Evans

Action Plan

Social Services

2020/21 Forecast Adverse Variances (as at 31 December 2020)

Appendix 4b

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	2020/2021 Variance at Dec 2020 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
				our part, however little progress has been made due to the current pressures of COVID		

Action Plan

Economy 2020/21 Forecast Adverse Variances (as at 31 December 2020)

Appendix 4c

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	2020/2021 Variance at Dec 2020 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
Nursery Units	(226,063)	(181,869)	(123,451)	<p>Reason for Adverse variance</p> <ul style="list-style-type: none"> a delay to the refurbishment/investment to improve attractiveness to incoming and existing tenants as a result of Covid-19 1 month rental holiday in April given to all businesses within the Units Covid 19, detrimental effect to the worldwide/local economy. Business start-ups, expansions (including business relocations) on hold. Business community in hibernation mode. Business Tenant Support Scheme introduced to support SME's within the portfolio i.e. April rent free period and rental holidays. a contingency for loss of rental income for 6 months from tenants who are deemed high risk in terms of rent payment (amounting to approx. £100,000). <p>Actions</p> <ul style="list-style-type: none"> Business Rates and Business Innovation Team at BGCBC, worked extremely hard to support business tenants with Covid 19 grants schemes. 		

Action Plan

Economy

2020/21 Forecast Adverse Variances (as at 31 December 2020)

Appendix 4c

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	2020/2021 Variance at Dec 2020 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
				<ul style="list-style-type: none"> • Refurbishment scheme underway at Roseheyworth Business Park to focus on constrained business, which will result in further revenue potential. • An exercise to re-value the rentals and potential yield investments. • Secure marketing budget, to Increase marketing awareness to attract new customers i.e. rightmove.co.uk • Re-gear existing leases and offer financial incentives for new tenants. • Exploring options to secure external funding for further refurbishment schemes (WG) i.e. Phase 2 – Roseheyworth Business Park. • Investment plan to review and secure funding for wider refurbishment scheme across the portfolio. • Loss of income of £58,000 has been received from Welsh Government, reducing the forecast adverse variance • The department is working to secure rent repayment plans 		

Action Plan

Environment

2020/21 Forecast Adverse Variances (as at 31 December 2020)

Appendix 4d

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	2020/2021 Variance at Dec 2020 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
Waste Services	(548,076)	(331,583)	(315,231)	<p>Reason for Adverse variance</p> <ul style="list-style-type: none"> • Additional cost of 2 Wardens with no budget • An increase in residual waste tonnages during the lockdown period, offset partly by the WG Hardship Fund. • There is a decrease in recycle income of £90k compared to 19/20. This is due to fluctuations in the market prices and a general downturn. Only the decrease in income from the plastics, cardboard and textiles market has been directly affected by Covid, and hardship funding has been built in to offset this. • Also, an additional savings target was built in of £90k based on Consultants analysis, assuming this would be achieved as a result of the opening of the New HWRC. However, this has not been achieved partly due to the delay in opening. • An increase in green waste recycling costs - £40,000 mainly as a result of the contractor closing for business which resulted in BG having to implement a contingency arrangement at short notice which has been costly. There is now a new contract in place. The increased tonnage collected during first 		C Rogers / M Stent

Action Plan

Environment

2020/21 Forecast Adverse Variances (as at 31 December 2020)

Appendix 4d

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	2020/2021 Variance at Dec 2020 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
				<p>lock down has been partly been offset by the hardship fund.</p> <ul style="list-style-type: none"> New Commercial Waste Service was suspended due to covid-19. The loss of income for the period April 2020 to June 2020 has been offset by the WG Hardship Fund. The budget is being reviewed. <p><u>Actions</u></p> <ul style="list-style-type: none"> Increased costs to be potentially met by way of Covid 19 grant funding from WG in 20/21. Commencing side waste enforcement from July 2020, which will reduce residual waste charges. Currently due to easement of side waste, the cost to the authority is approx. £18,000 per month. This figure will reduce as restrictions on black bags commence borough-wide. Capital bids have been accepted by Welsh Government for receptacles. This has contributed £80,000 towards the revenue budget. 		

Action Plan

Environment

2020/21 Forecast Adverse Variances (as at 31 December 2020)

Appendix 4d

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	2020/2021 Variance at Dec 2020 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
Grounds Maintenance	(83,003)	(17,000)	42,302	<p><u>Reason for Adverse variance</u></p> <ul style="list-style-type: none"> Quarter 1 identified an indicative anticipated figure for the impact on income that the Covid pandemic situation might have on the grounds budget. The situation improved at quarter 2 with some income being received from the Covid Hardship Fund and the externalisation of the summer grass cutting operations to a private provider also helped the situation. The positive position has continued to improve at quarter 3 where this service area is currently predicting a surplus position at the end of quarter 4. 		C Rogers/ D Watkins
Corporate Landlord	(68,850)	(57,536)	(65,067)	<p><u>Reason for Adverse variance</u></p> <ul style="list-style-type: none"> Forecast overspend due to Social Services Buildings £41,000 and Non Operational and CATs buildings £16,000. There is £40,600 of rates expenditure due to Non Operational buildings, which includes £20,000 for the Business Resource Centre, which has now been disposed of. Need to 		C Rogers / M Price

Action Plan

Environment

2020/21 Forecast Adverse Variances (as at 31 December 2020)

Appendix 4d

Service Area	2020/2021 Variance Forecast at June 2020 £	2020/2021 Variance Forecast at Sept 2020 £	2020/2021 Variance Forecast at Dec 2020 £	Action Required & Timescale	Financial Impact £	Responsible Officer
				release Non-Operational buildings, as these still have on-going residual costs to the authority.		
				<p>Actions</p> <ul style="list-style-type: none"> Minimise and monitor expenditure on all non-essential maintenance buildings. 		
Bridge Maintenance	(0,000)	(13,383)	(24,522)	<p>Reason for Adverse variance</p> <ul style="list-style-type: none"> Emergency works required to re-build an unsafe / partially collapsed highway retaining wall. <p>Actions</p> <ul style="list-style-type: none"> Minimise and monitor expenditure on all non-essential bridge maintenance 		C Rogers
Environmental Health	(66,642)	(89,044)	(64,901)	<p>Reason for Adverse variance</p> <ul style="list-style-type: none"> Budget pressures resulting from the end of the Public Protection Collaboration have been built into the budget. Some savings delayed due to staff sickness/extended notice period into the new financial year Other staff savings postponed due to Covid 19 pandemic and reassessment of service needs. 		D Thompson

Action Plan

Environment

2020/21 Forecast Adverse Variances (as at 31 December 2020)

Appendix 4d

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	2020/2021 Variance at Dec 2020 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
				<p><u>Actions</u></p> <ul style="list-style-type: none"> SMR 2 report and reassessment of service needs due to Covid 19 pandemic. The Service is likely to need to submit an application for a cost pressure for 21/22 <p><u>Updates</u></p> <ul style="list-style-type: none"> Variance has reduced. The ongoing pandemic is still impacting 		
Cwmcrachen Caravan Site	(25,079)	(23,473)	(33,697)	<p><u>Reason for Adverse variance</u></p> <ul style="list-style-type: none"> Electricity costs are the main reasons for the variance. The plan of action from 19/20 has continued (electricity meter changes and resident recharge increases) and this is led to a decrease in forecast net costs. Work is continuing. <p><u>Actions</u></p> <ul style="list-style-type: none"> Further work is planned to attempt to reduce losses. <p><u>Updates</u></p> <ul style="list-style-type: none"> Ongoing. The increase is due to necessary plot refurbishment/repair works 		D Thompson

Action Plan

Planning Committee and Licensing Committee 2020/21 Forecast Adverse Variances (as at 31 December 2020)

Appendix 4e

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	2020/2021 Variance at Dec 2020 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
Dealing with Applications	(31,293)	(31,293)	(31,293)	<p><u>Reason for Adverse variance</u></p> <ul style="list-style-type: none"> • Downturn in Planning Fees received due to the effects of covid 19. <p><u>Actions</u></p> <ul style="list-style-type: none"> • The department is hopeful that fees will improve during the final three months of the year as we come out of Covid19 restrictions. • Consideration will be given to submitting a claim to Welsh Government for loss of income in qtr 4 		

Action Plan

Planning Committee and Licensing Committee 2020/21 Forecast Adverse Variances (as at 31 December 2020)

Appendix 4e

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	2020/2021 Variance at Dec 2020 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
Licensing	(25,904)	(26,419)	(26,733)	<p><u>Reason for Adverse variance</u></p> <ul style="list-style-type: none"> • Delayed income, due to Covid 19 pandemic – (e.g. Pub and Club renewals) • Reduced income, due to Taxi fee proposed increases not actioned in 19/20 and for 20/21 due to pandemic, but inflationary increases have been applied to the budget in both years. • Potential further loss of income if local businesses are affected by the economic impacts of the pandemic <p><u>Actions</u></p> <ul style="list-style-type: none"> • Managers will monitor the budget and consider options to reduce costs. The Service is likely to need to submit an application for a cost pressure for 21/22. <p><u>Updates</u></p> <ul style="list-style-type: none"> • Due to the ongoing pandemic, a “no increase” fee setting policy approach is being considered (that will support local business but result in a continued shortfall) 		D Thompson

This page is intentionally left blank

Saving Proposal	Approved Estimated Achievement £	Forecast to be Achieved £	Favourable / (Adverse) Variance £
Overall Savings target	1,465,000		
1 Third Party Expenditure	550,000		
a Contract Management - Removing of Inflation applied to the Draft Estimates	500,000	500,000	0
b Early Settlement Terms / Increased use of the Procurement Card	50,000	50,000	0
2 Fees & Charges	200,000		
a Stretched Income Targets	105,000	47,000	(58,000)
b Increase in Fees & Charges of 5.5% from April 2020	95,000	74,000	(21,000)
3 Property & Asset Review	130,000		
Corporate Landlord - Reduction in the Rates & Maintenance Budgets following the CAT transfer / Selling/demolition:			
a Worcester St - £13,630 Brynmawr District Office - £24,730 Greenacre - £1,600	73,000	73,000	0

Saving Proposal	Approved Estimated Achievement	Forecast to be Achieved	Favourable / (Adverse) Variance
Corporate Landlord - Reduction in the Rates & Maintenance b Budgets re: Buildings to be sold: Bryngwyn Primary & Queen St Primary - £18,000	18,000	4,500	(13,500)
d Increase income re: Land and other charges	3,760	0	(3,760)
e Net reduction in Alt management fee	28,000	0	(28,000)
e Energy Costs - Reduction in budget due to efficiency savings identified following implementation of RE:FIT	7,240	7,240	0
4 Growth Strategy a Council Tax - Increase in collection following the removal of the Empty Property Discount b Council Tax Income	220,000 170,000 50,000	220,000	0

Saving Proposal	Approved Estimated Achievement	Forecast to be Achieved	Favourable / (Adverse) Variance
5 Industrial Portfolio Review - Review of service charges and insurance to pass onto Tenants - Increase income through Investment of capital funding to upgrade units	100,000	0	(100,000)
6 Commercial Waste Service review - implementation 1/4/2020	23,000	0	(23,000)
7 Low Carbon Removal of the Carbon Reduction Commitment Budget	138,000	138,000	0
8 Work Place Transformation Cost reduction Measures - ICT Budget - Rationalising systems - Managing Suppliers - Review of printing, scanners, postage etc - Review of telephony	50,000	50,000	0
9 Income Recovery Review of Income Recovery activities	54,000	54,000	0

Saving Proposal	Approved Estimated Achievement	Forecast to be Achieved	Favourable / (Adverse) Variance
TOTAL APPROVED SAVINGS	1,465,000	1,217,740	- 247,260

non-grant funded vacant post salary plus oncost, for one month, where vacancy is not used to offset cost pressures in other budgets

APPENDIX 6

non-grant funded vacant post salary plus oncost, for one month, where vacancy is used to offset cost pressures in other budgets

	number of posts	salary plus oncost per month £		number of posts	salary plus oncost per month £
corp serv	11	45,299		2	9,666
soc serv	9	32,756		0	0
educ	0	0		0	0
env					
highways	0	0		0	0
econ	1	2,258		1	2,258
planning					
licensing	0	0		0	0
	<u>21</u>	<u>80,312</u>		<u>3</u>	<u>11,923</u>

This page is intentionally left blank

Agenda Item 7

Executive Committee and Council only

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: **Joint (Budget) Scrutiny Committee**
Date of meeting: **15th March 2020**
Report Subject: **Capital Budget Monitoring, Forecast for 2020/2021
Financial Year (As at 31 December 2020)**
Portfolio Holder: **Cllr 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)
	18/02/2021	03.03.21			15/03/2021	14/04/2021		

1. Purpose of the Report

- 1.1 To provide members with an overview of each Portfolio's actual and forecast capital expenditure against funding approvals for the 2020/2021 financial year, as at 31st December 2020.

2. Scope and Background

- 2.1 This report provides details on the following:

- Forecast financial position to 31st March 2021 across all portfolios
- Details of any significant adverse and/or favourable variances

- 2.2 This report forms part of the quarterly financial reporting framework to Members.

3. Options for Recommendation

3.1 Option 1 (Recommended Option)

Members of the Joint Budget Scrutiny Committee accept the report and

- Provide appropriate challenge to the financial outcomes in the report.
- Continue to support appropriate financial control procedures agreed by Council.
- To note the budgetary control and monitoring procedures in place within the Capital Team, to safeguard Authority funding.

3.2 Option 2

Do not accept the report.

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

- 4.1 This report supports the Forward Looking Corporate Plan 2020/22 as it ensures effective forward financial planning arrangements are in place to support the

Council's financial resilience. This is a key element to achieving "An ambitious and innovative council delivering the quality services we know matter to our communities"

5. Implications Against Each Option

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

- 5.1.1 The overall financial position as forecast at 31st December 2020 indicates an adverse variance of £438,805 against a total in year capital budget of £21.24m.

The overall position across all Portfolios is shown below: -

Total Approvals Q3 (Dec 2020)	Future funding	In year funding	Actual Expenditure to 31/12/2020 (Month 9)	Forecast Expenditure 2020/2021	Forecast Variance underspent / (overspent)
£000	£000	£000	£000	£000	£000
65,205	44,969	21,236	11,715	21,675	(439)

- 5.1.2 Despite the Covid-19 Pandemic actual expenditure to December 2020 of £11.7m is £3.7m higher, compared to Quarter three in financial year 2019/2020. It is expected that Capital Expenditure will largely be unaffected by the Lockdown restrictions however this report has identified significant overspends on the following projects:

- Household Waste recycling Centre - £204,095**
The overspend relates to increased costs due to the Covid-19 pandemic & future proofing of the site. Discussions are ongoing with WRAP Cymru & Welsh Government regarding funding the additional expenditure
- Lime Avenue Business Park - £234,710**
The latest anticipated final account advises of a loss & expenses claim for items in relation to unforeseen issues caused by Covid-19 pandemic. Officers are in dialogue with Welsh Government & WEFO project officials to pursue additional funding to mitigate the overspend.

- 5.1.3 Discussions are ongoing with funding bodies and requests for further funding are being pursued. Discussions are currently positive, therefore, it is not proposed that funding for these schemes be built in from the Capital contingency fund at this stage. Capital Expenditure is estimated to reach £21.675 by 31st March 2021. This has been revised down since the Quarter two report, with a number of projects such as Regain 2 (£3.8m) and both TRI – Urban Centre projects (£240k), forecasting a reduced level of spend in this financial year. The unused funding for these projects will be carried forward into 2021/22.

5.1.4 Welsh Government have confirmed financial support for costs incurred as a result of flood damage during March 2020. As a result, the quarter two forecast over-spend of £24,000 in relation to Flood Recovery Works is now expected to be mitigated.

5.1.5 Additionally, the Council's own resources will not be required for the repair works on Aberbeeg Road, therefore it is proposed that the £405k allocation be reinstated to the Big Arch project as agreed by Council on 23rd July 2020.

5.2 Risk including Mitigating Actions

5.2.1 Expenditure against external funding approvals needs to be maximised in order to avoid loss of funding. If significant delays in capital expenditure are anticipated or contract costs rise due to the impact of Covid-19, liaison with funding bodies will be required at the earliest opportunity in order to secure approval for funding re-profile.

5.2.2 If funding re-profile cannot be agreed and capital schemes are not kept within budget, then capital reserves may be committed beyond affordable levels, with the consequence that projects that have not yet commenced may be deferred or not undertaken, so impacting upon future Capital Programmes.

5.2.3 If capital schemes do not achieve the required level of expenditure within the correct financial year and further peaks of the Covid-19 pandemic results in projects facing significant delay, funding may be lost to the Authority and be detrimental to the Authority's chances of securing future funding.

5.2.4 The aforementioned risks are mitigated as far as possible through close working relationship with Budget Holders, Technical Services and external funding bodies such as Welsh Government. This ensures that where possible, funding is maximised or funding amendments are secured should the need arise

5.2.5 Where overall funding approvals are likely to be exceeded and additional compensatory funding sources cannot be identified, budget holders will initially report the consequences to the Corporate Leadership Team, including proposals to defer/delete other approved schemes.

5.2.6 There is a potential risk of increase in Constructions costs & services following the ongoing situation regarding the UK's Exit from the European Union.

5.2.7 The UK's Exit from the EU has been added as an organisational risk to the corporate risk register, whilst a separate, more detailed high level action plan has been developed and is being monitored by the Core Planning Group.

5.3 Legal

N/A

5.4 Human Resources

N/A

6. **Supporting Evidence**

6.1 ***Performance Information and Data***

6.1.2 The Capital programme is attached at Appendix 1.

6.1.3 Appendix 2 provides information of funding changes since the second quarter report.

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

6.2.1 The report details the financial implications for the Council in providing capital investment for the communities of Blaenau Gwent.

All forecast overspends and underspends are managed in order that secured funding approvals are not lost and to mitigate any potential adverse impact upon future Capital investment in Blaenau Gwent.

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

The Capital Programme is developed to support the Council's strategic priorities and is considered and agreed by full Council. Corporate Overview Scrutiny and Executive Committees consider the budget monitoring reports on a quarterly basis and provide challenge as appropriate.

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

It is essential that all forecast overspends and underspends are managed in order that secured funding approvals are not lost and to mitigate any potential adverse impact upon the future capital programme.

6.5 ***Preventative focus***

The Capital Services Team will continue their close working relationship with budget holders and external funding bodies to ensure that funding is maximised or funding amendments are secured in future financial years.

6.6 ***Collaboration / partnership working***

The Capital Services Team works closely with budget holders in producing the financial forecast and with external funding bodies to ensure that where possible funding is maximised or funding amendments are secured should the need arise.

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

N/A

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

N/A

7. **Monitoring Arrangements**

- 7.1 Financial reporting to the Joint Budget Scrutiny Committee and the Executive Committee is carried out on a quarterly basis. Where projects are reporting significant cost pressures, there is a requirement for Budget Holders to ensure that where possible funding is maximised or funding amendments are secured should the need arise.

Background Documents /Electronic Links

Appendix 1

Appendix 2

This page is intentionally left blank

Management Reports

Reporting Year: and Period: 2021/9

Capital Programme Funding Estimates Summary

<i>Portfolio</i>	<i>Total Funding</i>	<i>In Year Budget</i>	<i>Future Funding</i>	<i>Expenditure To: December 2020</i>	<i>Remaining in Year Budget</i>	<i>Forecast Expenditure</i>	<i>Forecast Variance (Adv)/Fav</i>
Corporate Services Portfolio	481,592	119,469	362,123	116,388	3,081	119,469	0
Social Services Portfolio	5,538,115	1,279,605	4,258,510	452,344	827,261	1,279,605	0
Economy Portfolio	18,744,429	9,591,476	9,152,953	6,049,171	3,777,015	9,826,186	(234,710)
Education and Active Living	28,314,158	2,434,676	25,879,482	820,994	1,613,682	2,434,676	0
Environment Portfolio	7,474,927	4,393,709	3,081,218	2,370,805	2,226,999	4,597,804	(204,095)
Infrastructure Portfolio	3,679,896	2,884,692	795,204	1,626,551	1,258,141	2,884,692	0
All Portfolios	971,334	532,344	438,990	278,828	253,516	532,344	0
Total Capital Funding	65,204,451	21,235,971	43,968,480	11,715,081	9,959,695	21,674,776	(438,805)

Capital Programme - 2020/21 Funding Estimates
Capital Report 2020/21

Management Reports

Reporting Year: and Period: 2021/9

Capital Programme Funding Estimates

<i>Code</i>	<i>Scheme</i>	<i>Total Funding</i>	<i>In Year Budget</i>	<i>Future Funding</i>	<i>Expenditure to: December 2020</i>	<i>Remaining in Year Budget</i>	<i>Forecast Expenditure</i>	<i>Forecast Variance (Adv)/Fav</i>
Corporate Services Portfolio								
Corporate Services								
101385	Workplace Transformation	133,938	66,068	67,870	66,068	0	66,068	0
327100	Ebbw Vale Test Track	50,000	50,000	0	50,000	0	50,000	0
327101	Emergency Electrical & IT Works Civic Ce	209,253	0	209,253	0	0	0	0
327102	Corporate Properties H&S and Capital Wo	85,000	0	85,000	0	0	0	0
328090	CCTV Upgrade	3,401	3,401	0	320	3,081	3,401	0
Corporate Services		481,592	119,469	362,123	116,388	3,081	119,469	0
Corporate Services Portfolio		481,592	119,469	362,123	116,388	3,081	119,469	0

Capital Programme - 2020/21 Funding Estimates
Capital Report 2020/21

Management Reports

Reporting Year: and Period: 2021/9

Capital Programme Funding Estimates

Code	Scheme	Total Funding	In Year Budget	Future Funding	Expenditure to: December 2020	Remaining in Year Budget	Forecast Expenditure	Forecast Variance (Adv)/Fav
Social Services Portfolio								
Childrens Services								
323152	Beaufort Road - Extension Training Flat	130,475	130,475	0	46,253	84,222	130,475	0
323153	Beaufort Road - Outdoor spaces and Exiti	38,675	38,675	0	34,692	3,983	38,675	0
324719	Flying Start - Cwm 2	10,000	10,000	0	0	10,000	10,000	0
324721	Flying Start - Ebbw Vale North	273,706	5,194	268,512	5,194	0	5,194	0
324724	Flying Start - Sirhowy Primary	10,000	10,000	0	0	10,000	10,000	0
324735	Flying Start Brynithel FS Centre	20,000	20,000	0	0	20,000	20,000	0
324736	Flying Start Additional Works	90,000	90,000	0	23,331	66,669	90,000	0
324737	Flying Start Capital (Covid-funding)	10,740	10,740	0	0	10,740	10,740	0
324770	Childcare Offer - Sixbells Scheme	1,492,862	632	1,492,230	632	0	632	0
324771	Childcare Offer - Badminton Scheme	1,500,000	50,000	1,450,000	0	50,000	50,000	0
324772	Childcare Offer - Blaina ICC Scheme	437,243	50,000	387,243	17,927	32,073	50,000	0
324773	Childcare Offer - Swfryd Scheme	500,000	50,470	449,530	8,943	41,527	50,470	0
324774	Childcare Offer - Small Grants Scheme	122,000	122,000	0	0	122,000	122,000	0
	Childrens Services	4,635,701	588,186	4,047,515	136,973	451,213	588,186	0
Adult Services								
323003	Health & Safety	63,192	6,460	56,732	6,460	0	6,460	0
323005	Tackling Food Poverty - WLGA	23,147	4,250	18,897	4,250	0	4,250	0
323120	Disabled equipment	279,750	279,750	0	279,750	0	279,750	0
323144	ICF Main Capital Programme	99,233	8,314	90,919	8,314	1	8,314	0
323147	Intermediate Care Fund	3,292	160	3,132	160	0	160	0

Capital Programme - 2020/21 Funding Estimates
Capital Report 2020/21

Management Reports		Capital Programme Funding Estimates						
<i>Reporting Year: and Period: 2021/9</i>								

<i>Code</i>	<i>Scheme</i>	<i>Total Funding</i>	<i>In Year Budget</i>	<i>Future Funding</i>	<i>Expenditure to: December 2020</i>	<i>Remaining in Year Budget</i>	<i>Forecast Expenditure</i>	<i>Forecast Variance (Adv)/Fav</i>
323148	ICF - Digital & Mobile Assistive Technol	19,000	0	19,000	0	0	0	0
323149	Better Care Capital Project	26,648	4,333	22,315	4,333	0	4,333	0
323151	Augusta House - Enablement Pods	388,152	388,152	0	12,105	376,047	388,152	0
	Adult Services	902,414	691,419	210,995	315,371	376,048	691,419	0
	Social Services Portfolio	5,538,115	1,279,605	4,258,510	452,344	827,261	1,279,605	0

Capital Programme - 2020/21 Funding Estimates
Capital Report 2020/21

Management Reports

Reporting Year: and Period: 2021/9

Capital Programme Funding Estimates

Code	Scheme	Total Funding	In Year Budget	Future Funding	Expenditure to: December 2020	Remaining in Year Budget	Forecast Expenditure	Forecast Variance (Adv)/Fav
Economy Portfolio								
Tredegar Regeneration								
326163	Tredegar HLF	893,051	300,000	593,051	187,737	112,263	300,000	0
	Tredegar Regeneration	893,051	300,000	593,051	187,737	112,263	300,000	0
Ebbw Vale Town Centre								
326191	TRI - Urban Centre Commercial Property I	407,496	287,256	120,240	107,256	180,000	287,256	0
326192	TRI- Urban Centre Residential Property E	123,957	3,957	120,000	933	3,024	3,957	0
	Ebbw Vale Town Centre	531,453	291,213	240,240	108,189	183,024	291,213	0
Valleys Regional Park								
326205	VRP - Discovery Gateway	89,461	89,461	0	54,496	34,965	89,461	0
326206	Local Places for Nature Capital Funding	61,401	61,401	0	0	61,401	61,401	0
326207	Parc Bryn Bach - Co Working Space	100,000	100,000	0	504	99,496	100,000	0
	Valleys Regional Park	250,862	250,862	0	55,000	195,862	250,862	0
The Works Site								
325097	Big Arch	1,032,638	22,681	1,009,957	22,681	0	22,681	0
325103	Learning Works	75,000	75,000	0	35,531	39,469	75,000	0
325220	Site Investigation Works	19,000	0	19,000	0	0	0	0
325225	Ebbw Valley Railway - Northern Extension	2,441	0	2,441	0	0	0	0
	The Works Site	1,129,079	97,681	1,031,398	58,212	39,469	97,681	0

Capital Programme - 2020/21 Funding Estimates
Capital Report 2020/21

Management Reports

Reporting Year: and Period: 2021/9

Capital Programme Funding Estimates

Code	Scheme	Total Funding	In Year Budget	Future Funding	Expenditure to: December 2020	Remaining in Year Budget	Forecast Expenditure	Forecast Variance (Adv)/Fav
Other Regeneration								
326006	Tech Valley s Initiative	475,000	0	475,000	0	0	0	0
326180	Lime Avenue Business Park	6,199,476	6,199,476	0	4,688,886	1,745,300	6,434,186	(234,710)
326181	Lime Avenue Employment park	2,501,013	4,113	2,496,900	4,113	1	4,113	0
326182	Box Works	703,992	703,992	0	428,064	275,928	703,992	0
326183	Regain 2	3,918,513	28,249	3,890,264	25,729	2,520	28,249	0
326184	Brexit Schemes	369,465	0	369,465	0	0	0	0
326193	TRI - Town Centre COVID-19 recovery ad:	600,000	600,000	0	46,421	553,579	600,000	0
326225	Heat Networks Project	17,385	0	17,385	0	0	0	0
326226	Electric Vehicle Chargepoints	276,897	276,897	0	261,554	15,343	276,897	0
326252	Constrained Units - Roseheyworth	164,847	164,847	0	157,830	7,017	164,847	0
326265	Victoria Business Park - Development	66,687	27,437	39,250	27,437	0	27,437	0
326267	Blaenau Gwent Digital	213,309	213,309	0	0	213,309	213,309	0
326268	Covid Recovery for Town Centres	433,400	433,400	0	0	433,400	433,400	0
Other Regeneration		15,939,984	8,651,720	7,288,264	5,640,034	3,246,396	8,886,430	(234,710)
Economy Portfolio		18,744,429	9,591,476	9,152,953	6,049,171	3,777,015	9,826,186	(234,710)

Capital Programme - 2020/21 Funding Estimates
Capital Report 2020/21

Management Reports

Reporting Year: and Period: 2021/9

Capital Programme Funding Estimates

Code	Scheme	Total Funding	In Year Budget	Future Funding	Expenditure to: December 2020	Remaining in Year Budget	Forecast Expenditure	Forecast Variance (Adv)/Fav
Education and Active Living								
Education Services								
324125	Education Minor Works	51,000	9,924	41,076	9,924	0	9,924	0
324138	Education Capital Maintenance	119,310	10,864	108,446	10,864	0	10,864	0
324142	Georgetown Windows & Boiler Replaceme	8,671	1,681	6,990	1,681	0	1,681	0
324143	Rhos-y-fedwyn - Refurbishment	5,378	1,434	3,944	1,434	0	1,434	0
324145	Tredegar Comp - Food & Technology	280,000	280,000	0	243,958	36,042	280,000	0
324146	Deighton - Kitchen	639	639	0	639	0	639	0
324147	Tredegar Comp Upgrade Services and Ac	79,524	79,524	0	76,551	2,973	79,524	0
324148	Coed y Garn Roof & Remedial Works	50,000	50,000	0	15,675	34,325	50,000	0
324149	Brynbach Primary Disabled Adaptations	70,000	70,000	0	24,355	45,645	70,000	0
324150	Ebbw Fawr - Developing 3/4 classrooms, t	100,000	100,000	0	2,900	97,100	100,000	0
324153	Ebbw Fawr Emergency Lighting	45,000	45,000	0	21,775	23,225	45,000	0
324201	Class Size - Willowtown	69,557	69,557	0	0	69,557	69,557	0
324203	Period Poverty	6,045	0	6,045	0	0	0	0
324205	St. Marys CIW MUGA	130,000	2,776	127,224	2,776	0	2,776	0
324206	Georgetown S106	3,667	3,667	0	3,667	0	3,667	0
324519	Digital 2030 Capital Grant - Post 16	4,620	0	4,620	0	0	0	0
324530	ALN	122,298	0	122,298	0	0	0	0
324532	Ebbw Fawr ASD	3,890	0	3,890	0	0	0	0
324560	Schools IT Infrastructure	140,282	140,282	0	42,736	97,546	140,282	0
324580	Brynmawr 3G Pitch	793,378	793,378	0	4,950	788,428	793,378	0
324590	Tredegar Comp 3G Pitch	153,410	17,311	136,099	(8,841)	26,152	17,311	0

Page 87

Capital Programme - 2020/21 Funding Estimates
Capital Report 2020/21

Management Reports

Reporting Year: and Period: 2021/9

Capital Programme Funding Estimates

Code	Scheme	Total Funding	In Year Budget	Future Funding	Expenditure to: December 2020	Remaining in Year Budget	Forecast Expenditure	Forecast Variance (Adv)/Fav
324743	21st Century Schools Six Bells Project	416,940	196,639	220,301	145,696	50,943	196,639	0
324750	Band B - Welsh Medium New Build	5,993,612	0	5,993,612	0	0	0	0
324751	Band B - New Primary Ebbw Fawr Valley	9,295,589	288,371	9,007,218	147,106	141,265	288,371	0
324752	Band B - Secondary Remodelling Brynma	3,198,936	0	3,198,936	0	0	0	0
324753	Band B - Secondary Remodelling Abertille	3,199,893	0	3,199,893	0	0	0	0
324754	Band B - Secondary Remodelling Tredega	3,198,335	0	3,198,335	0	0	0	0
324755	Band B - Welsh Medium Remodelling Bro	588,116	100,000	488,116	1,190	98,810	100,000	0
Education Services		28,128,090	2,261,047	25,867,043	749,036	1,512,011	2,261,047	0
Active Living Services								
329089	Abertillery LC Demolition	6,119	6,119	0	6,119	0	6,119	0
329092	ALC - Changing Room Refurbishment	59,700	59,700	0	57,238	2,462	59,700	0
329095	AWPOG - Play Equipment 20-21	62,960	62,960	0	0	62,960	62,960	0
329097	Play Equipment	44,850	44,850	0	8,600	36,250	44,850	0
332368	Play Area Schemes - Boroughwide	12,439	0	12,439	0	0	0	0
Active Living Services		186,068	173,629	12,439	71,958	101,671	173,629	0
Education and Active Living		28,314,158	2,434,676	25,879,482	820,994	1,613,682	2,434,676	0

Capital Programme - 2020/21 Funding Estimates
Capital Report 2020/21

Management Reports

Reporting Year: and Period: 2021/9

Capital Programme Funding Estimates

Code	Scheme	Total Funding	In Year Budget	Future Funding	Expenditure to: December 2020	Remaining in Year Budget	Forecast Expenditure	Forecast Variance (Adv)/Fav
Environment Portfolio								
Environmental Services								
327018	RCAF Long Term Organics Procurement	26,512	0	26,512	0	0	0	0
327039	Kerbside Collections	2,115	0	2,115	0	0	0	0
327042	Collaborative Change Programme 18-19	176,872	176,872	0	88,436	88,436	176,872	0
327043	Household Waste Recycling Centre	1,754,482	1,754,482	0	1,181,454	777,123	1,958,577	(204,095)
327044	AHP Waste Collections	176,000	176,000	0	123,620	52,380	176,000	0
327045	BRC Decommissioning Project	245,511	100,000	145,511	100,000	0	100,000	0
327046	Repair Cafe	4,541	4,541	0	3,475	1,066	4,541	0
327047	Council Buildings Recycling Infrastructu	17,891	17,891	0	17,891	0	17,891	0
327061	CATS	80,000	80,000	0	0	80,000	80,000	0
327065	Re:Fit	2,922,084	517,549	2,404,535	517,549	0	517,549	0
327067	Market Hall - Asbestos Removal	11,321	4,715	6,606	4,715	0	4,715	0
327068	Cemeteries Investment Programme	200,028	2,700	197,328	2,700	0	2,700	0
327070	WRAP Cymru Capital Funding	85,100	85,100	0	7,200	77,900	85,100	0
327071	Education Centre	200,000	200,000	0	0	200,000	200,000	0
327072	Behaviour Change Campaign	80,800	80,800	0	7,913	72,887	80,800	0
327073	Kerbside Recycling Lorry	170,000	170,000	0	0	170,000	170,000	0
Environmental Services		6,153,257	3,370,650	2,782,607	2,054,953	1,519,792	3,574,745	(204,095)
Housing Environmental Health								
328221	Remediation of Contaminated Land/Derehli	154,269	0	154,269	0	0	0	0
350510	Improvement grants - new scheme	544,241	420,000	124,241	254,244	165,756	420,000	0

Page 89

Capital Programme - 2020/21 Funding Estimates
Capital Report 2020/21

Management Reports		Capital Programme Funding Estimates						
<i>Reporting Year: and Period: 2021/9</i>								

<i>Code</i>	<i>Scheme</i>	<i>Total Funding</i>	<i>In Year Budget</i>	<i>Future Funding</i>	<i>Expenditure to: December 2020</i>	<i>Remaining in Year Budget</i>	<i>Forecast Expenditure</i>	<i>Forecast Variance (Adv)/Fav</i>
350550	Support for Independent Living	112,901	92,800	20,101	19,331	73,469	92,800	0
350560	Empty Property Grants	510,259	510,259	0	42,277	467,982	510,259	0
	Housing Environmental Health	1,321,670	1,023,059	298,611	315,851	707,208	1,023,059	0
	Environment Portfolio	7,474,927	4,393,709	3,081,218	2,370,805	2,226,999	4,597,804	(204,095)

Capital Programme - 2020/21 Funding Estimates
Capital Report 2020/21

Management Reports

Reporting Year: and Period: 2021/9

Capital Programme Funding Estimates

Code	Scheme	Total Funding	In Year Budget	Future Funding	Expenditure to: December 2020	Remaining in Year Budget	Forecast Expenditure	Forecast Variance (Adv)/Fav
Infrastructure Portfolio								
Engineering Services								
328040	Cwm By Pass	13,970	0	13,970	0	0	0	0
328148	SRiC - Ebenezer Street	30,000	30,000	0	15,939	14,061	30,000	0
328310	Local Transport Fund	244,610	244,610	0	244,610	0	244,610	0
328312	Local Transport Fund 2020/21	150,000	150,000	0	2,293	147,707	150,000	0
328314	Local Transport Network Fund	75,000	75,000	0	12	74,988	75,000	0
328315	Local Transport Fund - Project Retention	21,987	0	21,987	0	0	0	0
328318	Active Travel Fund	256,377	256,377	0	256,377	0	256,377	0
328319	Active Travel Fund 2020/21	234,000	234,000	0	13,700	220,300	234,000	0
328322	Local Sustainable Transport Covid Respor	144,000	144,000	0	1,720	142,280	144,000	0
328340	LTF Metro Plus	250,000	250,000	0	0	250,000	250,000	0
328350	Access Improvement Grant	34,691	34,691	0	0	34,691	34,691	0
Engineering Services		1,454,635	1,418,678	35,957	534,652	884,026	1,418,678	0
Highways Network Management								
328063	Bridge Strengthening Works	1,857	0	1,857	0	0	0	0
328095	Ebbw Vale Railway study Phase 3	973	973	0	973	0	973	0
328269	Highways PB Imp. Works.	20,946	0	20,946	0	0	0	0
328270	Highways Improvement Works	1,186,835	515,388	671,447	515,388	0	515,388	0
328334	LGBl - Trinant Hall	65,400	403	64,997	403	0	403	0
328404	Flood Damage - Emergency Repairs	125,500	125,500	0	24,227	101,273	125,500	0
328405	Aberbeeg Road Repairs	556,000	556,000	0	408,107	147,893	556,000	0

Page 91

Capital Programme - 2020/21 Funding Estimates
Capital Report 2020/21

Management Reports		Capital Programme Funding Estimates						
<i>Reporting Year: and Period: 2021/9</i>								

<i>Code</i>	<i>Scheme</i>	<i>Total Funding</i>	<i>In Year Budget</i>	<i>Future Funding</i>	<i>Expenditure to: December 2020</i>	<i>Remaining in Year Budget</i>	<i>Forecast Expenditure</i>	<i>Forecast Variance (Adv)/Fav</i>
328406	Small Scale Works Grant	267,750	267,750	0	142,801	124,949	267,750	0
	Highways Network Management	2,225,261	1,466,014	759,247	1,091,899	374,115	1,466,014	0
	Infrastructure Portfolio	3,679,896	2,884,692	795,204	1,626,551	1,258,141	2,884,692	0

Capital Programme - 2020/21 Funding Estimates
Capital Report 2020/21

Management Reports

Reporting Year: and Period: 2021/9

Capital Programme Funding Estimates

Code	Scheme	Total Funding	In Year Budget	Future Funding	Expenditure to: December 2020	Remaining in Year Budget	Forecast Expenditure	Forecast Variance (Adv)/Fav
All Portfolios								
All Portfolios								
300300	City Deal	233,500	0	233,500	0	0	0	0
303990	OS Capital Admin/Design & Supervision	524,000	524,000	0	270,484	253,516	524,000	0
321112	Disabled Access - Special Programme	16,871	8,344	8,527	8,344	0	8,344	0
324672	The Company Shop - Tred	196,963	0	196,963	0	0	0	0
All Portfolios		971,334	532,344	438,990	278,828	253,516	532,344	0
All Portfolios		971,334	532,344	438,990	278,828	253,516	532,344	0

Capital Programme - 2020/21 Funding Estimates
Capital Report 2020/21

Management Reports		Capital Programme Funding Estimates						
<i>Reporting Year: and Period: 2021/9</i>								

<i>Code</i>	<i>Scheme</i>	<i>Total Funding</i>	<i>In Year Budget</i>	<i>Future Funding</i>	<i>Expenditure to: December 2020</i>	<i>Remaining in Year Budget</i>	<i>Forecast Expenditure</i>	<i>Forecast Variance (Adv)/Fav</i>
	Total Capital Funding	65,204,451	21,235,971	43,968,480	11,715,081	9,959,695	21,674,776	(438,805)

End of Report

New Approvals and/or material Funding Changes in Quarter Three

Portfolio	Cost Centre	Scheme	Amount (£)	Funding Body	Type	Additional Information
Corporate Services						
	327102	Corporate Properties H&S and Capital Works	85,000	Blaenau Gwent	Capital Programme	Allocation of Funding to individual project from the Corporate Landlord Capital funding allocation.
Social Services						
	324721	Flying Start - Ebbw Vale North	123,706	Welsh Government	Flying Start	Confirmation from Welsh Government that last years unutilised funding can be carried forward.
	324774	Childcare Offer - Small Grants Scheme	122,000	Welsh Government	Childcare Offer Capital Programme	Small Grant Scheme – Covid-19 pandemic allocation
	324737	Flying Start Capital (Covid-funding)	10,740	Welsh Government	Flying Start	Covid-19 pandemic related funding for Flying Start Settings
Economy						
	325097	Big Arch	405,000	Blaenau Gwent	Capital Programme	Repayment of Funding previously vired to fund the emergency works at Aberbeeg road.
	326267	Blaenau Gwent Digital	213,309	Welsh Government	Valleys taskforce	Town Centre Wifi Access
	326268	Covid Recovery for Town Centres	433,400	Welsh Government	Valleys taskforce	Funding is to support Businesses in adapting to Covid-19 pandemic
	326207	Parc Bryn Bach - Co Working Space	100,000	Welsh Government	Valleys taskforce	Investment for a co-working space at Parc Bryn Bach
Education, Active Living and Learning						
	324153	Ebbw Fawr Emergency Lighting	45,000	Welsh Government	Capital Programme	Allocation of Funding to individual project from the Corporate Landlord Capital funding allocation.
	329095	AWPOG - Play Equipment 20-21	62,960	Welsh Government	All Wales Play Opportunities Grant	New Approval
Environment						
	327045	BRC Decommissioning Project	100,000	Blaenau Gwent	Revenue Budget	Annual Revenue Contribution for the Invest 2 Save loan repayment
	327071	Education Centre	200,000	Welsh Government	Circular Economy Fund	
	327072	Behaviour Change Campaign	80,800	Welsh Government	Circular Economy Fund	
	327073	Kerbside Recycling Lorry	170,000	Welsh Government	Circular Economy Fund	Capital projects to support the move to a circular economy in Wales - where waste is avoided and materials are kept in use for as long as possible, an important part of the action needed on climate change
Infrastructure						
	328404	Flood Damage - Emergency Repairs	125,500	Welsh Government	Financial Assistance for Recovery from Emergencies scheme	Assistance for Recovery from Emergencies scheme in respect of the flooding incident across the authority following the impacts of Storm Ciara, Storm Dennis and Storm Jorge in February 2020
	328405	Aberbeeg Road Repairs	556,000	Welsh Government	Financial Assistance for Recovery from Emergencies scheme	Assistance for Recovery from Emergencies scheme in respect of the flooding incident at Aberbeeg Road following the impacts of Storm Ciara, Storm Dennis and Storm Jorge in February 2020
	328405	Aberbeeg Road Repairs	-405,000	Blaenau Gwent	Capital Programme	Repayment of Funding previously vired to fund the emergency works at Aberbeeg road.

It should be noted that the funding changes detailed above will not balance to total funding changes between Q2 to Q3

This page is intentionally left blank

Agenda Item 8

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: **Joint Budget Scrutiny Committee**

Date of meeting: **15th March 2021**

Report Subject: **Use of General and Earmarked Reserves
2020/2021**

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

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

Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
	25/02/21	03.04.21			15/03/21	14/04/21		

1. Purpose of the Report

- 1.1 To report to the members of the Joint Budget Scrutiny Committee the forecast reserves position for 2020/2021 as at Quarter 3 (31 December 2020).

2. Scope and Background

- 2.1 There are a number of statutory requirements concerning Local Authority Reserves, including:

- The Local Government Act 1972;
- The Local Government Finance Act 1988;
- The Local Government Finance Act 1992;
- The Local Government Act 2003; and
- The Accounts and Audit (Wales) Regulations 2014.

- 2.2 The CIPFA Local Authority Accounting Panel (LAAP) issued Bulletin 99: Local Authority Reserves and Balances in July 2014. This provides non-statutory guidance on relevant issues including:

- Proper accounting treatment; and
- Principles to assess the adequacy of reserves.

- 2.3 To ensure compliance with CIPFA Local Authority Accounting Panel Bulletin 99 and identified best practice, the Council revised its protocol for managing reserves, with effect from April 2015.

- 2.4 One aspect of the revised protocol concerns the enhancement of Elected Member engagement and scrutiny, and to this end quarterly reports detailing the actual and forecast use of general and earmarked reserves, including changes in requirement/amounts and risk assessments, are prepared and presented to Executive and Joint Budget Scrutiny Committee during the financial year.

- 2.5 In order to adopt a long-term approach to the need to provide services to the citizens of Blaenau Gwent, the protocol was amended and agreed by Council in March 2016 to include a target level for general reserves. This was set as 4% of the last reported actual net revenue expenditure (as included in the Revenue Outturn return).

3. **Options for Recommendation**

3.1 That the Committee considers the forecast use of general and earmarked reserves for 2020/2021 and:

- consider the impact of the £0.552m favourable variance for 2020/2021 would have on the budgeted contribution to the General Reserve; and
- note the forecast increase of the General Reserve in 2020/2021 to £7.151m, being 5.28% of net revenue expenditure (above the 4% target level).
- continue to challenge budget overspends and implement appropriate service Action Plans, where required.

Maintenance of general reserves at an adequate level is crucial to the Council being able to meet future liabilities arising from risks for which specific provision has not been made.

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

4.1 **National Well-being Goals**

The management of earmarked and general reserves (in recognition of the need to plan for known or predicted future obligations, unexpected events or emergencies), allows the Authority to deliver services in pursuance of its obligations under the national well-being goals.

4.2 **Corporate Priorities**

This report supports the Council Priority, “Ambitious and Innovative Council”, as it is part of the financial planning and reporting arrangements which support the Council’s financial resilience.

5. **Implications Against Each Option**

5.1 **Financial Impact**

5.1.1 Section 6 provides an overall summary of the forecast financial position in relation to the balances in general and earmarked reserves at 31 March 2021.

5.1.2 Table 1 at 6.1.3 (below) shows the forecast position for the general reserve at year-end 2020/2021 to be an increase of £0.752m, to £7.151m. This balance would represent 5.28% of net revenue expenditure, £1.737m above the 4% target level of £5.414m, indicating further progress towards strengthening the financial resilience of the Council and providing a buffer to deal with unexpected future issues.

5.1.3 The forecast increase in general reserves is a result of:

- currently forecast net portfolio underspends of £0.552m and;
- an agreed budget contribution in 2020/21 of £0.200m to support medium term financial planning and strengthen the Council's financial resilience

5.1.4 Table 2 at 6.1.7 (below) shows the forecast level of earmarked reserves at 31 March 2021 to be £9.189m, an in year increase of £0.917m. Further details of earmarked reserve movements are included in Appendix 1.

5.2 Risk

5.2.1 The Council must ensure an appropriate level and use of reserves to support its financial sustainability and to meet future liabilities arising from risks for which a specific provision has not been made.

5.2.2 The 2020/2021 budget includes a planned increase in earmarked reserves of £1.4m. Additional increases to the general reserve of £0.2m per annum are planned for the life of the current Medium Term Financial Strategy. However, the cost pressures and reductions in income associated with the continuing response to Covid 19 may adversely impact on the Council's in-year budget and ability to maintain and increase the level of reserves.

5.2.3 Failure to comply with the requirements set out in CIPFA LAAP Bulletin 99: *Local Authority Reserves and Balances*, which include the implementation of a clear protocol for the establishment, use, control and review of reserves, could result in adverse comments by regulators.

5.2.4 A protocol for the management of reserves was adopted in April 2015 to mitigate the risk of non-compliance with CIPFA LAAP Bulletin 99 and identified best practice.

5.2.5 In the short-term, the level and adequacy of reserves are regularly reviewed and monitored through regular outturn/ forecast reporting. In the medium term, reserves are assessed as part of the budget-setting process and the Medium Term Financial Strategy, which includes provision for an increase in reserves of £0.2m per annum over the life of the Strategy.

5.2.6 In comparison to all other Welsh Authorities, at 31 March 2020 Blaenau Gwent still had one of the lowest levels of general and earmarked reserves expressed as a percentage of Net Revenue Expenditure. Comparative information indicates that this position has improved to the end of 2019/2020, as follows:

	2019/2020
Blaenau Gwent Usable Reserves	£14.056m
Blaenau Gwent Usable Reserves as a percentage of Net Revenue Expenditure	9.45%
Ranking in Comparison with all Wales Local Authorities	18
All-Wales Average	£26.390m
All-Wales Average	17.74%

5.2.7 In order to meet the Welsh average, general and earmarked reserves would need to increase significantly to approximately £26.4m.

5.2.8 There is a risk that failure to increase reserves further will attract adverse criticism from regulators. This risk can be mitigated by increasing the General Reserve.

5.3 Legal

5.3.1 The Local Government Finance Act 1992 requires authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

5.3.2 Section 25 of the Local Government Act 2003 places a duty on chief finance officers' to report on the robustness of estimates and adequacy of reserves when the authority is considering its budget requirement.

5.3.3 Section 114 of the Local Government Finance Act 1988 requires the chief finance officer to report to all the authority's councillors if there is or is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the authority will not have the resources to meet its expenditure in a particular financial year.

5.4 Personnel

There are no direct personnel/staffing implications arising out of this report.

6. Supporting Evidence

6.1 Performance Information and Data

6.1.1 The level of the Council's general reserve disclosed in the statutory accounts for the financial year ended 31 March 2020 was £6.399m equating to 4.73%

of net revenue expenditure (as reported in the 2019/2020 Revenue Outturn forms). The current 4% target level of general reserves is £5.414m.

6.1.2 The revenue budget forecast year-end position for 2020/2021 (as at end of Quarter 3) indicates a surplus of £0.552m.

6.1.3 Therefore, the potential impact on the forecast outturn position for the general reserve at 31 March 2021 would be as follows:

Table 1: General Reserve	£000
Balance at 31 March 2020 (Revised)	6,399
Budgeted Contribution to General Reserve	200
Contribution to the Reserve: Net Portfolio Underspends	552
Forecast Balance at 31 March 2021	7,151

6.1.4 Appendix 1 gives details of the total earmarked reserves held at the start of the 2020/2021 financial year (£8.272m) with actual reserve movements to the end of quarter 3 (31 December 2020) and forecast movements to 31 March 2021.

6.1.5 The level of earmarked reserves has been determined in accordance with the agreed reserves protocol. The level of earmarked reserves available to the Authority is forecast to increase by £0.917m in 2020/2021.

6.1.6 The current summary forecast outturn position for earmarked reserves at 31 March 2021 is as follows:

Table 2: Earmarked Reserves	£000
Balance at 31 March 2020 (Revised)	8,272
Budgeted Contribution to Earmarked Reserves	1,444
Actual Expenditure to Q3	(89)
Forecast Expenditure to Q4	(438)
Provisional Balance at 31 March 2021	9,189

6.1.7

For those reserves that have been utilised to fund actual expenditure to 31 December 2020 (£0.89m), details of the expenditure funded have been provided in Appendix 2.

6.2 **Expected outcome for the public**

6.2.1 The management of earmarked and general reserves (in recognition of the need to plan for known or predicted future obligations, unexpected events or emergencies), helps demonstrate stewardship of the Authority's resources and its ability to provide services to the local community.

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

6.3.1 Not applicable.

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

6.4.1 Stewardship of the Authority's resources allows for the provision of services to the local community in the short and long term.

6.5 **Preventative focus**

6.5.1 Not applicable.

6.6 **Collaboration / partnership working**

6.6.1 Not applicable.

6.7 **Integration(across service areas)**

6.7.1 Not applicable.

6.8 **EqlA**

6.8.1 An EQIA is not required as this report provides an estimated outturn position in relation to the Authority's reserve balances for the financial year, on an objective basis in accordance with relevant accounting standards, codes, concepts, principles, guidance and legislation.

7. **Monitoring Arrangements**

7.1 In the short-term, the level and adequacy of reserves are regularly reviewed and monitored through regular outturn/forecast reports.

7.2 There are legal requirements in respect of the reporting of reserves when setting the annual budget and the statutory outturn position is considered by the Authority's external auditors in their audit of the annual Statement of Accounts.

7.3 In the medium term, reserves are assessed as part of the Medium Term Financial Strategy.

Background Documents /Electronic Links

This page is intentionally left blank

Appendix 1: Earmarked Reserves Movements 2020-2021

<u>Name of Reserve</u>	<u>Balance Brought Fwd 1 April 2020</u>	<u>Reserve Adjustments</u>		<u>Total Reserve Adjustments</u>	<u>Actual Expenditure</u>	<u>Forecast Expenditure</u>	<u>Balance Carried Fwd 31 March 2021</u>
		<u>Increases</u>	<u>Decreases</u>				
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Corporate Procurement	4,437.62	0.00	0.00	0.00	0.00	0.00	4,437.62
CRASB	11,058.00	0.00	0.00	0.00	0.00	0.00	11,058.00
Early Years Grant	229,243.01	0.00	0.00	0.00	(19,220.59)	(19,462.19)	190,560.23
Education - Gypsy Travellers	40,804.42	0.00	0.00	0.00	0.00	0.00	40,804.42
IER	72,152.28	0.00	0.00	0.00	0.00	0.00	72,152.28
Leadership Hallmark	24,837.66	0.00	0.00	0.00	0.00	(4,930.00)	19,907.66
PDG Grant	40,965.95	0.00	0.00	0.00	0.00	0.00	40,965.95
Period Poverty	12,796.05	0.00	0.00	0.00	0.00	0.00	12,796.05
Planning WAG Grant Planning Committee	2,103.66	0.00	0.00	0.00	0.00	0.00	2,103.66
Prevent	10,000.00	0.00	0.00	0.00	0.00	0.00	10,000.00
Regen General Contributions Unapplied (Town Centre Management)	47,588.25	0.00	0.00	0.00	0.00	0.00	47,588.25
Rights of Way Diversions	20,255.00	0.00	0.00	0.00	0.00	0.00	20,255.00
Section 106 Agreements	171,041.31	0.00	0.00	0.00	0.00	0.00	171,041.31
SEW Adoption Collaboration	506,621.11	0.00	0.00	0.00	0.00	0.00	506,621.11
SMIFFs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sports Council	29,700.00	0.00	0.00	0.00	(29,700.00)	0.00	0.00
SIA/PLOF Grant	2,806.08	0.00	0.00	0.00	0.00	(2,806.08)	0.00
Syrian Resettlement Programme	122,980.73	0.00	0.00	0.00	(21,443.91)	0.00	101,536.82
Workforce Development Collaboration	92,477.25	0.00	0.00	0.00	0.00	0.00	92,477.25
Youth Service	67,902.34	0.00	0.00	0.00	0.00	0.00	67,902.34
Total:	8,271,772.39	1,444,000.00	0.00	1,444,000.00	(88,580.02)	(438,279.64)	9,188,912.73

Appendix 2: Expenditure Funded by Earmarked Reserves, 2020-2021

<u>Name of Reserve</u>	<u>Actual Expenditure to Q3</u>	<u>Purpose of Expenditure</u>
	£	
ICT	18,215.52	Costs relate to the purchase of 27 laptops
Early Years Grant	19,220.59	Costs in relation to Blaina ICC early years and play
Sports Council	29,700.00	Refurbishment of changing rooms at Abertillery Sports Centre
Syrian Resettlement Programme	21,443.91	Costs relate to the resettlement of families
Total to Qtr 3:	88,580.02	

This page is intentionally left blank