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Our Ref./Ein Cyf.
Your Ref./Eich Cyf.
Contact:/Cysylltwch â:

THIS IS A MEETING WHICH THE PUBLIC ARE ENTITLED TO ATTEND

Dydd Iau, 9 Mawrth 2023

Dear Sir/Madam

PWYLLGOR CRAFFU CORFFORAETHOL A PHERFFORMIAD

A meeting of the Pwyllgor Craffu Corfforaethol a Pherfformiad will be held in Ar MS Teams on Dydd Iau, 16eg Mawrth, 2023 at 10.00 am.

Yours faithfully

Damien McCann
Interim Chief Executive

AGENDA

Pages

1. CYFIEITHU AR Y PRYD

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

2. YMDDIHEURIADAU

Derbyn ymddiheuriadau.

Mae'r Cyngor yn croesawu gohebiaeth yn Gymraeg a Saesneg a byddwn yn cyfathrebu gyda chi yn eich dewis iaith, dim ond i chi rhoi gwybod i ni pa un sydd well gennych. Ni fydd gohebu yn Gymraeg yn creu unrhyw oedi.

The Council welcomes correspondence in Welsh and English and we will communicate with you in the language of your choice, as long as you let us know which you prefer. Corresponding in Welsh will not lead to any delay.

3. **DATGANIADAU BUDDIANT A GODDEFEBAU**
- Derbyn datganiadau buddiant a goddefebau.
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- Ystyried penderfyniadau'r Pwyllgor Craffu Corfforaethol a Pherfformiad a gynhaliwyd ar 2 Chwefror 2023.
- (D.S. Cyflwynir y penderfyniadau er pwyntiau cywirdeb yn unig). .*
5. **CYFARFOD ARBENNIG O'R PWYLLGOR CRAFFU CORFFORAETHOL A PHERFFORMIAD** 9 - 12
- Ystyried penderfyniadau'r Pwyllgor Craffu Corfforaethol a Pherfformiad a gynhaliwyd ar 21 Chwefror 2023.
- (D.S. Cyflwynir y penderfyniadau er pwyntiau cywirdeb yn unig).*
6. **CYFLAWNI GOFYNIION PENODOL DEDDF CYDRADDOLDEB 2010: ADRODDIAD BLYNYDDOL AC ASESU EFFAITH** 13 - 88
- Ystyried adroddiad y Pennaeth Llywodraethiant a Phartneriaethau.
7. **MONITRO'R GYLLIDEB REFENIW – 2022/23, RHAGOLWG ALLDRO HYD 31 MAWRTH 2023 (FEL AR 31 RHAGFYR 2022)** 89 - 128
- Ystyried adroddiad y Prif Swyddog Adnoddau.
8. **MONITRO'R GYLLIDEB GYFALAF, RHAGOLWG AR GYFER BLWYDDYN ARIANNOL 2022/2023 (FEL AR 31 RHAGFYR 2022)** 129 - 152
- Ystyried adroddiad y Prif Swyddog Adnoddau.
9. **ADRODDIAD CYNNYDD CONTRACTAU DROS £500K** 153 - 162
- Ystyried adroddiad y Pennaeth Gwasanaethau Cymunedol.

10. **TREASURY MANAGEMENT STRATEGY STATEMENT 2023/24** 163 - 204
To consider the report of the Chief Officer Resources.
11. **CAPITAL STRATEGY REVIEW** 205 - 220
To consider report of the Chief Officer Resources.
12. **BLAENRAGLEN GWAITH: 27 EBRILL 2023** 221 - 224
Derbyn yr adroddiad.

To: J. Wilkins (Cadeirydd)
Councillor J. Thomas (Is-gadeirydd)
Councillor C. Bainton
M. Day
Councillor G. Humphreys
Councillor E. Jones
Councillor R. Leadbeater
Councillor C. Smith
T. Smith

All other Members (for information)
Interim Chief Executive
Chief Officers

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COUNTY BOROUGH OF BLAENAU GWENT

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

SUBJECT: **CORPORATE AND PERFORMANCE SCRUTINY COMMITTEE – 2nd FEBRUARY, 2023**

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

PRESENT: COUNCILLOR J. WILKINS (CHAIR)

Councillors J. Thomas (Vice-Chair)
 C. Bainton
 M. Day
 G. Humphreys
 E. Jones
 R. Leadbeater
 C. Smith

WITH: Interim Chief Executive
 Interim Corporate Director Social Services
 Corporate Director Education
 Chief Officer Resources
 Service Manager Accountancy
 Head of Governance and Partnerships
 Corporate Procurement Manager
 Chief Officer Commercial and Customer
 Business Partner - Finance
 Service Manager Performance and Democratic
 Scrutiny and Democratic Officer

ITEM	SUBJECT
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>An apology for absence was reported from Councillor T. Smith.</p>
No. 3	<p><u>DECLARATIONS OF INTERESTS AND DISPENSATIONS</u></p> <p>No declarations of interest or dispensations were reported.</p>
No. 4	<p><u>CORPORATE AND PERFORMANCE SCRUTINY COMMITTEE</u></p> <p>Consideration was given to the decisions of the meeting held on 15th December, 2022.</p> <p>The Committee AGREED that the decisions be accepted as a true record of proceedings.</p>
No. 5	<p><u>ACTION SHEET</u></p> <p>Consideration was given to the Action Sheet.</p> <p>The Committee AGREED that the report be accepted and the information contained therein be noted.</p>
No. 6	<p><u>TREASURY MANAGEMENT MID-YEAR REVIEW – 1st APRIL 2022 TO 31st SEPTEMBER 2022</u></p> <p>Consideration was given to the report of the Chief Officer Resources.</p> <p>The Committee AGREED that the report be accepted and Members scrutinised the treasury management activity undertaken during the first 6 months of 2022/2023 and did not provide comment prior to its submission to full Council (Option 2).</p>
No. 7	<p><u>DRAFT COMMISSIONING AND PROCUREMENT STRATEGY 2023/28</u></p> <p>Consideration was given to the report of the Chief Officer Commercial and Customer.</p> <p>The Committee AGREED that the report be accepted and provided comments on the draft Commissioning and Procurement Strategy 2023/2028 prior to approval by Cabinet (Option 1).</p>

No. 8

FORWARD WORK PROGRAMME: 16TH MARCH, 2023

Consideration was given to the report of the Scrutiny and Democratic Officer.

The Committee AGREED that the report be accepted and the Scrutiny Committee agreed the Forward Programme for the meeting 16th March, 2023, as presented (Option 2).

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COUNTY BOROUGH OF BLAENAU GWENT

REPORT TO: THE CHAIR AND MEMBERS OF THE CORPORATE AND PERFORMANCE SCRUTINY COMMITTEE

SUBJECT: SPECIAL CORPORATE AND PERFORMANCE SCRUTINY COMMITTEE – 21ST FEBRUARY, 2023

REPORT OF: DEMOCRATIC & COMMITTEE SUPPORT OFFICER

PRESENT: Councillor J. Wilkins (CHAIR)

Councillors J. Thomas (Vice-Chair)

M. Day

G. Humphreys

E. Jones

R. Leadbeater

C. Smith

T. Smith

Cabinet Member – Corporate and Performance

Councillor S. Thomas

Members without Voting Rights

Councillors P. Baldwin

S. Behr

D. Bevan

C. Cross

H. Cunningham

D. Davies

G.A. Davies

J. Gardener

J. Holt

J. Hill

W. Hodgins

J.C. Morgan

L. Parsons

G. Thomas

H. Trollope

D. Rowberry

L. Winnett

WITH: Interim Chief Executive
 Corporate Director Education
 Corporate Director Regeneration and Community Services
 Interim Corporate Director Social Services
 Head of Community Services
 Chief Officer Resources
 Service Manager - Accountancy
 Head of Organisational Development
 Head of Legal and Corporate Compliance
 Service Manager – Customer Experience & Transformation
 Chief Officer Customer and Commercial
 Head of Partnership and Governance
 Service Manager – Policy and Partnerships
 Communications, Marketing & Customer Access Manager
 Press Officer
 Scrutiny Officer

<u>ITEM</u>	<u>SUBJECT</u>
No. 1	<p data-bbox="268 1223 847 1261"><u>SIMULTANEOUS TRANSLATION</u></p> <p data-bbox="268 1308 1474 1386">It was noted that no requests had been received for the simultaneous translation service.</p>
No. 2	<p data-bbox="268 1435 496 1473"><u>APOLOGIES</u></p> <p data-bbox="268 1525 1222 1563">The following apologies for absence were received from:-</p> <p data-bbox="268 1610 735 1731">Councillor Carl Bainton; Councillor S. Edmunds; and Councillor D. Woods</p>
No. 3	<p data-bbox="268 1783 1235 1821"><u>DECLARATIONS OF INTEREST AND DISPENSATIONS</u></p> <p data-bbox="268 1868 1241 1906">No declarations of interest or dispensations were reported.</p>

No. 4	<p data-bbox="268 237 810 277"><u>REVENUE BUDGET 2023/2024</u></p> <p data-bbox="268 327 1417 367">Consideration was given to the report of the Chief Officer Resources.</p> <p data-bbox="268 416 1477 622">A Member proposed that sections 3.1.1 to 3.1.3 of Option 1 be accepted and recommended to Cabinet and Council and sections 3.1.4 to 3.1.8 of Option 1 be deferred pending further consideration at the Special Meeting of the Council scheduled to be held on Thursday, 23rd February, 2023. This proposal was Seconded.</p> <p data-bbox="268 672 1477 752">The Committee thereupon AGREED, subject to the foregoing that the report be accepted and</p> <ul data-bbox="268 801 1477 1989" style="list-style-type: none"><li data-bbox="268 801 1477 882">• Members recommended to Council the 2023/24 revenue budget as detailed in the table in paragraph 5.1.15 of the report;<li data-bbox="268 931 1477 1061">• provided comment on the outcomes within the overall provisional RSG Settlement and noted the potential for further change in the Final RSG Settlement (paragraphs 2.6 – 2.17);<li data-bbox="268 1111 1477 1240">• provided comment on the outcomes within the BGCBC provisional RSG Settlement and its impact upon the Medium-Term Financial Strategy (paragraphs 2.18 – 2.26);<li data-bbox="268 1290 1477 1451">• decisions related to the updated cost pressures and growth items (£3.22m in total) identified in Appendix 2 (paragraphs 5.1.10 – 5.1.16) be deferred for consideration at the Special Meeting of Council on 23rd February, 2023;<li data-bbox="268 1500 1477 1639">• decisions related to an uplift of £1.5m which equates to 3% increase to the ISB (paragraphs 5.1.17 to 5.1.24) be deferred for consideration at the Special Meeting of Council on 23rd February, 2023;<li data-bbox="268 1688 1477 1850">• decisions related to the Bridging the Gap proposals delivering £4.18m of financial efficiencies and budget cuts to towards the budget gap (paragraphs 5.1.25 to 5.1.32) be deferred for consideration at the Special Meeting of Council on 23rd February, 2023;<li data-bbox="268 1899 1477 1989">• decisions related to the use of reserves of £2.5m to balance the budget for 2023/2024 (paragraphs 5.1.33 to 5.1.35) be deferred for
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consideration at the Special Meeting of Council on 23rd February, 2023; and

- decisions related to a Council Tax increase of 4% for 2023/24 (paragraph 5.1.7) as per the MTFS assumptions be deferred for consideration at the Special Meeting of Council on 23rd February, 2023.
-

Agenda Item 6

Cabinet and Council only

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: **Corporate and Performance Scrutiny Committee**
Date of meeting: **16th March 2023**
Report Subject: **Meeting Specific Requirements of the Equality Act 2010: Annual Reporting and Impact Assessing**
Portfolio Holder: **Councillor Stephen Thomas, Leader / Cabinet Member Corporate and Performance**
Report Submitted by: **Sarah King – Head of Governance and Partnerships**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
	02/03/23	06.03.23			16/03/23	19/04/23		

1. **Purpose of the Report**
To present the Council's Strategic Equality Plan (SEP) Annual Report 22/23, and the new Integrated Impact Assessment (IIA) process being used for impact assessing.
2. **Scope and Background**
 - 2.1 The Council, as a public body in Wales, has a requirement under the Equality Act 2010 (statutory duties) (Wales) Regulations 2011 to meet a set of general and specific duties ('the Act' from here on in).
 - 2.2 **Annual Reporting Duty**
 - 2.2.1 The Council has to produce an annual monitoring report by 31 March each year on the progress made towards meeting the commitments set out in the Council's [Strategic Equality Plan 2020 to 2024](#) (SEP).
 - 2.2.2 The 2022/23 report for the Council is provided at Appendix 1. It provides key progress made towards achieving each of the six Equality Objectives set out in the Council's SEP. The report also includes the Council's employment and workforce information (for 2021/22). Key requirements to report on Gender Pay is covered in the Council's [Pay Policy Statement](#).
 - 2.3 **Integrated Impact Assessment Process**
 - 2.3.1 As a defined public body in Wales, the Council must fulfil a specific duty for the assessment of impact. This relates to the likely impact of any new or existing (when reviewed) policies or practices. There is a key focus when assessing impact on the ability to meet the Council's three general duties under the Act, including assessing any positive or negative impact on groups covered by the nine protected characteristics.

- 2.3.2 Where there has been deemed to be a substantial (or likely) negative impact the Council must report this accordingly, outlining any decisions taken with any mitigations considered/actioned.
- 2.3.3 A review of the way the Council's carries out impact assessments was included as part of the SEP's 2021/22 defined work programme. This fell in-line with new legal expectations from the Act, the Socio-Economic Duty.
- 2.3.4 As part of the review, a decision was taken to streamline the process by removing the initial screening process, based on feedback that it created confusion. The process was also strengthened to ensure all equality and socio-economic factors were fully considered when making decisions, reviewing existing or developing new policies. The requirement to carry out and report on impact assessing continued to be expected in corporate reporting templates for decision making.
- 2.3.5 In 2022/23 further consideration was given to the impact assessing process following on-going monitoring, consideration of good practice and regional/national network discussions.
- 2.3.6 This has led to a new Integrated Impact Assessment (IIA) process being developed which incorporates wider policy considerations beyond equality and socio-economics:
- i. Well-being of Future Generation Act Goals
 - ii. New Corporate Objectives
 - iii. Armed forces (new national duties)
 - iv. Community Safety considerations
- 2.3.7 The new process was agreed by CLT in November 2022 (Appendix 2), with agreement for relevant officers to attend management team meetings to update on the content and expectations of the new processes. The Policy Team continues to provide on-going support, advice and guidance to those completing the IIA process.

3. **Options for Recommendation**

3.1 **Annual Reporting**

- a. To consider the Annual Report being presented for 22/23 and note progress made against the Council's Equality Objectives; and

Impact Assessing

- b. To note the new IIA process, and that member briefing sessions for all elected members will be arranged to cover the specific duty for assessing impact to include, the process, examples of its use, and its role in decision-making.

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

The Corporate Plan recognises that our Strategic Equality Plan is one of the key policies and strategies that help to deliver our ambition.

As outlined both Annual Reporting and Assessing of impact are defined as specified duties Equality Act 2010 (statutory duties) (Wales) Regulations 2011.

5. **Implications Against Each Option**

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

There are no direct financial implications as a consequence of this report. The publication and translation of the Annual Report, on behalf of the Council, is met within existing budget of the Governance and Partnerships. There are no direct costs associated to the IIA process, however there could be potential mitigation/adaptation costs associated to individual processes carried out against new and existing policies.

5.2 ***Risk including Mitigating Actions***

5.3 ***Legal***

In producing and publishing the Annual Report the Council is meeting its legal requirements.

The IIA process is put in place to support the Council in meeting its specific duties for assessing impact. There are risks if impact assessing is not carried out effectively where it is deemed it should be. These risks would include reputational, regulatory intervention (Audit Wales/Equality & Human Rights Commission) and financial (subject to legal channel per case).

5.4 **Human Resources**

There is a duty across the organisation to comply with the Act and proactively support the implementation of the SEP and meet specific duties.

The Policy and Partnerships Team oversee responsibility via the Professional Lead for Engagement, Equalities & Welsh Language to submit the Annual Report within the defined timeframes.

6. **Supporting Evidence**

6.1 **Performance Information and Data**

In 2020, the Council agreed its SEP to cover the period 2020-2024. This plan has six equality objectives, which are:

1. We will be an organisation who ensures fairness and equality is in everything that we do
2. We will be an equal opportunity employer with a workforce that values equality and diversity
3. We will support children and young people, particularly those with protected characteristics, to achieve their learning ambitions
4. We will promote and support safe, friendly and cohesive communities.
5. We will ensure there is meaningful involvement with people who have protected characteristics and key stakeholders that represent their interests.
6. We will strive to tackle inequality caused by poverty for people who have protected characteristics.

The attached Annual Report (Appendix 1), has been developed to meet the reporting requirements, and covers the reporting year 2022/23 providing key updates on action taken against each of the outlined objectives. Key equality data is also presented covering staff that work for the period April 2021 to March 2022.

6.2 **Expected outcome for the public**

The annual report clearly shows contributions and outcomes for the public, and is aligned to the national well-being goals for a more equal Wales, a Wales of cohesive communities, and a Wales of vibrant culture and thriving Welsh language.

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

The Annual Report (and progress against actions outlined in the plan) has been developed with the input from staff members and key representatives from across the Council who are actively involved in delivery actions against the SEPs outlined objectives.

Furthermore, the IIA process has been development with active participation from stakeholders across the Council.

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

The current SEP 2020-24 outlines the Council's intention for a four-year period, in-line with the requirements of the Equality Act 2010, and the annual report reflects a specific year within it (22/23). The information presented in this annual report will be used to help shape the policy development of the next SEP from 2024, with planning beginning in 2023/24 (including democratic processes).

The report highlights the new Integrated Impact Assessment process which will support more informed decision making for service development, service change, policy development or policy review.

6.5 *Preventative focus*

The SEP looks to ensure that no person is discriminated against now or in the future. The annual report provides progress towards meeting the requirements set out.

The IIA ensures that those assessing impact have considered those with the protected characteristics, the impacts towards national well-being goals, our corporate objectives, and socio-economic impacts. Additionally, impacts on further specific groups such as armed forces community, and children and young people to ensure informed decisions are made.

6.6 *Collaboration / partnership working*

The annual report has been developed with the involvement of key stakeholders from across the Council.

The IIA review involved working with services to understand the process, and check it was fit for purpose. Also, it incorporated good practice shared via Regional Equality Officer networks. As a result of this the previous Impact Assessment was updated and the screening template was removed.

6.7 *Integration (across service areas)*

The SEP and IIA provides a corporate approach across the organisation to deliver general and specific equality duties.

6.8 *Decarbonisation and Reducing Carbon Emissions*

The IIA has the current Corporate Objectives built into the process which will strengthen services to ensure that they have considered the carbon impact on any service change, service development, policy review or policy implementation.

6.9 *Integrated Impact Assessment (IAA) (All decisions, policy reviews or policy implementation will now require a completed Integrated Impact Assessment)*

The report considers Equalities throughout and identifies key Action Points to strengthen our approach to embed Equalities across the Council.

7. **Monitoring Arrangements**

- 7.1 The annual reporting process is part of our statutory monitoring responsibilities. We have a duty to publish the report on the Council web site where it is made available to the public and other organisations (e.g. EHRC). Furthermore, the Annual Report is considered each year (whether as a specific report or information item) as part of the Council's cabinet and scrutiny forward work programmes.

Background Documents /Electronic Links

- [Blaenau Gwent Strategic Equality Plan](#)

Appendices

Appendix 1 – BGCBC Annual Strategic Equality Monitoring Report 22/23

Appendix 2 – BGCBC Integrated Impact Assessment Template 22/23

Blaenau Gwent

Strategic Equality Plan

Annual Report 2022 – 2023



Blaenau Gwent County Borough Council

Annual Strategic Equality Monitoring Report

April 2022 – March 2023

“Blaenau Gwent – a place that is fair, open, and welcoming to all by working with and for our communities”

If you do require this document in a different format, e.g., large print, Braille, audio version, etc. please contact:

Email: pps@blaenau-gwent.gov.uk

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Foreword

We are pleased to provide our progress towards Blaenau Gwent County Borough Council's Strategic Equality Plan 2020/24. The annual report covers the period of April 2022 to March 2023 (including workforce data 2021-22) and sets out how we are meeting our Public Sector Equality Duty under the Equality Act 2010. It highlights progress we have made against our six strategic equality objectives.

Putting fairness and equalities at the heart of everything we do is central to the delivery of our equalities plan and our services. We recognise our key role, as a public body, in advancing and strengthening equalities across Blaenau Gwent and are committed to being a 'place that is fair, open and welcoming to all by working with and for our communities' as outlined in our [Corporate Plan 2022/27](#)

To achieve this, we continue to deliver a range of programmes and activities, in partnership with other public bodies, to realise better equality outcomes for Blaenau Gwent. Including making progress towards contributing to the [Well-being of Future Generations \(Wales\) Act](#) and the seven National Well-being Goals.

We acknowledge the growing importance of the equality agenda and the need for the Council's continued commitment and support to address ongoing and new equality matters. We continue to focus on key priorities which seeks to support local recovery following the impact of the global COVID 19 pandemic as well as looking to address new impacts such as the cost-of-living crisis, and, have proactively supported families fleeing the Ukraine conflict by setting up a Welcome Centre.

Over the next year, in-line with Welsh Government, we will continue to develop local plans in support of the Anti-Racist Wales and LGBTQ+ (lesbian, gay, bisexual, transgender, queer +) Action Plans and the National Commemoration Audit as we begin work to develop our new Strategic Equality Plan for 2024/28.

We would like to take the opportunity to thank our staff, local communities, and stakeholders for their on-going support in helping us to deliver our commitments.



Councillor Stephen Thomas

Leader, Portfolio for Equality & Diversity



Damien McCann

Interim Chief Executive

*Mae'r ddogfen hon ar gael yn Gymraeg
This document is available in Welsh*

Introduction

Our annual report highlights how we are meeting our Public Sector Equality Duty (the “general duty”) or PSED by ensuring we are supporting a fairer society through advancing equality and fostering good relationships.

We do this this by valuing diversity through activities on a day-to day basis as well as how we deliver our services and our policies to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by the Act.
- Advance equality of opportunity between people who share a relevant protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Our annual report is divided into six main sections—one for each of our strategic equality objectives. Each main section has been divided into the following sub-sections:

- Overview
- Key Examples of Actions from 2022/23
- Next Steps for Equality Objective in 2023/24

Our annual report concludes with the presentation of the Council’s Workforce data for 2021/22.

Progress against Equality Objectives

Equality Objective One *“We will be an organisation who ensures fairness and equalities is in everything that we do”*

Overview

We want to be an organisation that embeds fairness and equality throughout everything that we do. The Council is committed to being a ‘place that is fair, open, and welcoming to all by working with and for our communities’.

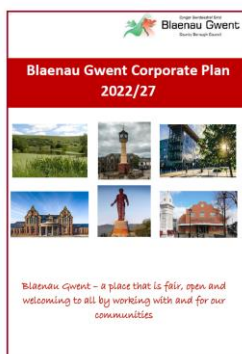
We recognise the value of this work in enabling us to achieve meaningful outcomes for our staff, citizens, local communities, and stakeholders. We want to ensure and continue to develop a workforce that is supportive and want to ensure the services we deliver are accessible for all.

Our aim is to advance equality across Blaenau Gwent by developing a strong framework, which is supported by the whole organisation lead through strong political and effective leadership.

We continue to strengthen our equality programme through our Corporate Leadership Team and School Management Team. We work collectively, using a “One Council” approach, to meet our six equality objectives set out within our plan. Our Corporate Leadership Team regularly considers its PSED duties and provides effective leadership to ensure its equality outcomes are delivered through organisation-wide collaborative delivery.

We feel it is very important that we continue to ensure that equality is championed throughout the organisation and have done this both politically and professionally. For example, we recognise international campaigns such as White Ribbon Day, World Aids Day, Holocaust Memorial Day, LGBTQ+ history month as well as many more.

Key Examples of Actions from 2022/23



New Corporate Plan for 2022/27 – Our new Corporate Plan was agreed by Council in October 2022 and reflects our new vision and core values of being respectful, inclusive, collaborative, accountable and supportive. Furthermore, we have set four priorities that we feel will allow us to achieve the best outcomes for our communities which are:

- Maximise learning and skills for all to create a prosperous, thriving, resilient Blaenau Gwent
- Respond to the nature and climate crisis and enable connected communities
- An ambitious and innovative council delivering quality services at the right time and in the right place
- Empowering and supporting communities to be safe, independent, and resilient

Furthermore, the Council, along with our partners across Gwent through our Public Services Board, are working towards becoming a region that aims to tackle and reduce inequalities, via the Marmot principles to:

- Give every child the best start in life
- Enable all children, young people, and adults to maximise their capabilities and have control over their lives
- Create fair employment and good work for all
- Ensure a healthy standard of living for all
- Create and develop healthy and sustainable places and communities
- Strengthen the role and impact of ill-health prevention
- Pursue environmental sustainability and health equity together
- Create fair employment and good work for all
- Tackle racism, discrimination, and their outcomes

The Corporate Plan recognises that our Strategic Equality Plan is one of the key policies and strategies that help to deliver our ambition.

Partnership Work and Collaboration - Our Equality Champion represents the organisation on the Welsh Local Government Association (WLGA) Members Equality Network, and the Council is also represented at various National and Regional Equality Network meetings to collaborate and share good practice and learning. As an organisation we continue to pledge our support towards national equality campaigns and emerging policies, such as Zero Racism Wales; Welsh Government's vision of an [Anti-Racist Wales](#) by 2030 and [LGBTQ+ Action Plan for Wales](#).

We continue to be part of the Proud Council's network which has currently expanded over the last year to include a further two local authorities in Wales. Being part of the network allows us to work collaboratively to attend Pride events and work together on LGBTQ+ history month. By uniting and working together we can achieve a greater impact.

New Integrated Impact Assessment process from 2022/23 - In our previous report we highlighted our intention to develop a new Integrated Impact Assessment (IIA) process to coincide with the implementation of the Socio-Economic Duty. Over the past year, we have considered the effectiveness of our previous process; feedback from those completing impact assessments; and the findings of the Audit Wales Report [Equality Impact Assessments: more than a tick box exercise?](#).

This has resulted in the removal of the screening element to ensure that all our decisions, and service and policy reviews require are assessed. We further strengthened the process by including impact assessments against the Well-Being of Future Generation Act goals, our new Corporate Plan objectives, the new Armed Forces duty and also Community Safety Considerations.

The new IIA process was agreed in November 2022 following a briefing session with Senior Managers and Corporate Leadership Teams.

Further sessions have also been held with specific teams as part of an ongoing process.

As part of the IIA review work we are developing a research library to provide accessible data and intelligence to support anyone carrying out an IIA and the delivery of actions associated to our Strategic Equality Plan. The research library includes case studies, census data, other local data, regional & national evidence and reports relating to equality and diversity, as well as examples of lived experiences from peoples covered by protected characteristics.

Key Strategy Development - Our Annual Workforce Equality data for 2021/22 is available via Open Source on Blaenau Gwent Council's website under the "[Equality in Blaenau Gwent](#)" page. This data is used to gain an effective picture of the diversity of our organisation and informed the development of our Workforce Development Strategy, review of existing policies, and the development policies and guidance documentation for managers, with a key example this year being Accessibility Guidance for supporting those with neurodiversity conditions.

Simple SEPs for Schools – The Council has supported our schools over the last year to develop a two-page template to be used as their School Equality Plan. This approach clearly aligns to the organisation's Strategic Objectives for 2020 to 2024, as well as allowing them to deliver on outcomes specific to their school. It also will allow case studies and good practice to be identified as we go forward.

Policy Development – A good example of equality-focused policy development is the writing of a Toileting Policy to ensure that the Equalities Act 2010 is followed in all our schools. The policy supports toileting plans for our pupils who need further support due to key issues associated to protected characteristics such as disability and gender. Parental support groups across the area are in operation to address any parental concerns and develop pathways to support parents who raise

concerns regarding their children's disabilities. We have brought together agencies to support and provide up-to-date guidance and advice every month across different venues across the area.

Elected Member Training – This reporting year coincides with a new Council following local election held in May 2022. To support all elected members, both new and returning, an organisational member development programme was put in place. One of the core courses identified to happen within the first quarter for our elected members was Equality and Diversity, being delivered in August 2022. The training was co-delivered by an equality and diversity specialist company, [Red Shiny Apple](#), and a representative from Victim Support.

The training focused on giving elected members an understanding of the legal responsibilities in relation to Equality and Welsh Language. It provided an overview of the Council's equality and diversity policies which promote our PSED commitments (for example, the Integrated Impact Assessment). The session also focused specifically on hate crime and equality issues for people with protected characteristics.

We also encourage our elected members to consider e-modules available online developed by the WLGA which further support them to understand their duties.

Championing Key Equality Campaigns – As in previous years, the organisation continues to champion national and international equality campaigns from both professional and political leadership. As an example, in 2022/23 we have delivered organisational campaigns and events for International Women's Day 2023, International Holocaust Memorial Day 2023 and LGBTQ+ History Month. Each of the above examples have had active participation of the Council's newly appointed elected member for Equality and our Cabinet Members and senior management.

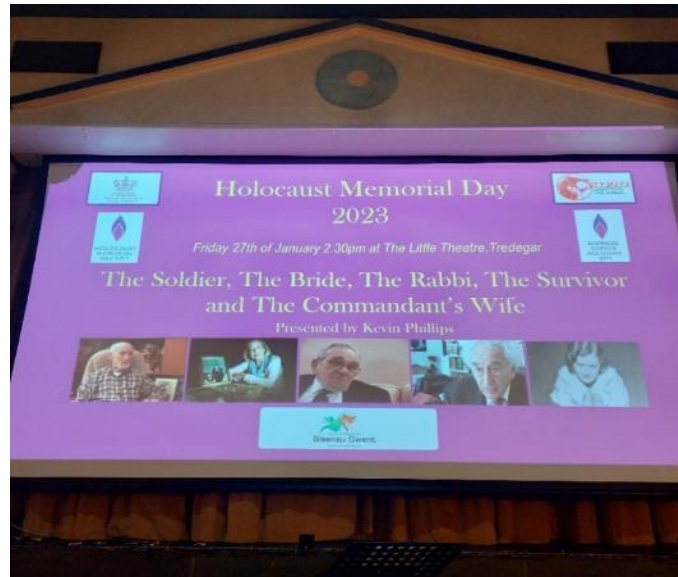


A particularly good example of this was the recent recognition given to International Holocaust Memorial Day via an event held on Friday 27th January 2023. It was a chance to honour the survivors of regimes of hatred and take the opportunity to reflect on the ways in which we live our lives today and bring our communities together to create a safer, better future.

With the theme being “Ordinary People” for 2023, our Equality Champion hosted the event to commemorate the day, with local councillors, council staff and partner representatives invited to attend “The Little Theatre” in Tredegar. The event was hosted by Tredegar-based not for profit company Cymru Creations and involved a documentary film that brought together five different stories to highlight the atrocities that occurred. Also, later in the evening, the organisation lit up Tredegar Town Clock and the General Offices in Ebbw Vale purple to commemorate the day.

Furthermore, at the Council meeting held on 26th January 2023, the Council’s Leader, supported by the Cabinet members, made a proposal - which was unanimously agreed - to award [Eva Clarke](#) the Freedom of the Borough, the highest accolade the can the Council can bestow.

Eva Clarke was born in a concentration camp and was one of only three babies that survived. Eva has worked so hard over the years to ensure the stories of those survivors have been told, ensuring their memories live on and what they endured is never forgotten. Eva has strong links with South Wales, and Blaenau Gwent particularly. The award ceremony took place in March 2023.



Next Steps for Equality Objective One in 2023/24

- Continue to raise the profile of the equality agenda across the organisation and embed it as “business as usual”, supported through regular meetings and monitoring work carried out by the organisation.
- The development of the new Strategic Equality Plan for 2024-28.
- Ensure that the organisation is appropriately considering all the related duties from the Welsh Government’s Anti-racist Wales Action Plan and LGBTQ+ Action Plans.
- Ensure the organisation receives up-to-date guidance and support, including the sharing of good practice, to achieve its Public Sector Equality Duty.
- Continued engagement of political and professional leadership teams and ongoing support of National and Regional equality campaigns.
- Review the effectiveness of the new Integrated Impact Assessment process, provide guidance and support
- Provided management teams with guidance on the new Integrated Impact Assessment process to ensure staff are familiar with the process
- Build on our research library to include guidance on the Integrated Impact Assessment Process and examples, data sets, national and local reports, and case studies and lived experience stories.
- Continue to lead on key agendas affecting our communities such as Cost of Living and supporting national issues such as resettlement.
- Develop an organisational Equality and Welsh Network

Equality Objective Two - “We will be an equal opportunity employer with a workforce that values equalities and diversity”

Overview

We as an employer value our workforce, we recognise that being an equality opportunity employer and being identified as an employer of choice is of utmost importance to encourage take up of roles and encourage more diversity within the workforce.

We continue to take steps to maintain and create a diverse workforce as we recognise this brings about benefits both internally and within the community of Blaenau Gwent as it allows for different perspectives and alignment with the communities that we serve.

In 2021 we developed an organisational Workforce Strategy which is in place until 2026. The strategy sets out the key priorities to create an effective workforce:

- Health, culture, and effective leadership
- Excellence in management across the council
- Highly motivate engaged workforce
- Evidence based decision making, planning and delivery; and
- Modern employer of choice

To support us becoming a ‘modern employer of choice’ we have continued to monitor the diversity of the workforce using workforce data and information.

Key Examples of Actions from 2022/23



Key Workforce Data - This year work has taken place to improve the quality of our workforce data via a review by of our Organisation Development Division on our equality monitoring processes. This has been done to reflect current guidelines across all the protected characteristics.

Following the review, the equality questions asked in our staff information management system, iTrent, has been updated and all staff are regularly reminded via our internal communication channels to consider their personal information. It is anticipated this will further allow for greater understanding of the workforce.

Gender Pay Gap – We annually consider the issue of gender pay and publish relevant statistics each year as part of our statutory equality measure which helps us to understand the difference in average earnings between women and men.

Our assessment, published as part of our [Pay Policy Statement for 2022/23](#), shows women and men are paid equally for doing equivalent jobs across the Council, with a predominantly female workforce (77.3% female, 22.7% male), occupying a high percentage of jobs across all four pay quartiles. Furthermore, our gender pay gap is significantly lower than the national UK average.

Agile Working - In 2021 the new Agile Working Policy was implemented which ensured staff were able to work at home, or from the community safely and effectively, following risk assessments. This process ensured that staff were provided with the necessary adjustments or equipment to carry out their duties effectively as well as demonstrating the ongoing commitment towards equality.

An online survey and face to face workshops were undertaken at the end of 2022 to consider the impact of the Agile Working Policy to understand the positives or negatives of the policy in regard to staff working practices. The policy will be reviewed further in 2023 and updated where necessary.

Our Organisational Development Policies – In 2022/23 our Organisational Development Division reviewed and updated a series of workforce policies which supports equality and diversity within the workplace. A few examples are highlighted below:

Pay Policy	Mar-22
Adverse Weather Guidance	Jun-22
Adoption/Surrogacy Leave	Oct-22
Maternity Leave	Oct-22
Paternity/Maternity Support Leave	Oct-22
Parental Leave	Oct-22

We believe regularly monitoring, reviewing, and implementing these policies allows us to maintain policy effectiveness and strengthens equality of opportunity.

A good example of where policy development for our staff has made a difference is when the Council agreed to sign up to the Trade Union Congress (TUC) policy “Dying to Work Charter” in December 2022. Therefore, our Critical Illness and Working Guidelines and the Attendance Management Policy have been updated. Interim Chief Executive, Blaenau Gwent County Borough, Damien McCann, commented:

“We support the TUC’s Dying to Work Campaign and in signing the Dying to Work Charter we show our commitment to support colleagues should they receive a terminal ill health diagnosis. A terminal diagnosis is devastating and is a time of huge emotional stress, fear, and uncertainty. The health and well-being of our staff is a priority and when employees are faced with a serious or terminal illness, it is important that they can choose the path that is right for them and their families, without having the additional worry of financial uncertainty.”

Training for council staff and school-based staff – As part of our equality and diversity training offer for teachers and pupils we delivered a Race Awareness Training Programme facilitated by [No Boundaries](#) in one of our learning community schools over three separate sessions.

Furthermore, two of our Primary Schools in the area have taken part in training on anti-discrimination offered by our regional West Gwent Community Cohesion Team. This saw over 60 pupils (Year Five and Year Six) exploring themes of: Similarities and Differences; Identity; Exploring diversity; Communities Culture and Cohesion; Belonging and Inclusion; and Prejudice.

We also have a corporate partnership training programme agreement with neighbouring Caerphilly County Borough Council to deliver bespoke training specifically for those working within Health & Social Care. Although the courses are not solely equality focused, equality is embedded throughout the delivery.

During 2022/23 around 3,000 training opportunities (online and face to face), were taken up by approximately 2,000 Council and school staff.

Further support around Training and Development - Children in Wales have also provided free training, including webinar sessions, on LGBTQ+ support for Children & Young People; Child Poverty; Violence Against Women and Girls and NSPCC report. These training opportunities, alongside additional resources have been shared with services across the Council, including educational settings.

In 2022/23 we worked with the West Gwent Community Cohesion Team to develop an e-module on equality for all staff, which we anticipate will be rolled out early 2023/24.



Communicating on Equality and Diversity Issues

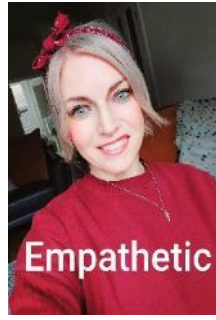
We have continued to deliver a weekly ‘Well-being Wednesday’ staff bulletin which provides up-to-date access to well-being services such as our Care First service, as well as information on training and development opportunities.

In 2022/23 the bulletin has been used to promote training opportunities for staff on topics such as armed forces, hate crime and Welsh, as well as promote relevant equality and diversity information (for example, online animated video about mental health support).

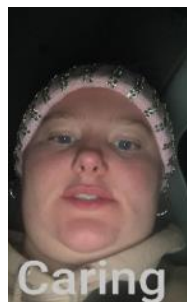
Two other good examples include encouraging all staff to learn sign language through [Sign4life](#), and also providing updates on the release of key statistics from the Census 2021, providing new up-to-date insight into the people living in Blaenau Gwent and their protected characteristics.

Communicating with Schools on Equality and Diversity – Regular educational bulletins are prepared to provide schools with key equality and diversity information, resources, policy information, training and support relevant to educational settings.

Supporting White Ribbon Day – In November 2022 staff across the council were encouraged to participate in [White Ribbon Day](#) . This day looks to engage people to prevent violence against women and girls by addressing its root causes. In 2022, the day fell during the FIFA World Cup, and people participating were asked to highlight one of 11 traits that men and boys can nurture to help create a world of equality and safety for women. Examples of staff participation are shown below:



Also, the Blaenau Gwent Youth Forum were keen to participate, with examples shown below:



UK Youth Parliament Member for Blaenau Gwent (left); Blaenau Gwent Youth Mayor (Centre); and Welsh Youth Parliament Member for Blaenau Gwent.

Social Care Recruitment Drive - A positive career campaign was developed to raise the profile of working in social care. The campaign aimed to encourage people to take up staffing roles which help individuals with protected characteristics. Please click the links below to watch the films:

[Grace - Adult Social Care](#)

[Interested in a career in Social Care?](#)

*Mae'r ddogfen hon ar gael yn Gymraeg
This document is available in Welsh*

Next Steps for Equality Objective Two in 2023/24

- We will test if our workforce values equalities and diversity through continued staff engagement and involvement and identify any key areas for improvement.
- We will review the diversity of our workforce using our workforce data and where appropriate implement the delivery of positive recruitment drives
- We will continue to use our workforce data to understand health conditions of our employees and where appropriate hold specific awareness days to raise awareness
- Implement and review the Equality Training & Resources Toolkit for wider services.
- To continue to build on the Welsh & Equality staff network to support with plan development and deliver on the objectives within the plan.
- We are currently developing Neurodiversity Guidance for managers in consultation with key partners and trade unions.
- Other policies under development for Council approval include the Recruitment Policy, IVF Policy, and Attendance Management Policy.

Equality Objective Three - *“We will support children and young people, particularly those with protected characteristics, to achieve their learning ambitions”.*

Overview

Education is identified as a key priority within our Corporate Plan 2022/27- *“Maximise learning and skills for all to create a prosperous, thriving, resilient Blaenau Gwent”.* We as a local authority continue our commitment to ‘improving pupil outcomes, progress, and well-being, particularly for our most able and vulnerable pupils’. Providing access to support for children and young people to reach their learning outcomes is essential both for themselves now and the future.

We believe all children and young people should have access to learning opportunities and we aim to work with pupils who are covered by one or more of the protected characteristics to ensure that their learning outcomes are maximised, giving them every opportunity to reach their goals.

Key Examples of Actions from 2022/23

School Support & Guidance - We continue to build strong relationships with our schools and provide support to ensure the latest equality advice and guidance is provided and understood. This includes raising awareness of our strategic equality objectives to ensure schools understand how they contribute and can support equality outcomes.

Working together with schools a simplified, two-page, school equality plan template has been implemented which provides a mechanism for capturing how school are delivering on their equality objectives. The template is fully aligned to the Council’s Strategic Equality Plan and enables schools and the Education Directorate to set out how strategic equality goals are to be achieved.

To complement the new template, we have also developed a new monitoring process for schools to be able to showcase the positive work they are delivering to support the equality agenda. We will review these new arrangements for schools in 2023/24.

“Equality, Diversity & Inclusion” guidance, which includes training, information and toolkit resources are regularly provided from supporting organisations via the Schools Bulletin. For example, National Equality Campaigns and specific reports focusing on equality matters relevant to children and young people are provided.

We continue to develop a framework for reporting incidents via the “My Concerns” system. The system, when fully adopted, looks to provide intelligence on school-based issues and will allow for bespoke training and interventions to be provided, if required, to support outcomes for schools, staff, and pupils.

Gypsy Traveller Play Scheme Project – A positive play scheme project continues to deliver positive outcomes for Gypsy Traveller families and children since the appointment of a dedicated Housing Support Officer for Cwmcrachen. The project delivered onsite and in partnership with Head4Arts has provided children of all ages the opportunity to gain skills in wreath making, t-shirt design, jewellery making and much more.

The Arts Award project for children aged 11-21 years provides opportunities to gain new skills as well as an academic qualification. The projects benefit all children who attend school or are home educated.

A Flying Start project and a ‘Ti a Fi’ group has also been established which will promote the **Welsh Language** to mother and babies. The purpose of the project is to provide younger generations an opportunity to play and learn a new language before attending school whilst raising the importance of early years’ education and the **Welsh Language**.

In February 2023, Gwent Police delivered “The Young Police Cadets” project to target anti-social behaviour and raise awareness about the consequences of poor decisions and actions.



The Gypsy Traveller service along with the Housing Officer worked together to feed into the WG review of local authority Gypsy Traveller sites which can be found here [Gypsy and Traveller caravan count: quality report | GOV.WALES.](#)

Children’s Grand Council - The Policy and Partnerships team worked together with Education, Aneurin Bevan University Health Board, and other Council service areas to successfully deliver three Children’s Grand Council sessions to a cohort of 59+ pupils within Blaenau Gwent.

In 2022, two online sessions were delivered due to Covid-19. The first in-person session was held in October 2022 and focussed on the following topics:

- Children’s Rights
- Why we have a Children’s Grand Council
- How children and young people can get involved
- Healthy food relationships
- Gwent Well-being Plan consultation

What does a good future look like?



Further online sessions are arranged for children who could not attend the in-person session to ensure all children and young people had an opportunity to take part.

LGBTQ+ Support Groups - LGBTQ+ support groups for children and young people are still in operation across Blaenau Gwent. The support groups provide appropriate information and with the opportunity to speak about feelings and empower them to ensure their voice is heard within a safe space.

Young Carers - Families First continue to support young carers to ensure that they are supported, and their voices are heard. Currently, there are 124 Young Carers. A weekly Young Carers group is held and on average 22 members regularly attend. On average, 32 Young Carers attend residential events or planned activities.

The Young Carers steering group brings representatives from a range of partner organisations together to ensure the best support available is offered at the right time to those who need it.

As a Council we support Young Carers to ensure their voices are heard by encouraging them to participate and get involved in Blaenau Gwent's Youth Forum by sharing their priorities or issues. We will continue to work with Young Carers to understand how they would like to participate and ask them to help shape any future sessions with services they want to talk with.



Children & Young People Staff and Partnership Network -

The Children & Young People Staff and Partnership Network has been established to support better communication and joined-up working; to help develop and facilitate projects (for example, excursions). The network helps maximise outcomes for all the children and young people we work with.

Key Educational Work and Development - Schools have developed strategic pathways to ensure the correct agencies are supporting learners and their families. A robust referral process has been established via the Early Years and Additional Learning Needs Support Panel. The panel provides early intervention to support learners and their families to achieve specific targets and achieve better learning outcomes.

Enhanced transition, Person Centred practice (PCP), is embedded to ensure transition of early years' learners are managed with the full support of schools. In partnership with the Inclusive Practice Service work has been underway to design support packages to help school nurseries to develop autism spectrum disorder friendly classrooms.

Our early year's settings supported World Down Syndrome Day – Odd Socks; World Autism Awareness Day; World health day – Healthy Eating; and National Inclusion Week – Celebrating diversity and inclusion.

The Traveller Education Service – We continue to provide one to one, and small group academic support for children and young people within schools and alternative settings. Through the literacy intervention, nearly all Gypsy Roma Traveller pupils made improvements in both reading and spelling in both primary and secondary education. Despite Covid-19 having an initial impact on learning most pupils' have reached pre-pandemic attainment levels due to the additional support provided.

All pupils at secondary schools now have literacy levels within the normal range for age i.e., Standard Scores of 90 or above. The onsite Literacy Project provides support to those with low literacy levels. Also, literacy booklets have been created and distributed to parents to encourage reading at home.

During Gypsy, Roma, and Traveller History Month in June 2022 we encouraged all schools to participate to raise awareness and to celebrate the culture.

Transition work continues to support pupils moving from primary school into secondary schools' settings (Key Stage 2 to Key Stage 3). Gypsy, Roma, Traveller pupils and their families are fully supported throughout this phase to ensure any barriers and fears are overcome which typically stem from parents' own negative personal experiences from school. Leaflets for professionals, pupils and parents were distributed to help guide and encourage transition.

Next Steps for Equality Objective Three in 2023/24

- Continue to embed and develop the current equality performance monitoring arrangements for schools
- Development of corporate schools' equality network as a channel for providing up to date guidance and support, as appropriate
- Continue to develop the framework for reporting issues within schools via the "My Concerns" system
- Consideration of [Children in Wales' Child Poverty Report's](#) findings and what work required to support Blaenau Gwent.
- Expanding the Children's and Young People Network to ensure maximised opportunities for children and young people to get involved
- To support Families First to establish a working group for Young Carers to improve their voices being heard

Equality Objective Four- “We will promote and support safe, friendly and cohesive communities”

Overview

Our commitment towards the Well-being of Future Generation (Wales) Act National Goals of supporting ‘a more Equal Wales’ and a ‘Wales of Cohesive Communities’ continues. Working in partnership with the West Gwent Community Cohesion Team alongside our Community Safety Team we deliver programmes and initiatives that increase awareness & understanding, celebrate diversity, and bring communities together.

Key Examples of Actions from 2022/23

National & International Campaigns - We continue to work in partnership with a wide range of organisations to support key national equality and cohesion campaigns through public and organisational events and via social media.

Examples, includes:

- Holocaust Memorial Day
- Show Racism the Red Card
- LGBTQ+ History Month, Pride
- White Ribbon Day (campaign to end domestic violence)
- Black History Month
- International Children’s Day

Asylum Dispersal and Ukrainian Support - Since 2016, Blaenau Gwent Council has supported the UK's Resettlement Scheme Programme, working in partnership with a wide range of public, third sector and private organisations, to deliver a holistic package of support.

In June 2021, the Council agreed to support Afghan nationals via Afghan Relocations and Assistance Policy (ARAP) and later Afghan Citizen Resettlement Scheme (ACRS) building on existing commitment to support the UK Resettlement Scheme. The Council pledged to resettle up to 4 families from Afghanistan. 2 families have successfully resettled in Blaenau Gwent (9 individuals), alongside a spontaneous Afghan family arrival (3 individuals).

In early 2022, Russia's invasion of Ukraine saw those living in Ukraine fleeing their country due to the conflict. This led to the UK Government launching "**The Homes for Ukraine Scheme**" in March 2022. The scheme allows individuals, charities, community groups and businesses to bring Ukrainians to safety, including those with no family ties to the UK.

The Homes for Ukraine Scheme allows (individual) sponsors in the UK to nominate a named Ukrainian or a named Ukrainian family to stay with them in their home or in a separate property.

In Blaenau Gwent, several expressions of interest were received in support of The Homes for Ukraine Scheme – including residents offering accommodation (spare rooms or second homes). We now have 33 Ukrainian refugees hosted within the borough.

Furthermore, in 2022 the Council worked with Welsh Government to set up a Welcome Centre in the area to support Ukrainian people seeking refuge and sanctuary via the Wales Super Sponsor Scheme. Arrivals at the centre began from July 2022, and to date, almost 100 Ukrainians have been supported with initial accommodation.

Several residents have secured employment locally. All school aged children are now enrolled into local schools. A number of residents are exploring private rental options, particularly the larger families where there are no hosting options available. Positive communications campaigns have resulted in two expressions of interest to host Ukrainian families.

Partnership & Community Work - In November 22, we supported the Gwent Public Services Board in delivering its second participatory budgeting programme, Community Voice, Community Choice. 16 community groups were successfully voted by the public to receive monies to deliver local well-being projects (a total of £127,527) at a community event held at The Beaufort Theatre, Ebbw Vale.

Since October 2022, 11 community groups received monies from the Household Support Fund / Cost of Living Food Distribution Support Grant to provide direct help to local communities in need, and 21 community groups received monies from the Loneliness and Isolation Grant.

Next Steps for Equality Objective Four in 2023/24

- Continue to support National equality campaign (e.g., Black History Month, Holocaust Memorial etc.), including positive social media campaigns.
- Continue to provide representation and National, Regional and Local Equality and Community Cohesion Networks supporting the sharing of intelligence, learning and good practice.
- Deliver Community Cohesion training (e.g., Hate Crime Awareness) for Corporate Leadership Team, Members, and staff and schools
- Support the delivery of the Afghan Resettlement Programme and Wider Asylum Seeker Dispersal Scheme pilot.
- Continue to work as a partner with Welsh Government, local communities, and education to support those fleeing the conflict in Ukraine.
- Monitor the effectiveness of the Community Voice & Community Choice programme to understand the impact of the programme and to continue to work with partners should additional funding arise for 23/24.
- Monitor the effectiveness of the Warm Grant Scheme within BG and how it has supported the community. If further funding arises for 23/24, continue to use this funding to support the community
- Continue to work with our partners, post-Covid-19, and within the current cost of living crisis, to maintain community provisions which support community cohesion.

Equality Objective Five- “We will ensure there is meaningful involvement with people who have protected characteristics and key stakeholders that represent their interests”

Overview

As a local authority we take the voices of our community very seriously. We understand the importance of meaningful involvement and providing opportunities for everyone to be able to share their views and influence decision-making processes within the Council and our wider partners.

We demonstrate this through our commitment to the National Principles for Public engagement and the National Principles for Children and Young People’s Participation.

Key Examples of Actions from 2022/23

Engagement Highlights – Post Covid-19 we continue to engage our community groups via online platforms. However, during the past year - when it has been safe to do so - we have run in-person engagement activities. Engaging people in a variety of ways has allowed us to reach as many people as possible so they are able to get involved and share their views.

We continue to support the Citizen Panel which gives local people as well as stakeholders the opportunity to get involved and have their say on local matters, through surveys, user research interviews, and focus groups etc. Examples of consultations promoted includes:

- Council Budget 2023/24
- Active Travel Consultation
- Development of Participatory Budgeting Process.

Gwent Public Services Board, Gwent Well-being Plan - As a member of the Gwent Public Services Board we are committed to supporting the Well-being of Future Generation’s Act’s five ways of working, which includes “involvement”, both locally and regionally.

In 2021, we consulted on the findings of the Gwent Well-being Assessment's findings. 402 (23%) participated in Blaenau Gwent out of a total of 1,713 responses across Gwent.

In 2022, we consulted on the draft Gwent Well-being Plan. 97 (37.2%) participated in Blaenau Gwent out of a total of 261 responses across Gwent.

Our reach and participation rates reflect the strong partnership working and community links we have in Blaenau Gwent which is supported by the local partnership engagement group.

Special sessions were delivered for children and young people via the Children's Grand Council and Youth Forum (65 participants). The sessions were made accessible and enabled views and ideas to be shared through drawings, stories, and poems.

Our Blaenau Gwent Youth Forum -The Youth Forum gives young people the chance to have their say and get involved in the development and improvement of services. The group continue to represent the voices of young people across Blaenau Gwent and have delivered on several local and regional priorities and actively participated in a range of public activities:

- National / Local Campaign Work (for example, encouraging young people to register to vote)
- Film development around tackling bullying
- Attendance at House of Commons Debate
- Consultations to support policy development
- Knife Angel launch
- Police Crime Commissioner Question Time Event
- Young person Adopted-Member role on scrutiny committees

The Youth Forum received recognition for the valuable contributions made to the local community at the GAVO Volunteering Awards in 2022.

Next year, a positive campaign to recruit more young people will be launched with the aim to redress the gender equality balance of the group as currently all forum members are female.



Gwent Association for Voluntary Action (GAVO)- Awards



Video: [Knife Angel Launch - Newport](#)



House of Commons Debate



Video: [Let's Go Zero](#)

Youth Mayor Priority on Tacking bullying - Outgoing Youth Mayor, Chloe Lines and Youth Forum members worked with Cymru Creations to create a film as part of their Anti-Bullying Campaign. To view the film, click on the image below:



Next steps

- Continue to support the Gwent PSB and Local Delivery Partnership in meeting its involvement and engagement requirements under the WBFG Act as well as supporting delivery of the Gwent Well-being Plan.
- Continue to support the development our forums, understanding the levels of engagement that each person accessing those form wants, i.e., information only, consultations, meetings etc.
- Development of a participation & engagement strategy along with the development of a communication strategy which will consider the requirements of the Equality Act.
- Undertake a review of Blaenau Gwent citizens' panel.
- Continue to strengthen children & young people's participation and engagement by launching a campaign to recruit new Youth Forum members and to explore opportunities to expand the Children & Young People's Network.

Equality Objective Six *“We will strive to tackle inequality caused by poverty for people who have protected characteristics”*

Overview

We are committed to meeting our requirements under the Public Sector Equality Duty 2011 which includes tackle inequality caused by poverty. We look to ensure those who experience poverty, or those who live in less favourable living standards, are considered during all decision-making processes relating to the services we deliver.

We continue to work with Welsh Government, the Equality & Human Rights Commission as well as our partners to undertake work, research, and analysis to understand the socio-economic situation of our communities within Blaenau Gwent. This work informs our decision-making processes.

The cost of living crisis that has swept across the United Kingdom in 2022 has meant that many people are struggling with escalating costs such as bills for energy and food as inflation soars, and wages have not increased at the same or similar levels.

As a Council in 2022/23, we have been determined to do what we could to help those within our community that needed support, help, advice or guidance, particularly for those that need it the most.

Key Examples of Actions from 2022/23

Revised Integrated Impact Assessment – The Council undertook a review of the way it carries out its impact assessment process. This fell in-line with new legal expectations from the Act, the Socio-Economic Duty.

As part of the review a decision was taken to streamline and simplify the process by removing the initial screening process. The process was also strengthened to ensure all equality and socio-economic factors were fully considered as well as wider policy considerations when making decisions, reviewing existing or developing new policies:

- Well-being of Future Generation Act Goals
- New Corporate Objectives
- Armed forces (new national duties)
- Community Safety considerations

The requirement to carry out and report on impact assessing continues to be expected as part of the corporate reporting and decision-making process. The Policy Team continues to provide on-going support, advice, and guidance to the organisation on the Integrated Impact Assessment Process.

Cost of Living Crisis – We continue to work collaboratively with partners to help tackle the cost of living crisis. Recognising joined-up working and holistic interventions are required to ensure those who are socio-economically disadvantaged are provided the right support at the right time now, and in the future.

As a Council during 2022/23 we have set up internal networks to ensure available schemes are put in place to support people with a strong focus on our Community Hubs, which operate across seven accessible locations across the borough through our network of libraries. Furthermore, we are working with Citizen Advice to offer weekly support through our community hubs.



The community hubs offer people the opportunity to benefit from a range of advice and support including discretionary payments for cost of living and housing payments with specific support available for pensioners and those with disability. Also, council tax discounts and reduction may be appropriate which particularly help those with mental or physical disabilities, carers or those on low income. Support for families with children is also offered with a specific focus on free school meals and uniform grants.

Furthermore, advice and support for utility bills continues to be offered as people suffer as a consequence of the energy crisis, with opportunities for support and schemes provided for fuel support, winter fuel payments for older people and warm home discounts.



Blaenau Gwent Food Partnership – The Council plays a crucial role with its partners in supporting this important [new partnership](#) which is aiming to build a local food system that is healthy, affordable, resilient and fair.

The partnership is focusing on supporting communities around the borough with community growing projects, food organisations and a shop local network.

In supporting people through the cost of living crisis there is currently is a focus on providing opportunities for people who are struggling to get access to food through a number of food bank or food support providers across the borough. In 2022/23 the Council provided support through overseeing the Food Distribution Support Grant with over £70,000 being available to groups.

Next Steps

- Continue working with Welsh Government and the Equality and Human Rights Commission to ensure we are maximising equality outcomes for those who are socio-economically disadvantaged, using up to date data and reports as well as local intelligence to inform local decisions.
- Monitor and review of the new Integrated Impact Assessment process, including guidance and supporting materials for staff.
- Continue to work in partnership with public and third sector organisations to reduce inequality of outcomes for those who are socio-economically disadvantaged.

Next steps and action planning 2023-2024

Our annual report has highlighted the continued progression towards meeting our Public Sector Equality Duty as well as highlighting key examples to demonstrate our progress towards our Strategic Equality Plan Objectives 2020-2024, which continues to raise the profile of equality throughout the organisation.

We do however recognise that there is more work to do in order to improve inequality of outcomes for our local communities, staff, and stakeholders, which has become increasingly important over recent years in light of the global COVID 19 pandemic, which has been followed by the unjust war on Ukraine as well as the current cost of living crisis which has exacerbated existing inequalities.

We are committed to continually building on the progress made, share good practice across the organisation, strive towards continued contribution to the WBFG Act goals 2015 and the national goals of ‘**a More Equal Wales**’ and ‘**a Wales of Cohesive Communities**’.

Over 2023-2024 we intend to build on our highlighted work using it to form a plan for the up-and-coming year, as well as using this to form the development of new Strategic Equality Plan 2024-2028. Part of this work will also involve further work around Welsh Government’s Race Equality and LGBTQ+ Action Plans, and the National Commemoration Audit for Wales.

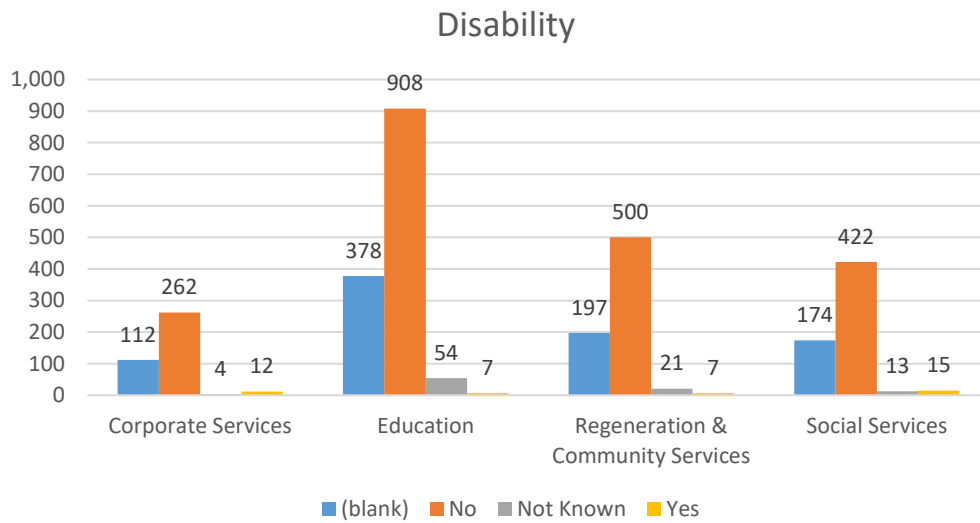
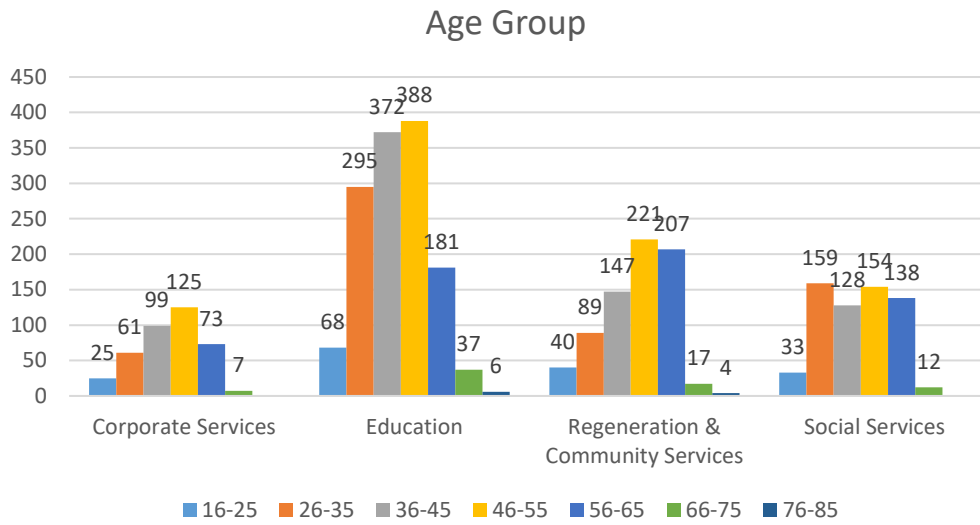
As you will have seen within the report each section has next steps that will form the work plan for 2023-2024. Some of the key actions for 2023-2024 are highlighted below:

- Continue to embed the new Integrated Impact Assessment Process, ensuring that this is part of core business, allowing for effective decision-making processes to maximise equality outcomes across the organisation.
- Continue to work with education to understand the equality landscape within our schools, to gain a baseline of equality work, implement a

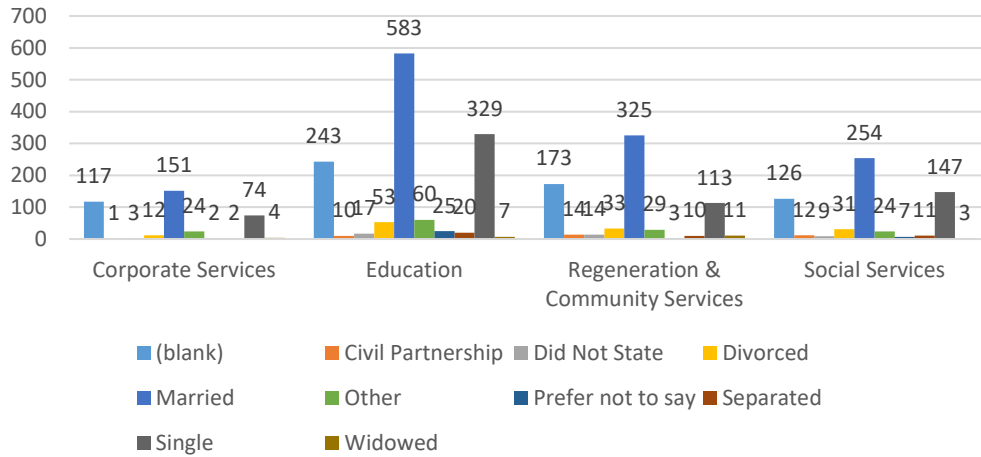
robust reporting mechanism for schools and understand training/support needs to continue to build on the equality work.

- Develop and implement an Equality Training Programme & Resources package accessible to the whole organisation (including basic awareness training and bespoke)
- Continue to support the Gwent Public Services Board to develop the New Gwent Well-being Plan
- Re-establish and strengthen existing engagement networks as well as establish new opportunities for people to get involved (e.g., Voices of our Valleys, Corporate Equality Network, Young People Network etc.)
- Raise awareness of the ARWAP, LGBTQ+ Action Plan and the commemoration audit, what this means and key actions to take forward to develop an action plan in order to progress this work
- Engage effectively across the organisation, with partners and key groups to develop the new Strategic Equality Plan 2024-2028

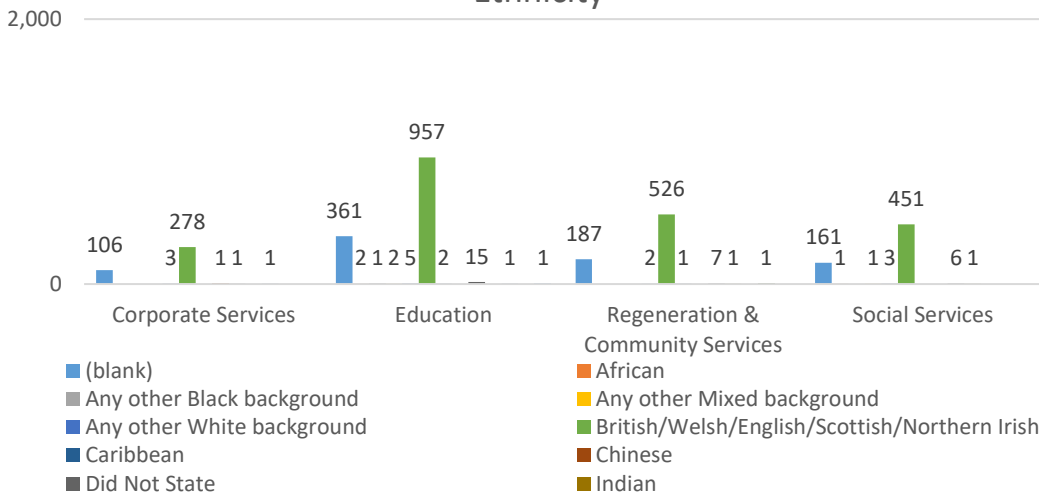
Workforce Summary Data April 2021-March 2022

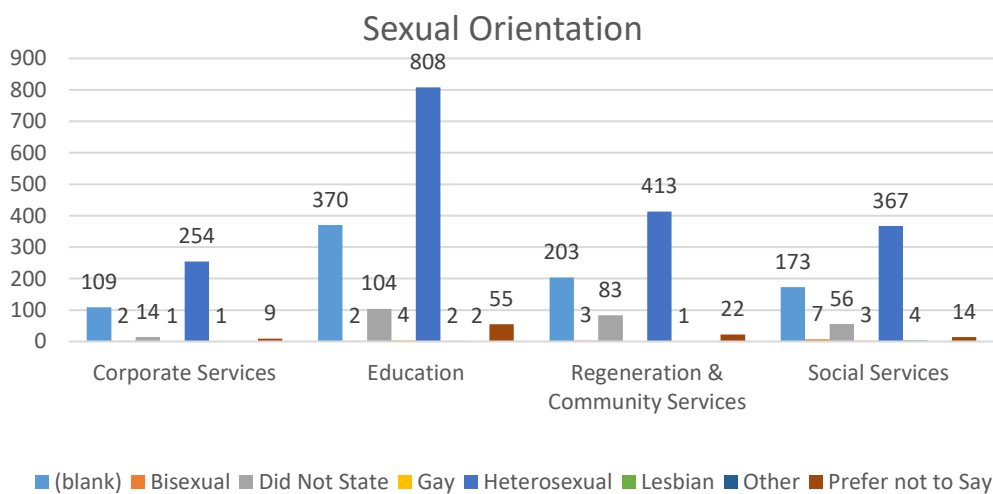
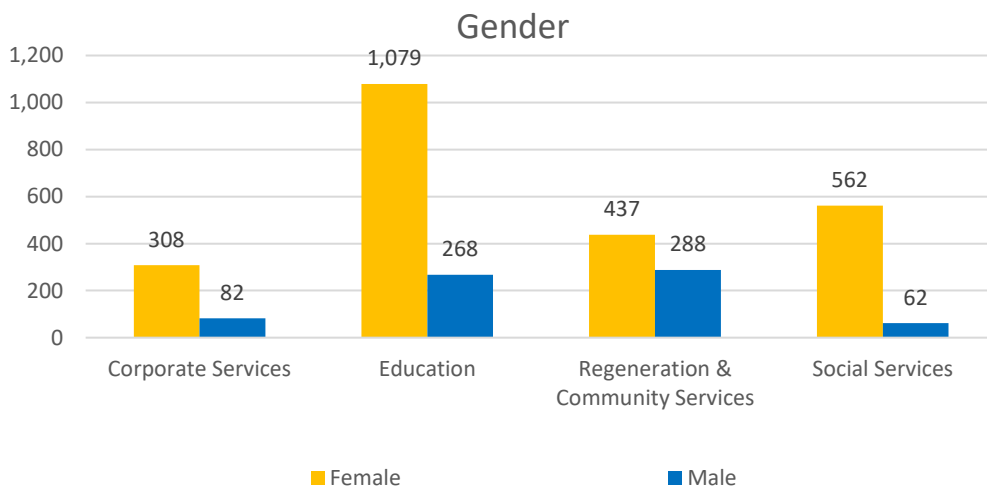
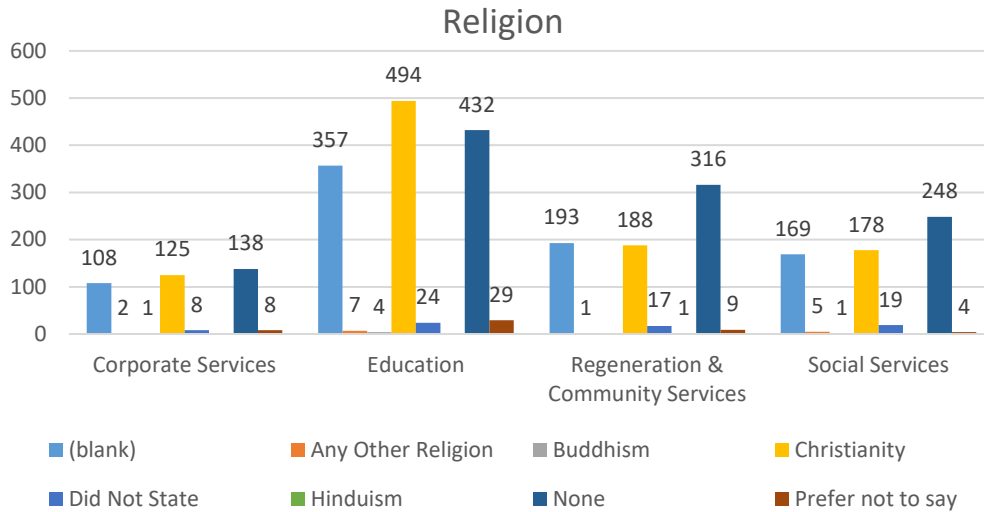


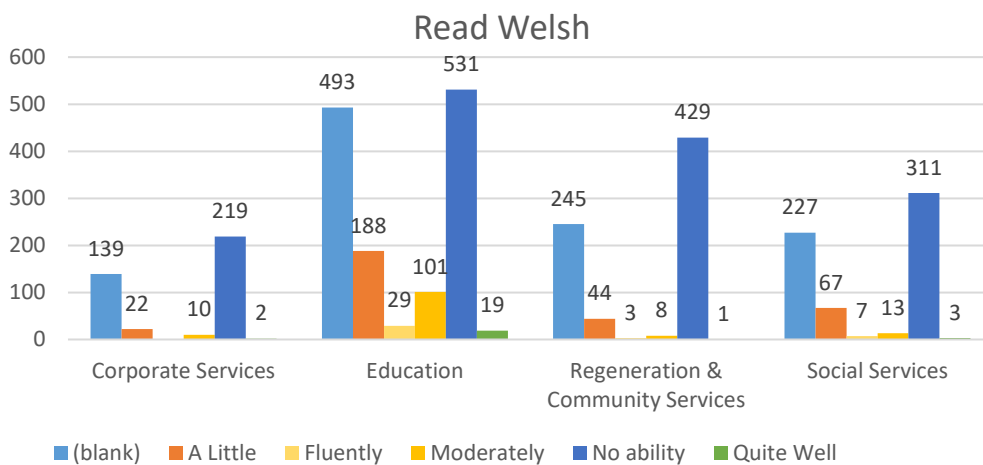
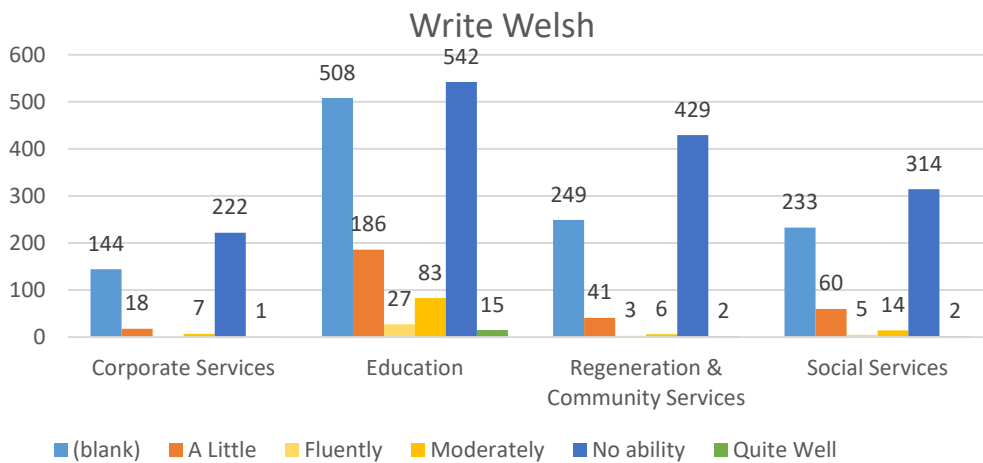
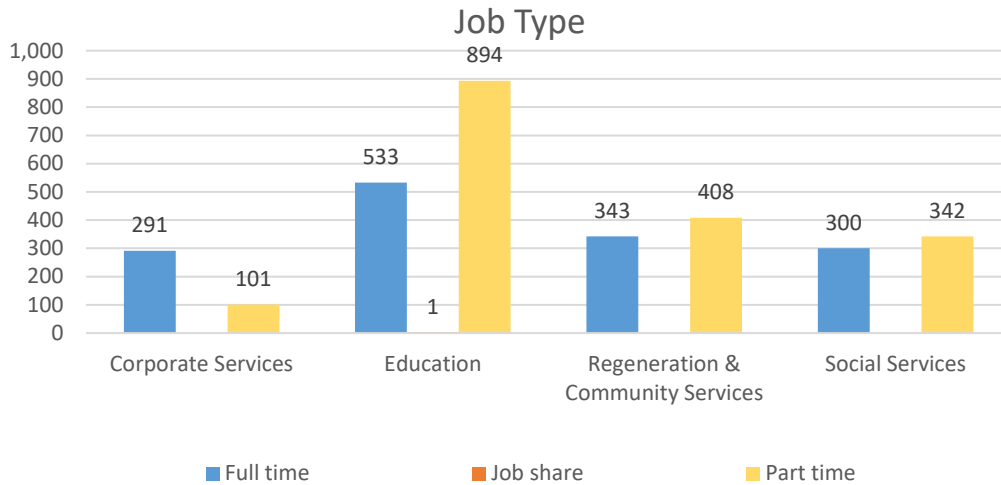
Marital Status

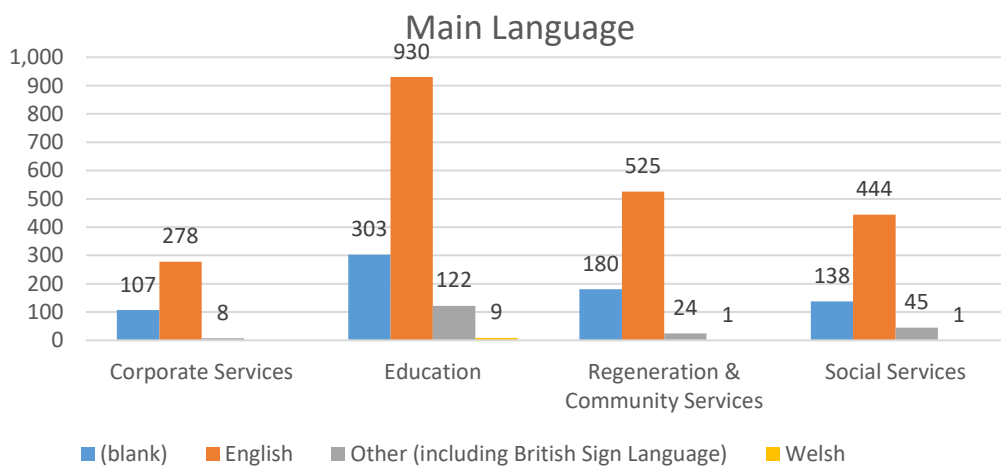
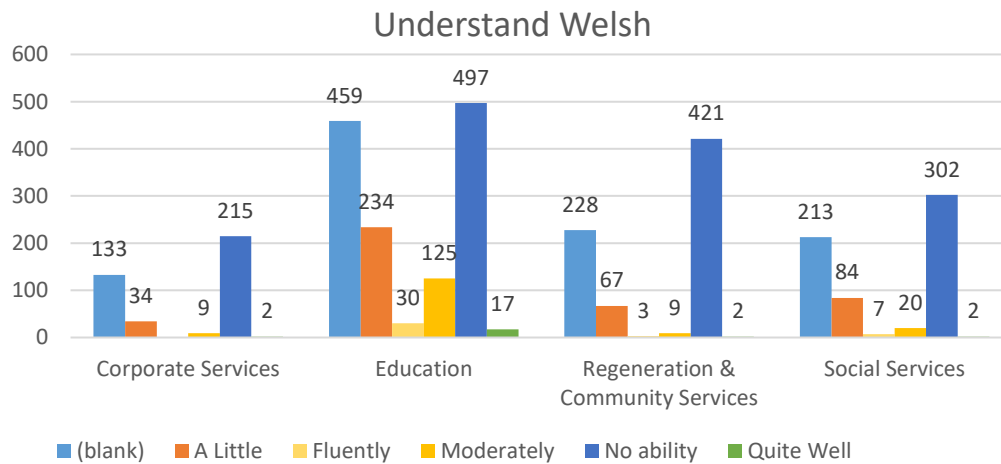
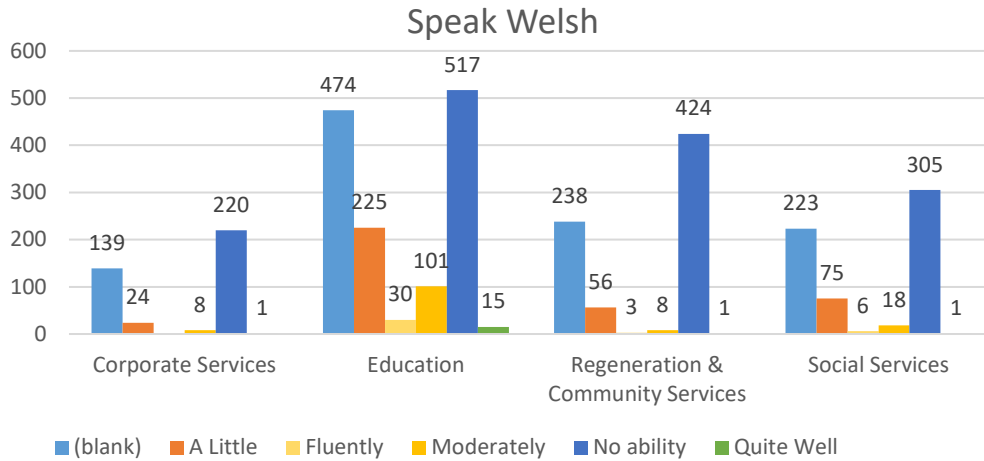


Ethnicity









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Blaenau Gwent County Borough Council - Integrated Impact Assessment

All decisions, policy reviews or policy implementation will now require a completed Integrated Impact Assessment.

- Section 1-Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011
- Section 2-Socio-economic Duty – Sections 1 to 3 of the Equality Act 2010
- Section 3-Corporate Plan
- Section 4-Wellbeing of Future Generations (Wales) Act 2015
- Section 5-Welsh Language (Wales) Measure 2011
- Section 6-Children’s Right “The Right Way”
- Section 7-Community Safety
- Section 8 Armed Forces
- Section 9-Data
- Section 10-Consultations Statutory Consultation Doctrine of Legitimate Expectation and Gunning Principles
- Section 11-Monitoring
- Section 12-Decision of proposal

Lead Officer	Head of Service	Service Area & Department	Date

Briefly outline the proposal indicating what change or decision is to be made, also provide any documentation that may be used to support this.
What is the proposal that needs to be assessed?

Section 1 Outline how the proposal will impact on any people or groups of people with protected characteristics, please refer to the Equalities Act 2010 (Wales) for further information Equality Act 2010: guidance - GOV.UK (www.gov.uk) and the EHRC guidance The Essential Guide to the Public Sector Equality Duty: EHRC Briefly outline below if there will be any positive or negative impacts as a result of the proposal being considered.			
Protected characteristics	Will the proposal have any positive impacts on those with a protected characteristics?	Will the proposal have any negative impacts on those with a protected characteristics?	Outline how the proposal could maximise any positive impacts or minimise any negative impact. Please indicate any views evidence you have that supports this.
Age (<i>people of all ages</i>)			
Disability (<i>people with disabilities/ long term conditions</i>)			
Gender Reassignment (<i>anybody who's gender identity or gender expression is different to the sex they were assigned at birth</i>)			

Marriage or Civil Partnership <i>(people who are married or in a civil partnership)</i>			
Pregnancy and Maternity <i>(women who are pregnant and/or on maternity leave)</i>			
Race <i>(people from black, Asian and minority ethnic communities and different racial backgrounds)</i>			
Religion or Belief <i>(people with different religions and beliefs including people with no beliefs)</i>			
Sex <i>(women and men, girls and boys and those who self-identify their gender)</i>			
Sexual Orientation <i>(lesbian, gay, bisexual, heterosexual, other)</i>			




NOTE: Section 2 only needs to be completed if proposals are of a strategic nature or when reviewing previous strategic decisions. See page 6 of the Preparing for the Commencement of the Socio-economic Duty Welsh Government Guidance.



Section 2 Socio-economic Duty (Strategic Decisions Only) <i>The Welsh Governments Socio-economic Duty provides a framework in order to ensure tackling inequality is at the forefront of decision making.</i>			
.Please consider the below vulnerable groups and consider how the proposal could affect them:			
<ul style="list-style-type: none"> ➢ Single parents and vulnerable families ➢ People with low literacy/numeracy ➢ Pensioners ➢ Looked after children ➢ Homeless people ➢ Carers ➢ Armed Forces Community ➢ Students ➢ Single adult households ➢ People misusing substances ➢ People who have experienced the asylum system ➢ People of all ages leaving a care setting ➢ People living in the most deprived areas in Wales (WIMD) ➢ People involved in the criminal justice system 			
Socio Economic disadvantage definitions.	Will the proposal have a positive, negative or neutral impacts on the below?	How could you mitigate the negative impacts outlined?	Please highlight any evidence that has been considered.
Low Income / Income Poverty <i>(cannot afford to maintain regular payments such as bills, food, clothing, transport etc.)</i>			
Low and/or No Wealth <i>(enough money to meet basic living costs and pay bills but have no savings to deal with any unexpected spends and no provisions for the future)</i>			

<p>Material Deprivation (<i>unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, hobbies etc.</i>)</p>			
<p>Area Deprivation (<i>where you live (rural areas), where you work (accessibility of public transport) Impact on the environment?</i>)</p>			
<p>Socio-economic Background (<i>social class i.e. parents education, employment and income</i>)</p>			
<p>Socio-economic Disadvantage (<i>What cumulative impact will the proposal have on people or groups because of their protected characteristic(s) or vulnerability or because they are already disadvantaged</i>)</p>			

Section 3-Corporate Plan	
<i>Please outline any Corporate Plan linkages of the proposal -BG Corporate Plan 22-27</i>	
Priority 1 - Maximise learning and skills for all to create a prosperous, thriving, resilient Blaenau Gwent	
Priority 2 - Respond to the nature and climate crisis and enable connected communities	
Priority 3 - An ambitious and innovative council delivering quality services at the right time and in the right place	
Priority 4 - Empowering and supporting communities to be safe, independent and resilient	

Section 4-Well-being of Future Generations (Wales) Act 2015 – The Five Ways of Working (ICLIP)
Sustainable development principles. The WBFG Act requires the Council to consider how any proposal improves the economic, social, environmental and cultural well-being of Wales using the five ways of working as a baseline)

Five Ways of Working	How have you used the Sustainable Development Principles in forming the proposal?
<p>Long Tern</p> 	<p>Consider the long-term impact of the proposal on the ability of communities to secure their well-being.</p>
<p>Prevention</p> 	<p>Consider how the proposal is preventing problems from occurring or getting worse</p>
<p>Integration</p> 	<p>Consider how your proposal will impact on other services provided in our communities (these might be Council services or services delivered by other organisations or groups)</p>

<p>Collaboration</p> 	<p>Consider how you are working with Council services or services delivered by other organisations or groups in our communities.</p>
<p>Involvement</p> 	<p>Consider how you involve people who have an interest in this proposal and ensure that they represent the diversity of our communities.</p>

How does your proposal link to the Welsh Governments Priorities for Wales? Please indicate below.

1. **A PROSPEROUS WALES** ... an innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.

2. **A RESILIENT WALES** ... a nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change). Think about how your activity will have regard to protecting and enhancing biodiversity.

3. **A HEALTHIER WALES** ... a society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.

4. **A MORE EQUAL WALES ...** A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).

5. **A WALES OF COHESIVE COMMUNITIES ...** attractive, viable, safe and well-connected communities.

6. **A WALES OF VIBRANT CULTURE AND THRIVING ...** a society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.

7. **A GLOBALLY RESPONSIBLE WALES ...** a nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.

Section 5-Welsh Language (Wales) Measure 2011 and Welsh Language Standards

(The Welsh Language Measure 2011 and the Welsh Language Standards require the Council to have 'due regard' for the positive or negative impact that any proposal may have on opportunities to use the Welsh language. [Welsh Language Standards](#))



Requirement	Does the proposal have any positive, negative or neutral impacts in regards to the below?	What can be done to mitigate any negative impacts?	Please demonstrate any evidence used to form this opinion.
<p>Compliance with the Welsh Language Standards. <i>Specifically Standards 88 - 93</i></p>			
<p>What opportunities are there to promote the Welsh Language? <i>e.g. status, use of Welsh language services, use of Welsh in everyday life in work / community</i></p>			
<p>What opportunities are there for a person or person to use the Welsh Language? <i>e.g. staff, residents and visitors</i></p>			
<p>Has the Welsh Language been considered in order to treat the Welsh language no less favourably than the English language?</p>			

Section 6 – Children’s Rights Approach - [The Right Way](#)

The Children’s Rights Approach – The Right Way is a framework for working with children, grounded in the UN Convention on the Rights of the Child (UNCRC). It places the UNCRC at the core of planning and service delivery and integrates children’s rights into every aspect of decision-making, policy and practice. The Right Way focuses on three main them Participation, Provision and Protection.

Protected characteristics	Will the proposal have any positive impacts on the Children’s Rights Approach?	Will the proposal have any negative impacts on the Children’s Rights Approach?	Outline how the proposal could maximise any positive impacts or minimise any negative impact. Please indicate any views evidence you have that supports this.
Participation (child or young person as someone who actively contributes to society as a citizen)			
Provision (the basic rights of children and young people to survive and develop)			
Protection (children and young people are protected against exploitation, abuse or discrimination)			

Section 7– Community Safety

Duty to Consider Crime and Disorder Implications

Section 17 of the Crime and Disorder Act 1998 places a duty on the local authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder, anti-social and other behaviour adversely affecting the local environment, the misuse of drugs, alcohol and other substances, re-offending and serious violence.

Impacts	Will the proposal have any positive impacts on crime and disorder?	Will the proposal have any negative impacts on crime and disorder?	Outline how the proposal could maximise any positive impacts or minimise any negative impact. Please indicate any views evidence you have that supports this.
Crime (consider impact on each: victims, offenders and neighbourhoods)			
Anti-Social Behaviour and behaviour adversely affecting the local environment (consider impact on each: victims, offenders, neighbourhoods and green spaces)			
Misuse of drugs, alcohol and other substances			

(Think vulnerable children, adults, families and communities)			
Re-offending (Think young people and adults, victims, families, communities)			
Serious Violence (Think vulnerable young people, vulnerable adults, victims, families, communities)			
Counter Terrorism (People and places that are vulnerable to terrorism or violent extremism)			
Community Cohesion (Asylum seekers, Migrants, Victims or Hate Crime, Community tensions)			

Section 8- Armed Forces Covenant Duty [AFC Draft Statutory Guidance - Final.pdf](#)

Impacts	Will the proposal have any positive impacts on the armed forces community?	Will the proposal have any negative impacts on the armed forces community?	Outline how the proposal could maximise any positive impacts or minimise any negative impact. Please indicate any views evidence you have that supports this.
<p>Health</p> <ul style="list-style-type: none"> • Provision of services • Planning and funding • Co-operation between bodies and professionals <p>These healthcare functions are within scope of the Duty in the following settings:</p> <ul style="list-style-type: none"> • NHS Primary Care services, including general practice, community pharmacies, NHS dental, NHS optometry services and public health screening services. • NHS Secondary Care services, including urgent 			

<p>and emergency care, hospital and community services, specialist care, mental health services, and additional needs services (as applicable).</p> <ul style="list-style-type: none"> • Local authority-delivered healthcare services, including sexual health services and drug and alcohol misuse services 			
<p>Education</p> <ul style="list-style-type: none"> • Admissions • Educational attainment and curriculum • Child wellbeing • Transport • Attendance • Additional needs support • Use of Service Pupil Premium funding (England only) <p>These education functions are within scope of the Duty in compulsory education settings, that is, primary, secondary, and, for England only, compulsory further</p>			

education. The Duty does not cover nursery (early years education), higher education, or other voluntary adult education settings			
Housing <ul style="list-style-type: none"> • Allocations policy for social housing • Tenancy strategies (England only) • Homelessness • Disabled Facilities Grants 			

Section 9-Data-Please outline any data or evidence that has been used to develop the proposal, this can be previous consultations, local/national data, pilot projects, reports, feedback from clients etc.		
Data/evidence –What data/evidence was used? - provide any links.	What were the key findings?	How has the data/evidence informed this proposal?

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Are there any data or information gaps and if so what are they and how do you intend to address them?

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Section 10-Consultation. Please provide details of consultation undertaken to support the proposal. Please consider the Gunning Principles: -

Principle 1: Consultation must take place when the proposals are still at a formative stage. You must not have already made up your mind.

Principle 2: Sufficient reasons must be put forward to allow for intelligent consideration and response. Have people been given the information and opportunity to influence?

Principle 3: Adequate time must be given for consideration and response. Is the consultation long enough bearing in mind the circumstances?

Principle 4: The product of consultation must be conscientiously taken into account when finalising the decision

Briefly describe any planned consultations or consultations that have been carried out to date. Please consider the above principles.

Please consider the following questions; -

- 1. Who did you consult?**
- 2. When did the consultation take place and was adequate time given for a response?**
- 3. Was there enough information provided to respond effectively?**
- 4. What were the findings?**
- 5. Have the findings been considered in regards to the decision?**

Section 11-Monitoring and Review	
How will the implementation of the proposal be monitored, including the impacts or changes made?	
What monitoring tools will be used?	
How will the results be used for future development?	
How and when will it be reviewed?	
Who is responsible for ensuring this happens?	

Section 12 - Decision		
<i>Using the information you have gathered from sections 1-9 please state in the table below whether you are able to proceed with the proposal.</i>		
Continue with the proposal in its current form	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Continue with proposal but take into account reasonable steps to mitigate any negative impacts of the proposal	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Name of person completing the IIA	
Name:	
Job Title:	
Date:	

Head of Service Approval			
Name:			
Job Title:			
Signature:		Date:	

Please contact Policy & Partnerships should you require any further advice or guidance on completing your assessment via lissa.friel@blaenau-gwent.gov.uk or emma.scherptong@blaenau-gwent.gov.uk.

Agenda Item 7

Cabinet and Council only

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: **Corporate Overview & Performance Scrutiny Committee**

Date of meeting: **16th March 2023**

Report Subject: **Revenue Budget Monitoring - 2022/2023, Forecast Outturn to 31st March 2023 (as at 31st December 2022)**

Portfolio Holder: **Cllr S Thomas – Leader of the Council & Cabinet Member Corporate Overview & Performance**

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

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
	16/02/23	06.03.23			16/03/23	19/04/23		

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 2022/2023 (as forecast at 31st December 2022).

2. Scope and Background

2.1 This report provides details on the following:

- Forecast financial position to the end of March 2023 across all portfolios
- Forecast outturn for Fees & Charges
- Forecast of Reserves to be applied during the period

2.2 This report forms part of the Council's 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.
- Note the forecast application of reserves

3.2 Option 2

Members do not accept the report.

4. Evidence of how 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 high level priority "An ambitious and innovative council delivering quality services at the right time and in the right place".

5. Implications Against Each Option

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

5.1.1 The overall forecast outturn across all portfolios as at 31st December 2022, is an adverse variance of £1.568m. Net transfers from specific reserves (of £1.716m) results in an overall favourable variance of £0.148m.

5.1.2 The forecast overall financial position across all portfolios at 31st December 2022 is shown in the table below:

Table 1 – Portfolio Summary

Portfolio/Committee	2022/2023 Revised Revenue Budget	2022/2023 Forecast Outturn @ 31 Dec 2022	Favourable/ (Adverse) Variance	Favourable/ (Adverse) Variance <i>(after Net transfers from Specific Reserves)</i>	Append Ref:
	£m	£m	£m	£m	
Corporate Services & Financial Management & Strategy	17.92	16.77	1.15	1.65	1a
Social Services	49.94	51.01	(1.07)	(0.54)	1b
Education & Leisure	68.31	69.22	(0.91)	(0.37)	1c
Economy	1.79	1.76	0.03	0.04	1d
Environment	29.66	30.42	(0.76)	(0.64)	1e
Planning	1.44	1.45	(0.01)	0.01	1f
Licensing	0.13	0.13	0	0	1f
Total	169.19	170.76	(1.57)	0.15	

5.1.3 The forecast includes a number of assumptions, the main ones being:

- 20% uplift to Home to School contractors will continue to March 2023
- The impact of inflation on prices will continue to March 2023

5.1.4 To minimise the forecast overspend the council has implemented a freeze on non-essential recruitment and spend.

Use of Reserves

5.1.5 Any adverse variance against the revenue budget will impact on the overall level of the Council's general and specific reserves.

5.1.6 The current forecast assumes a net transfer from specific reserves totalling £1.716m and includes:

- £237,280 from the Supporting Additional Capacity Reserve (which includes additional resources for areas such as Health & Safety, Civil Contingencies, Payroll, Decarbonisation and Digital)
- £110,329 from the Election Reserve to cover the cost of the May 2022 Local Elections
- £47,940 from the Community Safety & CCTV Reserve (to support a new Policy Officer for CCTV until the SLA with Caerphilly CBC is established)
- £30,000 from the Discretionary Housing Payments Reserve (to support payment of DHPs to residents in excess of the 2022/23 DWP allocation)
- £72,479 in relation to the Test, Trace and Protect Service (Environmental Health Officers) – part funded from balance on TTP Reserve £4,514 and £67,965 from Covid19 Response & Recovery Reserve
- £56,298 from the Infrastructure Staffing Reserve (to support new Welsh Government Legislation requirements)
- £48,455 from the Homelessness Transitional Funding Reserve (to fund a specialist EHO for empty properties)
- £523,418 from Social Services (relating to displaced grant expenditure, cost of living increases in excess of grant allocation in relation to Early Years Childcare and Legal Fees)
- £545,000 from the Inflation and Service Cost Pressure Reserve in respect of the 20% uplift in Home to School Transport.

5.1.7 Appendix 2 provides an analysis of all forecast use of specific reserves.

5.1.8 The General reserve is forecast to increase by £0.148m, the net impact of use of specific reserves.

Portfolio Analysis

5.1.9 Where a Portfolio is reporting an overall adverse variance an action plan has been developed and is attached at Appendix 4. An analysis of significant adverse variances per Portfolio are detailed below.

5.1.10 Corporate Services – Council Tax Collection (£0.320m adverse variance)

5.1.11 There is currently a cost pressure on Council Tax Collection, due to forecasted increase in the provision for bad debts (at this point in time).

This cost pressure has been offset by a budget virement from the Council Tax Reduction Scheme (CTRS). The underspend on CTRS has arisen due to:-

- The budget incorporated an assumed increase on Council Tax Levels of 4% (in line with the MTFS assumptions) however the actual average Council Tax increase agreed by Council was approx.1% (in respect of Police & Community Councils precepts) and

- The number of claimants claiming CTRS has reduced to pre covid levels (although this will need to be monitored during the year as the Cost of Living Crisis could attract more claimants).

Date	Number of Cases
01/12/22	8,389
01/12/21	8,786
01/12/20	9,263
01/12/19	8,884

5.1.12 Education – Home to School Transport (£0.608m adverse variance)

- 5.1.13 The 20% temporary uplift currently being awarded to contractors as a result of the fuel crisis is currently forecast to cost £0.545m for the full financial year. Even though during October / November a fairly consistent reduction in fuel prices had been seen this was replaced by rising fuel costs again in December / January, the temporary uplift will remain until the end of the financial year. This together with additional routes for ALN Learners being required and prior year invoices being higher than expected have all contributed to the overall overspend of £1.153m.

The 20% temporary uplift on Home to School Transport contract prices will be funded from the Inflation and Service Cost Pressure reserve which reduces the cost pressure by £0.545m.

5.1.14 Environment – Catering (£0.103m adverse variance)

- 5.1.15 The cost of living crisis is having a significant impact on the cost of provisions for the school meals services, with forecast costs increasing to £761,214, (44%) when compared to 2021/2022 (£528,030).

The Council's largest food supplier is indicating significant cost increases in products e.g. some commodities have increased by as much as 54%, this coupled with increased fuel costs is impacting upon overall costs.

The adverse variance has reduced since the quarter 2 forecast and this is due funding from Welsh Government with regards to Universal Free School Meals (UFSM's) for Nursery and Infant children.

5.1.16 Environment – Corporate Landlord (£0.104m adverse variance)

- 5.1.17 The adverse variance is mainly due to forecast expenditure on buildings that have been subject to Community Asset Transfer (CATs) and non-operational buildings as no budget exists and it was assumed when the property was transferred there would be no further costs as the budget was put forward as savings.

5.1.18 **Environment – Waste Services (£0.499m adverse variance)**

5.1.19 This is mainly due to an increase in agency costs due to an increased number of staff required to collect the recycling after the increase in participation during the lockdown period continuing.

It is also due to an overspend on the treatment costs for disposal of residual waste where there is a new contract price which is a £8 per tonne increase, equating to £100,000.

5.1.20 **Social Services (£1.068m adverse variance)**

5.1.21 The forecast is made up of the following variances:-

5.1.22 **Children’s Services - Legal Fees (£0.313m adverse variance)**

The 2022/23 forecast for Legal Fees is currently £1.5m this represents an increase of £296,000 since Quarter 2.

The cost pressure has been reduced by a £400,000 Contribution from the Legal Fees specific reserve. This reserve has now been fully utilised.

Costs are expected to reduce from 2023/24 following the resolution of current caseload of the external provider with new cases being managed by the new provider.

5.1.23 **Children’s Homes (Residential Placements) (£0.745m adverse variance)**

The 2022/23 forecast adverse variance has increased by £496,000 since Quarter 2 as a result of two new placements.

5.1.24 **Adults Services**

Whilst Adult Services are reporting a favourable variance overall there is a £403,000 pressure within Cwrt Mytton and Supported Living Bungalows resulting from the difficulties in recruitment & retention of staff and the need to utilise agency staff to deliver this provision.

Fees & Charges

5.1.25 The 2022/2023 portfolio estimates include income budgets in relation to fees & charges (excluding Council Tax) of £14m across all portfolios. Attached at Appendix 3 is an analysis of income against budget for the financial year for individual portfolios. The forecast provisional outturn is reporting an adverse variance of £0.527m, an improving position when compared to the quarter 2 forecast. The main areas not achieving their income targets are: -

- Sale of Meals in respect of School Catering £0.245m - due to the introduction of UFSM and the resulting reduction in paid meals from September. Grant funding has been received to mitigate this loss of income

- Sale of properties £0.244m & Fees and charges in respect of Care £0.172m partly offset by increased CHC income £0.092

5.1.26 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.

5.2 ***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 are being developed, identifying actions to mitigate the forecast cost pressures. The Action Plans will be monitored as part of the Budget Monitoring and Reporting Framework and the impact reported to the Corporate Overview & Performance Scrutiny Committee and Cabinet.

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 1a to 1g.

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 2022/23 (as at 31st December 2022).

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 will produce Action Plans to address the cost pressure during the year.

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

6.5 ***Preventative focus***

6.5.1 Existing, new and emerging cost pressures are considered as part of the annual budget setting process and additional funding awarded where it is likely that the cost pressure will continue into future years.

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 ***Decarbonisation and Reducing Carbon Emissions***

6.8.1 The Council is committed to the Decarbonisation Plan to achieve a carbon neutral public sector by 2030.

6.9 ***Integrated Impact Assessment***

7. **Monitoring Arrangements**

7.1 Financial reporting to Corporate Overview & Performance Scrutiny and the Cabinet 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 on a quarterly basis.

Background Documents / Electronic Links

Appendix 1a – Corporate Services and Financial Management Portfolio

Appendix 1b – Social Services Portfolio

Appendix 1c – Education Portfolio

Appendix 1d – Economy Portfolio

Appendix 1e – Environment Portfolio

Appendix 1f – Planning Committee and Licensing Committee

Appendix 2 – Summary of Reserve Movements 2022/23

Appendix 3 – Fees and Charges

Appendix 4a – Social Services – Action Plan

Appendix 4b – Education – Action Plan

Appendix 4c – Environment – Action Plan

Appendix 5 – Detailed Analysis of Virements Actioned

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CORPORATE SERVICES PORTFOLIO

Item	Revised Estimate 2022/2023	Total Forecast Expenditure to March 2023	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Sept 22
	£	£	£	£
SUMMARY				
<u>DEPARTMENTAL AND OTHER RECHARGEABLE SERVICES</u>				
Corporate Services Department	(86,920)	48,570	(135,490)	(57,179)
Resources Department	0	73,921	(73,921)	(59,614)
Sub Total	(86,920)	122,491	(209,411)	(116,793)
<u>COMMERCIAL SERVICES</u>				
Archives	148,670	153,844	(5,174)	(5,174)
Festival Park	102,570	108,557	(5,987)	(5,987)
Housing Benefit	(116,270)	(101,728)	(14,542)	(14,893)
ICT Service	0	0	0	(23,414)
Cross Cutting	(59,310)	(79,352)	20,042	0
Community Hubs	196,320	202,910	(6,590)	(6,847)
Sub Total	271,980	284,231	(12,251)	(56,315)
<u>LEGAL & CORPORATE COMPLIANCE SERVICES</u>				
Registration of Electors	17,860	17,778	82	82
Conducting Elections	0	0	0	0
Registration of Births, Marriages and Deaths	48,100	83,653	(35,553)	(28,274)
Sub Total	65,960	101,431	(35,471)	(28,192)
<u>GOVERNANCE & PARTNERSHIP SERVICES</u>				
Corporate Management (inc Audit Fees)	109,510	109,522	(12)	(12)
Democratic Representation and Management	1,323,130	1,288,539	34,591	30,673
CCTV Cameras	208,680	208,680	0	(11,570)
Civil Contingencies	106,890	76,172	30,718	9,418
Sub Total	1,748,210	1,682,913	65,297	28,509
<u>RESOURCES SERVICES</u>				
Corporate Management	355,790	282,660	73,130	6,380
Non Distributed Costs	931,850	771,805	160,045	10,046
Apprenticeship Levy	358,430	358,920	(490)	1,880
Council Tax Collection	(1,165,020)	(1,152,637)	(12,383)	(23,773)
Council Tax Reduction Scheme	10,004,370	9,473,267	531,103	167,266
N.N.D.R. Collection	(106,820)	(110,095)	3,275	1,756
Grants and Subscriptions	88,410	88,410	0	0
Cross Cutting Budget	1,085,640	0	1,085,640	583,800
Sub Total	11,552,650	9,712,330	1,840,320	747,355
<u>CORPORATE CHARGES</u>				
Corporate Recharges	4,366,000	4,366,006	(6)	0
Sub Total	4,366,000	4,366,006	(6)	0
CORPORATE SERVICES TOTAL EXPENDITURE	17,917,880	16,269,402	1,648,478	574,564

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SOCIAL SERVICES PORTFOLIO

Item	Revised Estimate 2022/2023	Total Forecast Expenditure to March 2023	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Sept 22
	£	£	£	£
SUMMARY				
<u>SOCIAL SERVICES</u>				
Children's Services - Commissioning and Social Work	3,939,340	4,103,301	(163,961)	(135,035)
Looked After Children	7,487,490	8,523,429	(1,035,939)	(561,260)
Family Support Services	192,370	198,478	(6,108)	(6,108)
Youth Justice	237,580	250,930	(13,350)	(13,350)
Other Children's and Family Services	2,432,020	2,445,825	(13,805)	30,964
Older People Aged 65 or Over	7,154,970	7,037,466	117,504	64,909
Adults Aged Under 65 with a Physical Disability or Sensory Impairment	18,290	17,910	380	80
Adults Aged Under 65 with Learning Disabilities	3,684,090	3,678,512	5,578	(71,879)
Adults Aged Under 65 with Mental Health Needs	571,660	573,222	(1,562)	(11,213)
Other Adult Services	463,570	501,765	(38,195)	(38,912)
Community Care	17,338,860	16,765,501	573,359	336,233
Support Service and Management Costs	934,170	902,798	31,372	23,603
Corporate Recharges	5,487,140	5,487,135	5	5
Social Services COVID-19 Costs	0	0	0	0
SOCIAL SERVICES TOTAL EXPENDITURE	49,941,550	50,486,271	(544,721)	(381,962)

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EDUCATION PORTFOLIO

Item	Revised Estimate 2022/2023	Total Forecast Expenditure to March 2023	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Sept 22
	£	£	£	£
SUMMARY				
SCHOOLS BUDGET				
Individual Schools Budget	50,430,260	50,430,260	0	0
Education Improvement Grant	267,730	267,730	0	0
Other Costs	725,420	736,864	(11,444)	(11,444)
Supporting Special Education Needs	1,730,430	1,690,970	39,460	147,219
<i>Schools Budget Total Expenditure</i>	<u>53,153,840</u>	<u>53,125,824</u>	<u>28,016</u>	<u>135,775</u>
LEA BUDGET				
Strategic Management	2,264,410	2,265,330	(920)	(1,200)
Assuring Access to Schools	2,439,820	3,048,299	(608,479)	(485,894)
Facilitating School Improvement	396,350	402,631	(6,281)	(1,781)
Supporting Special Education Needs	380,730	297,567	83,163	84,618
<i>LEA Budget Total Expenditure</i>	<u>5,481,310</u>	<u>6,013,826</u>	<u>(532,516)</u>	<u>(404,257)</u>
OTHER EDUCATION SERVICES				
Further Education and Training	135,960	131,747	4,213	(9,036)
Youth Service	345,390	343,663	1,727	(24,828)
Other Expenditure	143,850	117,233	26,617	20,775
Education Departmental Budget	195,970	87,734	108,236	62,540
<i>Other Education Services Total Expenditure</i>	<u>821,170</u>	<u>5,352,066</u>	<u>140,793</u>	<u>49,451</u>
CORPORATE CHARGES				
Corporate Support Recharges	4,671,690	4,671,689	1	1
<i>Corporate Charges Total Expenditure</i>	<u>4,671,690</u>	<u>4,671,689</u>	<u>1</u>	<u>1</u>
Education Total Expenditure	<u>64,128,010</u>	<u>64,491,716</u>	<u>(363,706)</u>	<u>(219,030)</u>
LEISURE TRUSTS				
LEISURE TRUSTS				
Aneurin Leisure Trust	2,875,550	2,884,833	(9,283)	(9,283)
Awen Leisure Trust	198,900	201,045	(2,145)	(2,145)
<i>Sub Total</i>	<u>3,074,450</u>	<u>3,085,878</u>	<u>(11,428)</u>	<u>(11,428)</u>
RETAINED SERVICES				
Corporate Recharges	1,102,170	1,093,968	8,202	16,942
<i>Sub Total</i>	<u>1,102,170</u>	<u>1,093,968</u>	<u>8,202</u>	<u>16,942</u>
Lesire Trusts Total Expenditure	<u>4,176,620</u>	<u>4,179,846</u>	<u>(3,226)</u>	<u>5,514</u>
EDUCATION PORTFOLIO TOTAL EXPENDITURE	<u>68,304,630</u>	<u>64,491,716</u>	<u>(366,932)</u>	<u>(213,516)</u>

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ECONOMY PORTFOLIO

Item	Revised Estimate 2022/2023	Total Forecast Expenditure to March 2023	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Sept 22
	£	£	£	£
SUMMARY				
DEPARTMENTAL SERVICES				
Economic Strategy and Development - Departmental Budget	92,940	71,956	20,984	(8)
Estates Management - Rechargeable	12,030	125,166	(113,136)	(113,136)
<i>Sub Total</i>	<u>104,970</u>	<u>197,122</u>	<u>(92,152)</u>	<u>(113,144)</u>
ECONOMY SERVICES				
Affordable Housing	0	0	0	0
Aspire	0	0	0	0
Community Benefits Investment	0	0	0	0
CSCS	(10,200)	(540)	(9,660)	(9,687)
Destination Management	10,200	9,359	841	(2)
DRiVE	0	0	0	(1)
Financial Support to Business	4,410	4,410	0	0
General Offices	(24,360)	(63,105)	38,745	38,745
Industrial Land	7,390	10,640	(3,250)	0
Inspire	0	0	0	0
Nursery Units/Misc. Industrial Premises	(793,750)	(876,237)	82,487	82,487
Pentagon	0	0	0	0
Regeneration Projects	5,100	6,179	(1,079)	(1,079)
Resilient Project	0	0	0	0
Estates Management Non Rechargeable	(96,590)	(120,403)	23,813	23,813
<i>Sub Total</i>	<u>(897,800)</u>	<u>(1,029,697)</u>	<u>131,897</u>	<u>134,276</u>
Corporate Recharges	2,583,380	2,583,380	0	0
Total Expenditure	<u>1,790,550</u>	<u>1,750,805</u>	<u>39,745</u>	<u>21,132</u>

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ENVIRONMENT PORTFOLIO

Item	Revised Estimate 2022/2023	Total Expenditure to March 2023	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Sept 22
	£	£	£	£
SUMMARY				
<u>COMMUNITY SERVICES</u>				
<u>DEPARTMENTAL SERVICES</u>				
Environment Department - Corporate Division	179	(67,942)	68,121	41,093
Environmental Services Division	16,402	18,334	(1,932)	6,653
Technical Services - Engineering & Property Management	78,740	33,860	44,880	0
Enforcement	25,280	10,537	14,743	5,860
Sub Total	120,601	(5,211)	125,812	53,606
<u>WASTE COLLECTION</u>				
Household and Trade Waste Collection	666,771	661,224	5,547	(2,602)
Recycling Collection	2,504,126	3,218,606	(714,480)	(299,577)
Bulky Waste Collection	5,948	14,357	(8,409)	(4,275)
Sub Total	3,176,845	3,894,187	(717,342)	(306,454)
<u>WASTE TRANSFER</u>				
Civic Amenity Sites	358,009	287,054	70,955	27,505
HWRC Roseheyworth	319,653	281,875	37,778	33,382
Transfer Station	1,033,557	1,028,284	5,273	44,863
Sub Total	1,711,219	1,597,213	114,006	105,750
<u>WASTE DISPOSAL</u>				
Disposal Of Waste	1,101,830	1,325,204	(223,374)	(150,662)
Recycling Disposal	382,649	44,540	338,109	336,431
Trade Waste Collection, Transfer & Disposal	(13,845)	(3,458)	(10,387)	9,163
Sub Total	1,470,634	1,366,286	104,348	194,932
<u>WASTE SERVICES</u>				
	6,358,698	6,857,686	(498,988)	(5,772)
<u>PUBLIC SERVICES</u>				
County Borough Cleansing	1,190,016	1,203,478	(13,462)	(11,507)
Cemeteries / Crematorium	(159,578)	(132,392)	(27,186)	(33,599)
Grounds Maintenance	1,065,642	1,032,125	33,517	57,697
Countryside Recreation Sites	37,419	37,419	0	0
General Entertainment	2,489	4,690	(2,201)	(1,390)
Sub Total	2,135,988	2,145,320	(9,332)	11,201
<u>FACILITIES MANAGEMENT</u>				
Corporate Landlord	1,746,175	1,849,993	(103,818)	8,789
Corporate Property	30,073	59,358	(29,285)	0
Building Cleaning	317,924	310,266	7,658	(20,737)
Catering Account	311,105	414,216	(103,111)	(457,547)
Appetite For Life	44,585	44,635	(50)	0
School Breakfast Club	438,639	438,638	1	0
Sub Total	2,888,501	3,117,106	(228,605)	(469,495)
<u>HIGHWAYS & ROADS SERVICES</u>				
Highways - Street Care Team	9,010	(7,685)	16,695	6,476
Non Operational Land	1,490	0	1,490	1,490
Licensing (Highway Permits)	(52,211)	(52,093)	(118)	0
Shopping Arcade, Abertillery	2,834	90	2,744	0
Road and Street Works Acts	(16,589)	(26,049)	9,460	0
Multi-Storey Car Parks	262,183	262,764	(581)	0
On Street Parking	1,122	1,122	0	0
Surface Car Parks	32,421	32,482	(61)	0
Public Transport Co-Ordination	924	890	34	0
Bridges	79,145	79,145	0	0
Structural Maintenance (Principal and Other Roads)	184,190	181,586	2,604	(2,016)
Environmental Maintenance (Principal and Other Roads)	19,831	19,831	0	0
Safety Maintenance (Principal and Other Roads)	73,349	73,246	103	(17)
Routine Repairs (Principal and Other Roads)	909,831	941,280	(31,449)	(8,315)
Street Lighting	1,260,143	1,260,143	0	0
Winter Maintenance	402,162	416,936	(14,774)	0
Sub Total	3,169,835	3,183,688	(13,853)	(2,382)

ENVIRONMENT PORTFOLIO

Item	Revised Estimate 2022/2023	Total Expenditure to March 2023	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Sept 22
	£	£	£	£
<u>TRANSPORT SERVICES</u>				
Traffic Orders	(46,841)	(54,869)	8,028	25,705
Highways Adoptions	(9,950)	(8,550)	(1,400)	(1,400)
Traffic / Accident Research	16,001	3,800	12,201	0
Traffic Management	6,895	4,854	2,041	0
Civil Parking Enforcement	2,100	(17,017)	19,117	5,390
Road Safety Education	22,943	18,849	4,094	(1,682)
Crossing Patrols	177,838	175,267	2,571	646
Concessionary fares and Support to Operators	284,395	274,213	10,182	10,183
Local Transport Plans	2,680	788	1,892	0
Home to School Transport	0	0	0	0
Transport and Heavy Plant	139,656	139,656	0	0
Sub Total	595,717	536,991	58,726	38,842
<u>CULTURAL & ENVIRONMENTAL SERVICES</u>				
General Administration and Markets	(25,868)	(12,828)	(13,040)	(11,528)
Countryside Programme and Management	1,718	(2,036)	3,754	(450)
Landscaping and Afforestation	20,716	20,716	0	1,806
Reservoirs, Tips, Quarries and Mines	10,333	37,288	(26,955)	(25,000)
Flood Defence And Land Drainage	56,488	34,726	21,762	28,801
ENRaW	0	0	0	0
City Deal	99,144	99,144	0	0
Sub Total	162,531	177,010	(14,479)	(6,371)
COMMUNITY SERVICES TOTAL EXPENDITURE	15,431,871	16,012,590	(580,719)	(380,371)

ENVIRONMENT PORTFOLIO

Item	Revised Estimate 2022/2023	Total Expenditure to March 2023	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Sept 22
	£	£	£	£
<u>PUBLIC PROTECTION</u>				
<u>DEPARTMENTAL SERVICES</u>				
Environmental Health	29,691	79,610	(49,919)	(39,512)
<i>Sub Total</i>	<u>29,691</u>	<u>79,610</u>	<u>(49,919)</u>	<u>(39,512)</u>
<u>CARAVAN SITES</u>				
Cwmcrachen Caravan Site	(41,092)	(24,927)	(16,165)	(5,544)
<i>Sub Total</i>	<u>(41,092)</u>	<u>(24,927)</u>	<u>(16,165)</u>	<u>(5,544)</u>
<u>ENVIRONMENTAL HEALTH</u>				
Food Safety	6,395	10,380	(3,985)	1,093
Control of Pollution	9,578	10,161	(583)	(6,780)
Dog Wardens	0	0	0	0
Animal Health and Welfare	23,827	23,827	0	0
Pest Control	63,240	59,973	3,267	3,267
Littering and Dog Control Orders	0	0	0	0
Health and Safety at Work (Commercial Prem.)	1,540	(1,240)	2,780	4,399
<i>Sub Total</i>	<u>104,580</u>	<u>103,101</u>	<u>1,479</u>	<u>1,979</u>
<u>HOUSING SERVICES</u>				
Homelessness	275,616	266,228	9,388	(23,662)
20 Church Street	16,116	16,042	74	(294)
General Properties	(8,160)	(6,642)	(1,518)	(1,518)
Housing Access	69,258	54,098	15,160	12,180
Works in Default	(255)	(1,573)	1,318	32
Disabled Facilities Grants	1,061	0	1,061	1,061
<i>Sub Total</i>	<u>353,636</u>	<u>328,153</u>	<u>25,483</u>	<u>(12,201)</u>
<u>TRADING STANDARDS</u>				
Trading Standards	16,012	23,205	(7,193)	(6,762)
Inspection and Enforcement	4,437	1,330	3,107	3,107
<i>Sub Total</i>	<u>20,449</u>	<u>24,535</u>	<u>(4,086)</u>	<u>(3,655)</u>
PUBLIC PROTECTION TOTAL EXPENDITURE	<u>467,264</u>	<u>510,472</u>	<u>(43,208)</u>	<u>(58,933)</u>
<u>CORPORATE CHARGES</u>				
Fire Service	3,551,477	3,547,672	3,805	3,805
Coroner's Court	125,123	141,560	(16,437)	0
Corporate Recharges	10,080,865	10,080,865	0	0
CORPORATE CHARGES TOTAL EXPENDITURE	<u>13,757,465</u>	<u>13,770,097</u>	<u>(12,632)</u>	<u>3,805</u>
Overall Portfolio Total	<u>29,656,600</u>	<u>30,293,159</u>	<u>(636,559)</u>	<u>(435,499)</u>
Covid-19 Related Expenditure	0	0	0	0
TOTAL EXPENDITURE	<u>29,656,600</u>	<u>30,293,159</u>	<u>(636,559)</u>	<u>(435,499)</u>

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PLANNING COMMITTEE AND LICENSING COMMITTEE

Item	Revised Estimate 2022/2023	Total Forecast Expenditure to March 2023	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Sept 22
	£	£	£	£
PLANNING COMMITTEE SUMMARY				
<u>BUILDING CONTROL</u>				
<u>DEPARTMENTAL SERVICES</u>				
Building Control	10,240	10,238	2	2
<u>BUILDING CONTROL SERVICES</u>				
Building Regulations	19,220	19,219	1	1
Dangerous Structures	23,100	23,099	1	1
<i>Building Control Total Expenditure</i>	<u>52,560</u>	<u>52,556</u>	<u>4</u>	<u>4</u>
<u>DEVELOPMENT MANAGEMENT</u>				
<u>DEPARTMENTAL SERVICES</u>				
Development Management	16,890	9,425	7,465	7,465
<u>DEVELOPMENT MANAGEMENT SERVICES</u>				
Dealing with Applications	(202,310)	(202,313)	3	2
Planning Appeals	3,320	3,320	0	(1)
Enforcement	(10)	9	(19)	(19)
<i>Development Management Total Expenditure</i>	<u>(182,110)</u>	<u>(189,559)</u>	<u>7,449</u>	<u>7,447</u>
<u>DEVELOPMENT PLANS</u>				
<u>DEPARTMENTAL SERVICES</u>				
Development Plans	5,080	4,824	256	260
<u>DEVELOPMENT PLANS SERVICES</u>				
Development Plans	100,460	100,460	0	0
<i>Development Plans Total Expenditure</i>	<u>105,540</u>	<u>105,284</u>	<u>256</u>	<u>260</u>
Corporate Recharges	1,465,230	1,465,230	0	0
PLANNING COMMITTEE TOTAL EXPENDITURE	<u><u>1,441,220</u></u>	<u><u>1,433,511</u></u>	<u><u>7,709</u></u>	<u><u>7,711</u></u>

PLANNING COMMITTEE AND LICENSING COMMITTEE

Item	Revised Estimate 2022/2023	Total Forecast Expenditure to March 2023	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Sept 22
	£	£	£	£
LICENSING COMMITTEE SUMMARY				
Licensing	83,590	82,918	672	(1,308)
Internal Recharges	51,170	51,166	4	0
LICENSING COMMITTEE TOTAL EXPENDITURE	134,760	134,084	676	(1,308)

Summary of Reserve Movements 2022-2023

Name of Reserve	Balance	Risk Assessed		Forecast	Balance	Utilised march provisional out turn		Other Not Included in Management		Balance	
	B.Fwd	Increase	Decrease	Adjustment	C.Fwd	As per Management	A/c's	Actual	A/c's		
	£	£	£	£	£	Actual Expenditure	Anticipated Expenditure	Actual Expenditure	Anticipated Expenditure	£	
Earmarked for Capital Purposes											
Capital Inflation & Service Cost Pressure	1,000,000.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00	0.00	1,000,000.00
Corporate Landlord	150,000.00	0.00	0.00	0.00	0.00	150,000.00	0.00	0.00	0.00	0.00	150,000.00
Deminimus Capital Works	101,575.46	0.00	0.00	0.00	0.00	101,575.46	0.00	0.00	0.00	0.00	101,575.46
Facilities	118,769.00	0.00	0.00	0.00	0.00	118,769.00	0.00	0.00	0.00	0.00	118,769.00
Energy Centre	270,383.20	0.00	0.00	0.00	0.00	270,383.20	0.00	0.00	0.00	70,000.00	340,383.20
Industrial Units	240,000.00	0.00	0.00	0.00	0.00	240,000.00	0.00	0.00	0.00	0.00	240,000.00
IT Infrastructure	225,811.79	0.00	0.00	0.00	0.00	225,811.79	0.00	0.00	0.00	0.00	225,811.79
New Operating Model	492,000.00	0.00	0.00	0.00	0.00	492,000.00	0.00	0.00	0.00	0.00	492,000.00
The Hive	419,715.00	0.00	0.00	0.00	0.00	419,715.00	0.00	0.00	0.00	0.00	419,715.00
WRAP Regional Vehicles	253,359.85	0.00	0.00	0.00	0.00	253,359.85	0.00	0.00	0.00	24,000.00	277,359.85
Total Earmarked for Capital Purposes:	3,271,614.30	0.00	0.00	0.00	0.00	3,271,614.30	0.00	0.00	0.00	94,000.00	3,365,614.30
Usable Earmarked Revenue Reserves											
Budget Contingency Fund / Invest to Save	64,351.89	0.00	0.00	0.00	0.00	64,351.89	0.00	0.00	0.00	0.00	64,351.89
Business Support Hybrid Model	53,000.00	0.00	0.00	0.00	0.00	53,000.00	0.00	0.00	0.00	0.00	53,000.00
Corporate Landlord Building Rationalisation	73,000.00	0.00	0.00	0.00	0.00	73,000.00	0.00	0.00	0.00	0.00	73,000.00
Covid19 Response & Recovery	1,526,920.00	0.00	0.00	0.00	0.00	1,526,920.00	(67,964.88)	0.00	0.00	0.00	1,458,955.12
Customer Services	95,892.05	0.00	0.00	0.00	0.00	95,892.05	0.00	0.00	0.00	0.00	95,892.05
Discretionary Housing Payments	111,865.87	0.00	0.00	0.00	0.00	111,865.87	0.00	(30,000.00)	0.00	0.00	81,865.87
Displaced Expenditure - Social Services	201,700.52	0.00	0.00	0.00	0.00	201,700.52	(123,418.00)	0.00	0.00	(10,000.00)	68,282.52
Downsizing & Redundancy	183,038.71	0.00	0.00	0.00	0.00	183,038.71	0.00	0.00	0.00	0.00	183,038.71
Election Costs	176,228.83	0.00	0.00	0.00	0.00	176,228.83	(110,329.00)	0.00	0.00	0.00	65,899.83
Financial Planning / Resilience	3,554,000.00	0.00	0.00	0.00	0.00	3,554,000.00	0.00	0.00	0.00	0.00	3,554,000.00
Future Interest Rate	644,055.89	0.00	0.00	0.00	0.00	644,055.89	0.00	0.00	0.00	0.00	644,055.89
General/ Voluntary Sector Grants	27,680.00	0.00	0.00	0.00	0.00	27,680.00	0.00	0.00	0.00	0.00	27,680.00
ICT	1,388,225.46	0.00	0.00	0.00	0.00	1,388,225.46	(16,560.00)	0.00	0.00	(30,546.00)	1,341,119.46
ISB Reserve	117,469.81	0.00	0.00	0.00	0.00	117,469.81	0.00	0.00	0.00	0.00	117,469.81
Inflation & Service Cost Pressure	1,361,000.00	0.00	0.00	0.00	0.00	1,361,000.00	(545,000.00)	0.00	0.00	0.00	816,000.00
Insurance Liabilities	3,198,250.21	0.00	0.00	0.00	0.00	3,198,250.21	0.00	0.00	0.00	0.00	3,198,250.21
Invest to Save	1,000,000.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00	0.00	1,000,000.00
Local / Strategic Development Plans	143,512.54	0.00	0.00	0.00	0.00	143,512.54	0.00	0.00	0.00	0.00	143,512.54
Match Funding Regeneration Projects	114,386.57	0.00	0.00	0.00	0.00	114,386.57	(6,042.50)	0.00	0.00	0.00	108,344.07
Members Local Grants	22,468.79	0.00	0.00	0.00	0.00	22,468.79	0.00	0.00	0.00	0.00	22,468.79
Payroll Project Management	23,529.97	0.00	0.00	0.00	0.00	23,529.97	0.00	0.00	0.00	0.00	23,529.97
PRC Funding	100,000.00	0.00	0.00	0.00	0.00	100,000.00	0.00	0.00	0.00	0.00	100,000.00
Rail Loan Interest	38,188.00	0.00	0.00	0.00	0.00	38,188.00	0.00	0.00	0.00	0.00	38,188.00
Re-fit Loan Repayments	263,878.66	0.00	0.00	0.00	0.00	263,878.66	0.00	0.00	0.00	0.00	263,878.66
Specialist Commercial Advice (Silent Valley)	72,816.50	0.00	0.00	0.00	0.00	72,816.50	0.00	0.00	(11,216.00)	0.00	61,600.50
Social Services - Legal Costs	400,000.00	0.00	0.00	0.00	0.00	400,000.00	(400,000.00)	0.00	0.00	0.00	0.00
Social Services - RIF (ICF)	600,000.00	0.00	0.00	0.00	0.00	600,000.00	0.00	0.00	0.00	0.00	600,000.00
Stock Conditions Survey	12,137.34	0.00	0.00	0.00	0.00	12,137.34	0.00	0.00	0.00	0.00	12,137.34
Strategic Business Reviews	168,553.27	0.00	0.00	0.00	0.00	168,553.27	0.00	0.00	0.00	0.00	168,553.27
Superannuation	600,000.00	0.00	0.00	0.00	0.00	600,000.00	0.00	0.00	0.00	0.00	600,000.00
Supporting Additional Capacity	369,300.00	0.00	0.00	0.00	0.00	369,300.00	(157,767.11)	(79,512.69)	0.00	0.00	132,020.20
Taxation	133,913.08	0.00	0.00	0.00	0.00	133,913.08	0.00	0.00	0.00	0.00	133,913.08
Technology Park Feasibility Study	26,017.00	0.00	0.00	0.00	0.00	26,017.00	0.00	0.00	0.00	0.00	26,017.00
Test, Trace, Protect Service	4,514.40	0.00	0.00	0.00	0.00	4,514.40	(4,514.40)	0.00	0.00	0.00	(0.00)
Transport Oncost	147,470.00	0.00	0.00	0.00	0.00	147,470.00	0.00	0.00	0.00	(100,000.00)	47,470.00

Name of Reserve	Balance B.Fwd	Increase	Decrease	Risk Assessed Adjustment	Forecast Expenditure	Balance C.Fwd	Utilised march provisional out turn		Other Not Included in Management		Balance
							As per Management A/cs		A/c's		
							Actual Expenditure	Anticipated Expenditure	Actual Expenditure	Anticipated Expenditure	
£	£	£	£	£	£	£	£	£	£	£	
Waste Services Reserve	120,000.00	0.00	0.00	0.00	0.00	120,000.00	0.00	0.00	0.00	0.00	120,000.00
Winter Maintenance	200,000.00	0.00	0.00	0.00	0.00	200,000.00	0.00	0.00	0.00	0.00	200,000.00
Total Usable Earmarked Revenue Reserves:	17,337,365.36	0.00	0.00	0.00	0.00	17,337,365.36	(1,431,595.89)	(109,512.69)	(11,216.00)	(140,546.00)	15,644,494.78
Unusable Earmarked Revenue Reserves											
Building Control Fees	38,239.34	0.00	0.00	0.00	0.00	38,239.34	0.00	0.00	(641.00)	0.00	37,598.34
Cardiff Capital Region City Deal	670,361.00	0.00	0.00	0.00	0.00	670,361.00	0.00	0.00	0.00	0.00	670,361.00
Deposits and Bonds	3,200.00	0.00	0.00	0.00	0.00	3,200.00	0.00	0.00	0.00	0.00	3,200.00
Land & Property Charges	117,199.90	0.00	0.00	0.00	0.00	117,199.90	0.00	0.00	0.00	0.00	117,199.90
LMS Balances	6,213,861.65	0.00	0.00	0.00	0.00	6,213,861.65	0.00	0.00	0.00	(2,741,846.00)	3,472,015.65
Section 106 Agreements	191,988.51	0.00	0.00	0.00	0.00	191,988.51	0.00	0.00	0.00	0.00	191,988.51
SEW Adoption Collaboration	712,028.21	0.00	0.00	0.00	0.00	712,028.21	0.00	0.00	0.00	(113,491.00)	598,537.21
Social Services - Gwent Regional Development (SP)	40,110.30	0.00	0.00	0.00	0.00	40,110.30	0.00	0.00	0.00	0.00	40,110.30
Workforce Development Collaboration	340,124.00	0.00	0.00	0.00	0.00	340,124.00	0.00	0.00	0.00	(90,124.00)	250,000.00
Total Unusable Earmarked Revenue Reserves:	8,327,112.91	0.00	0.00	0.00	0.00	8,327,112.91	0.00	0.00	(641.00)	(2,945,461.00)	5,381,010.91
Revenue Grants and Contributions Unapplied											
All Age School Forum	131,659.01	0.00	0.00	0.00	0.00	131,659.01	0.00	0.00	0.00	72,270.00	203,929.01
Aneurin Bevan Health Board - Education	18,225.89	0.00	0.00	0.00	0.00	18,225.89	0.00	0.00	0.00	0.00	18,225.89
Community Safety & CCTV	71,606.15	0.00	0.00	0.00	0.00	71,606.15	(24,065.78)	(23,874.22)	0.00	0.00	23,666.15
Contribution to Crematorium Infrastructure Works	63,000.00	0.00	0.00	0.00	0.00	63,000.00	0.00	0.00	0.00	0.00	63,000.00
Discretionary Cost of Living Scheme	897,428.00	0.00	0.00	0.00	0.00	897,428.00	0.00	0.00	(365,200.00)	(115,140.00)	417,088.00
Early Action Together Programme	3,196.38	0.00	0.00	0.00	0.00	3,196.38	0.00	0.00	0.00	0.00	3,196.38
Early Years Grant	298,277.83	0.00	0.00	0.00	0.00	298,277.83	0.00	0.00	(75,000.00)	(60,000.00)	163,277.83
Education - Gypsy Travellers	40,804.42	0.00	0.00	0.00	0.00	40,804.42	0.00	0.00	0.00	0.00	40,804.42
Flood Risk Management	132,729.00	0.00	0.00	0.00	0.00	132,729.00	0.00	0.00	0.00	0.00	132,729.00
Head 4 Arts	71,062.00	0.00	0.00	0.00	0.00	71,062.00	0.00	0.00	0.00	0.00	71,062.00
Homelessness Transitional Funding	140,917.78	0.00	0.00	0.00	0.00	140,917.78	(2,957.95)	(45,497.05)	0.00	29,813.05	122,275.83
Individual Electoral Register	46,494.30	0.00	0.00	0.00	0.00	46,494.30	0.00	0.00	0.00	0.00	46,494.30
Infrastructure Staffing	186,600.00	0.00	0.00	0.00	0.00	186,600.00	(42,223.50)	(14,074.50)	0.00	0.00	130,302.00
LEA / ALN Grant	141,379.16	0.00	0.00	0.00	0.00	141,379.16	0.00	0.00	0.00	(10,000.00)	131,379.16
Participatory Budget	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Period Poverty	77,687.05	0.00	0.00	0.00	0.00	77,687.05	0.00	0.00	0.00	0.00	77,687.05
Planning WAG Grant - Planning Committee	2,103.66	0.00	0.00	0.00	0.00	2,103.66	0.00	0.00	0.00	0.00	2,103.66
Environment General Contributions Unapplied	51,172.25	0.00	0.00	0.00	0.00	51,172.25	(1,468.00)	0.00	0.00	23,425.00	73,129.25
Rights of Way Diversions	20,255.00	0.00	0.00	0.00	0.00	20,255.00	0.00	0.00	0.00	0.00	20,255.00
Scrutiny Development	7,867.15	0.00	0.00	0.00	0.00	7,867.15	0.00	0.00	0.00	0.00	7,867.15
Small & Rural Schools Grant	7,601.00	0.00	0.00	0.00	0.00	7,601.00	0.00	0.00	0.00	0.00	7,601.00
SMIFFs	2,688.84	0.00	0.00	0.00	0.00	2,688.84	0.00	0.00	0.00	0.00	2,688.84
Syrian Resettlement Programme	184,530.38	0.00	0.00	0.00	0.00	184,530.38	0.00	0.00	0.00	(8,210.00)	176,320.38
Tai Calon Highways Maintenance (Commuted Sums)	396,058.80	0.00	0.00	0.00	0.00	396,058.80	(21,183.00)	0.00	0.00	0.00	374,875.80
Youth Service	256,433.34	0.00	0.00	0.00	0.00	256,433.34	0.00	0.00	0.00	0.00	256,433.34
Total Revenue Grants and Contributions Unapplied:	3,249,777.39	0.00	0.00	0.00	0.00	3,249,777.39	(91,898.23)	(83,445.77)	(440,200.00)	(67,841.95)	2,566,391.44
Total:	32,185,869.96	0.00	0.00	0.00	0.00	32,185,869.96	(1,523,494.12)	(192,958.46)	(452,057.00)	(3,059,848.95)	26,957,511.43
							TRUE	TRUE	TRUE	TRUE	TRUE

Fees and Charges Forecast 2022/2023 (As at December 2022)

Portfolio	Service	Description of Income	Income Source	Revised Estimate 2022/2023	Forecast	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Sept 2022
				£	£	£	£
Fees & Charges							
Corporate Services	Communications	Advertising	Fees & Charges	3,000	2,082	(918)	(918)
Corporate Services	Business Support	External Printing and photocopying charges.	Fees & Charges	8,160	3,237	(4,923)	(4,923)
Corporate Services	Legal Fees	Legal Charges	Fees & Charges	14,330	9,403	(4,927)	(11,174)
Corporate Services	Corporate Support	Land Charges	Fixed - Set Locally	32,150	44,493	12,343	12,343
Economy	General Offices	Rental Income	Fees & Charges	810	33,078	32,268	32,268
Economy	Departmental	Reimbursement of staff costs and receipts for external works	SLA	70,469	38,000	(32,469)	(32,469)
Environment	Household & Trade Waste Collection	Trade Waste Collection & Disposal Income - Commercial Customers	Fees & Charges	0	0	0	0
Environment	Enforcement Team		Fees & Charges	2,030	29,936	27,906	15,627
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	298,818	309,089	10,271	0
Environment	Bulky Waste Collection	Bulky Waste Collection	Fees & Charges	71,690	61,969	(9,721)	(3,480)
Environment	Recycling Disposal	Sale of Recyclate Materials	Fees & Charges	879,384	828,848	(50,536)	(16,939)
Environment	County Borough Cleansing	C&CR - External Cleansing Works	Fees & Charges	220	0	(220)	146
Environment	Cemeteries / Crematorium	Burial Fees	Fees & Charges	494,814	441,814	(53,000)	(39,395)
Environment	Cemeteries / Crematorium	General Properties	Fees & Charges	3,000	3,000	0	0
Social Services	Meals On Wheels	Sale of Meals	Fees & Charges	175,280	150,061	(25,219)	(20,391)
Environment	Grounds Maintenance	Income from Letting of Playing Fields, Ground Rent & Way Leaves	Fees & Charges	76,395	120,994	44,599	54,599
Environment	General Properties	Rental Income	Fees & Charges	8,160	6,642	(1,518)	(1,518)
Environment	Cwmcrachen Caravan Site	Rental	Fees & Charges	113,948	111,096	(2,852)	1,735
Environment	Dog Wardens - now in	Byelaw Enforcement Fees	Fees & Charges	0	0	0	0
Environment	Corporate Landlord	Civic Centre - Rental of Land	Miscellaneous	184	0	(184)	125
Environment	School Catering Service	Sale of Meals		954,054	709,087	(244,967)	(119,375)
Financial Management & Strategy	Accountancy Division	Administration charges for administering Appointeeships	Fees & Charges	26,030	17,507	(8,523)	915
Infrastructure	Technical Services - Engineering & Property Management	Reimbursement of staff costs and receipts for external works	Fees & Charges	427,317	427,317	0	(101,258)
Infrastructure	FEP - Increase in Income	Fees	Fees & Charges	0	0	0	0
Infrastructure	Licensing (Highway Permits)	Skips & Scaffolding Permits	Fees & Charges	52,369	52,369	0	0
Infrastructure	General Administration and Markets	Rental income	Fees & Charges	30,351	12,828	(17,523)	(16,011)
Infrastructure	Traffic Orders	Income from contractors, Welsh Water etc. for road works inspection fees	Fees & Charges	55,307	85,042	29,735	25,705
Infrastructure	Road and Street Works Acts	Inspection fees, section 74's, FPN, coring, Dropped kerbs etc.	Fees & Charges	52,850	90,179	37,329	0
Infrastructure	Highways Adoptions	Highway Searches	Fees & Charges	9,950	8,550	(1,400)	(1,400)
Infrastructure	Multi-storey Carparks	Charge to Coleg Gwent	Fees & Charges	30,000	30,000	0	0
Infrastructure	Civil Parking Enforcement	FPN's	Fees & Charges	105,000	81,658	(23,342)	(15,058)
Infrastructure	Public Transport Co-Ordination	Charge to bus companies for use of Brynmawr Bus Station	Fees & Charges	234	268	34	0

Fees and Charges Forecast 2022/2023 (As at December 2022)

Portfolio	Service	Description of Income	Income Source	Revised Estimate 2022/2023	Forecast	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Sept 2022
				£	£	£	£
Licensing	Hackney Carriages	Licence Fees	Fees & Charges	46,931	43,512	(3,418)	(5,631)
Licensing	Private Hire Vehicles	Licence Fees	Fees & Charges	1,830	1,567	(264)	1,507
Licensing	Scrap Metal	Sale of Scrap Metal	Fees & Charges	600	3,470	2,870	2,502
Planning	Enforcement	Enforcement Fees	Fees & Charges	610	0	(610)	(610)
Planning	Development Plans	Heritage Officer Income	Fees & Charges	0	0	0	0
Social Services	Other Children's and Family Services	Training Fees (Early Years tied in with expenditure which is set to decrease)	Fees & Charges	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	598,350	588,299	(10,051)	(36,004)
Social Services	Adults aged under 65 with Learning Disabilities	Fees & Charges in respect of Care (Augusta, Supported Living Bungalows & Community Options)	Fees & Charges	341,150	70,355	(270,795)	(266,056)
Social Services	Adults aged under 65 with Mental Health Needs	Fees & Charges in respect of Care (Vision House & Ysbyty'r Tri Chwm)	Fees & Charges	25,420	1,174	(24,246)	(24,246)
Social Services	Support Service and Management Costs	Fees & Charges in respect of Piper Alarms (IAA)	Fees & Charges	0	0	0	0
			Sub - Total	5,011,195	4,416,924	(594,271)	(569,385)
Fees & Charges - Set Nationally							
Corporate Services	Registration of Births, Marriages and Deaths	Registration of Births, Marriages and Deaths	Fixed - Set Nationally	94,770	86,095	(8,675)	(8,675)
Environment	Food Safety	Hygiene ratings & Health Certificates	Fixed - Set Nationally	2,162	5,685	3,523	11,252
Environment	Control of Pollution	Environmental Permits	Fixed - Set Nationally	17,228	12,437	(4,791)	(6,850)
Environment	Health and Safety at Work (Commercial Prem.)	Petroleum + Tattoo Licences	Fixed - Set Nationally	0	0	0	2,865
Environment	Trading Standards	Explosives Licences	Fixed - Set Nationally	0	0	0	0
Licensing	Licence Fees	Various (Gambling, Premises/ Clubs & Street Trading)	Fixed - Set Nationally	56,968	54,731	(2,238)	(690)
Planning	Dealing with Applications	Planning Application Fees	Fees & Charges	213,360	219,070	5,710	3,518
Planning	Building Regulations	Building Regulation Fees	Fixed - Set Nationally	95,620	95,620	0	0
Social Services	Older People aged 65 or over	CHC Income (Home Care)	Fixed - Set Nationally	0	15,671	15,671	19,671
Social Services	Adults aged under 65 with Learning Disabilities	CHC Income (Augusta House; Supported Living Bungalows; Community Options)	Fixed - Set Nationally	50,000	126,081	76,081	59,500
Social Services	Community Care	Fees & Charges in respect of Care	Fixed - Set Nationally	2,896,975	3,029,811	132,836	76,217
Social Services	Older People aged 65 or over	Sale of Property (Cwrt Mytton)	Fixed - Set Nationally	0	0	0	0
Social Services	Community Care	Sale of Property	Fixed - Set Nationally	292,340	48,283	(244,057)	(276,610)
Social Services	Community Care	CHC Income	Fixed - Set Nationally	0	0	0	0
Social Services	Support Service and Management Costs	CHC Income (Adult Service Managers)	Fixed - Set Nationally	0	0	0	0
			Sub - Total	3,719,423	3,693,484	(25,940)	(119,802)

Fees and Charges Forecast 2022/2023 (As at December 2022)

Portfolio	Service	Description of Income	Income Source	Revised Estimate 2022/2023	Forecast	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Sept 2022
				£	£	£	£
Fees & Charges - In Line with Local Agreements							
Economy	Industrial Land	Ground rent and commercial bookings	Fixed - Set Locally	2,750	520	(2,230)	0
Economy	Nursery Units/Misc. Industrial Premises	Rental income for industrial units	Fixed - Set Locally	808,200	890,726	82,526	82,526
Economy	Estates - Non Rechargeable	Ground Rent	Fixed - Set Locally	145,110	146,172	1,062	(26,910)
Economy	Financial Support to Business	Ground rent and commercial bookings	Fixed - Set Locally	2,650	1,141	(1,509)	0
Economy	CSCS	Charges for Construction Skills Certificates	Fixed - Set Locally	10,200	801	(9,399)	(9,676)
Environment	Corporate Landlord	Little Stars Nursery - Rent (Recovery of costs)	Miscellaneous	8,839	13,287	4,448	4,448
Education	Inter Authority Recoupment	Charges to other Local Authorities for SEN placements within Blaenau Gwent Schools	Fixed - Set Locally	672,290	787,649	115,359	67,220
			Sub - Total	1,650,039	1,840,296	190,257	117,608
			TOTAL - FEES & CHARGES	10,380,657	9,950,704	(429,954)	(571,579)
SLA							
Aneurin Leisure Trust	SLA Income	Provision of Support Services	SLA	213,410	213,410	0	0
Environment	Grounds Maintenance	SLA	SLA	168,220	183,386	15,166	(5,549)
Financial Management & Strategy	Accountancy Division	Support Services SLA with Schools	SLA	185,480	185,480	0	0
Corporate Services	Organisational Development, Payroll & Health & Safety	Support Services SLA with Schools	SLA	319,620	319,620	0	0
Corporate Services	Legal Fees & GDPR	Support Services SLA with Schools	SLA	41,980	41,980	0	0
Corporate Services	Communications	Support Services SLA with Schools	SLA	3,250	3,250	0	0
Corporate Services	Performance (SIMS Support)	Support Services SLA with Schools	SLA	77,270	77,270	0	0
Corporate Services	Business Support (Courier)	Support Services SLA with Schools	SLA	5,770	5,770	0	0
Financial Management & Strategy	Creditors Division	Support Services SLA with Schools	SLA	6,480	6,480	0	0
Corporate Services	ICT	Support Services SLA with Schools	SLA	0	0	0	0
Environment	School Catering	SLA with Schools (excludes Corporate Landlord)	SLA	1,179,391	1,179,391	0	0
Environment	Cleaning Services	SLA with Schools	SLA	1,124,130	1,124,130	0	0
Infrastructure	CPM - Schools Biodiversity SLA	SLA with Schools	SLA	14,566	21,225	6,659	6,059
Infrastructure	Winter Maintenance	SLA with LA's for salt Storage	SLA	13,260	13,260	0	0
			Sub - Total	3,352,827	3,374,652	21,825	510

Fees and Charges Forecast 2022/2023 (As at December 2022)

Portfolio	Service	Description of Income	Income Source	Revised Estimate 2022/2023	Forecast	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Sept 2022
				£	£	£	£
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	2,640	(7,360)	(7,360)
Education	Welfare Service	Fixed Penalty Notices	Court Fees/FPN/Fines/Legal	2,190	1,928	(262)	(262)
Environment	Littering and Dog Control Orders -	Income in relation to FPNs	Court Fees/FPN/Fines/Legal	0	0	0	0
Corporate Services	Payroll Division	Attachment Orders	Court Fees/FPN/Fines/Legal	1,020	343	(677)	(677)
Financial Management & Strategy	Council Tax Collection	Court Costs	Court Fees/FPN/Fines/Legal	162,680	162,680	0	0
Financial Management & Strategy	NNDR	Court Costs	Court Fees/FPN/Fines/Legal	1,800	0	(1,800)	(1,800)
Corporate Services	Housing Benefits Account	Admin Penalties	Court Fees/FPN/Fines/Legal	25,000	0	(25,000)	(25,000)
			Sub - Total	202,690	167,591	(35,099)	(35,099)
Consortium Arrangements							
Economy	General Offices	Annual Service & Rental Charge to Torfaen CBC in relation to Archives	Consortium Arrangements	49,970	71,981	22,011	22,011
Environment	Disposal Of Waste	Contribution from SVWS	Consortium Arrangements	110,000	0	(110,000)	(110,000)
Environment	Cemeteries / Crematorium	Crematorium Income - Reallocation of surplus at year end	Consortium Arrangements	41,925	41,925	0	0
Environment	20 Church Street	Housing Advice Centre Contribution	Consortium Arrangements	12,454	13,550	1,096	1,096
Environment	Housing Access	Income from Housing Associations in relation to Administration of the Common Housing Register	Consortium Arrangements	110,760	128,392	17,632	17,632
Environment	Environmental Health	Public Protection Collaboration with Torfaen CC	Consortium Arrangements	0	0	0	0
			Sub - Total	325,109	255,848	(69,261)	(69,261)
Miscellaneous							
Education	Supporting Special Educational Needs	Internal Income - Recovery of pupil lead funding from schools.	Internal Income	104,040	69,296	(34,744)	(34,744)
Corporate Services	Cross Cutting	Rebates - Energy & Randstad	Miscellaneous	32,500	52,542	20,042	0
Corporate Services	Cross Cutting	Purchase Card Income	Miscellaneous	26,810	26,810	0	0
Infrastructure	L&A - Invasive Weeds	Contribution from Caerphilly for Treatment of Knotweed	Miscellaneous	10,200	10,200	0	0
			Sub - Total	173,550	158,848	(14,702)	(34,744)

Action Plan

Social Services

2022/23 Forecast Adverse Variances (as at 31 December 2022)

Appendix 4a

Service Area	2022/2023 Variance at June 2022 Forecast £	2022/2023 Variance at Sept 2022 Forecast £	2022/2023 Variance at Dec 2022 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
Looked After Children	(14,224)	(249,536)	(745,246)	<p>Children's Homes</p> <p><u>Reason for Adverse Variance</u> The reason for the increase in the adverse variance is due to the number of placements increasing by 2 from 12 to 14 since September, one short term placement up to 28th February and one long term placement. An in year budget virement of £140,000 has been unwound and vired back to Independent Fostering Agencies to realign the budget to reflect the latest forecast expenditure.</p> <p>It is common practice to carry out in year temporary virements from underspending areas to overspending areas during the budget monitoring process to align budgets with expenditure.</p> <p><u>Actions</u></p> <ul style="list-style-type: none"> • Agreement from the Head of Service (HOS) is required for all residential placements. 		Alyson Ramshaw

Action Plan

Social Services

2022/23 Forecast Adverse Variances (as at 31 December 2022)

Appendix 4a

Service Area	2022/2023 Variance at June 2022 Forecast £	2022/2023 Variance at Sept 2022 Forecast £	2022/2023 Variance at Dec 2022 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
				<ul style="list-style-type: none"> Each placement is being reviewed on a monthly basis by the Head of Service with Team Managers. There are a number of preventative services in place, which include the Supporting Change Team and MYST, both initiatives will potentially reduce the number of children within residential placements in the long term. 		
Looked After Children	19,775	(417,014)	(712,546)	<p>Legal Services</p> <p><u>Reason for Adverse Variance</u> The reason for the adverse variance is due to the requirement of using the external provider to finalise existing cases.</p> <p><u>Actions</u></p> <ul style="list-style-type: none"> BGCBC has entered an SLA with Caerphilly CBC to provide Children's legal services. This arrangement commenced on 1st April 2022 and will 		Alyson Ramshaw / Andrea Jones

Action Plan

Social Services

2022/23 Forecast Adverse Variances (as at 31 December 2022)

Appendix 4a

Service Area	2022/2023 Variance at June 2022 Forecast £	2022/2023 Variance at Sept 2022 Forecast £	2022/2023 Variance at Dec 2022 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
				<p>mitigate this cost pressure for future years.</p> <ul style="list-style-type: none"> A two tier system will remain in place for the current financial year 2022/23 until the existing cases have been finalised by the external provider. All new cases will be dealt with by Caerphilly CBC and will be funded through the SLA. The adverse variance has been alleviated due to the utilisation of the legal fees reserve. 	£0.400m	
Older People (Aged 65 or Over)	(28,375)	(154,383)	(276,354)	<p>Cwrt Mytton</p> <p><u>Reason for Adverse Variance</u> The reason for the adverse variance is due to an increase in staffing costs, in relation to the use of agency staff to cover vacant posts, sickness absences and the pay award.</p> <p><u>Actions</u></p> <ul style="list-style-type: none"> A staff restructure and recruitment drive is currently being undertaken to 		Hannah Baulch / Joanne Hawkins

Action Plan

Social Services

2022/23 Forecast Adverse Variances (as at 31 December 2022)

Appendix 4a

Service Area	2022/2023 Variance at June 2022 Forecast £	2022/2023 Variance at Sept 2022 Forecast £	2022/2023 Variance at Dec 2022 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
				address the staffing issues currently encountered.		
Older People (Aged 65 or Over)	(69,497)	(135,063)	(127,100)	<p>Supported Living Bungalows</p> <p><u>Reason for Adverse Variance</u> The reason for the adverse variance is due to an increase in staffing costs, in relation to the use of agency staff to cover vacant posts, sickness absences and the pay award.</p> <p><u>Actions</u></p> <ul style="list-style-type: none"> • A staff restructure and recruitment drive is currently being undertaken to address the staffing issues currently encountered. 		

Action Plan

Education

2022/23 Forecast Adverse Variances (as at 31 December 2022)

Appendix 4b

Service Area	2022/2023 Variance at June 2022 Forecast £	2022/2023 Variance at Sept 2022 Forecast £	2022/2023 Variance at Dec 2022 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
Home to School Transport	(501,578)	(506,581)	(1,153,479)	<p><u>Reason for Adverse Variance</u> The reasons for the adverse variance are due to a temporary 20% uplift being awarded to contractors because of the fuel crises, together with additional routes and escorts being required for ALN learners linked to ALN Reform as well as prior year invoices being higher than expected.</p> <p><u>Actions</u></p> <ul style="list-style-type: none"> • The subsequent cost pressure of the 20% uplift for contractors has been alleviated by funding being awarded from the inflation and service cost pressure reserve. • It is difficult to mitigate the remaining overspend within this financial year; however, a cost pressure has been included within the 2023/2024 budget setting process. 	£0.545m	Lynn Phillips

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Action Plan

Environment

2022/23 Forecast Adverse Variances (as at 31st December 2022)

Appendix 4c

Service Area	2022/2023 Variance at June 2022 Forecast £	2022/2023 Variance at Sept 2022 Forecast £	2022/2023 Variance at Dec 2022 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
Catering	(£536,429)	(£457,547)	(£103,135)	<p><u>Reason for Adverse variance</u></p> <ul style="list-style-type: none"> Cost of living increases relating to provisions <p><u>Actions</u></p> <ul style="list-style-type: none"> The increase in the cost of provisions will be monitored closely and various methods of reducing the costs will be explored. Including looking at alternative products/suppliers, reviewing/reducing menu choices. 		Clive Rogers/ Mike Price
Corporate Landlord	2,477	6,953	(103,818)	<p><u>Reason for Adverse Variance</u></p> <p>Overspends mainly on:-</p> <ul style="list-style-type: none"> Non – Operational Buildings (forecast overspend £35,000) CATs (forecast overspend £50,000) <p>This is due to no budgets for non-operational buildings and CATs as it was assumed when the property was transferred there would be no further costs as the budget was put forward as savings.</p>		Clive Rogers/ Mike Price

Action Plan

Environment

2022/23 Forecast Adverse Variances (as at 31st December 2022)

Appendix 4c

Service Area	2022/2023 Variance at June 2022 Forecast £	2022/2023 Variance at Sept 2022 Forecast £	2022/2023 Variance at Dec 2022 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
				<p><u>Actions</u></p> <ul style="list-style-type: none"> Expenditure and commitments will be monitored and reviewed during the remainder of the financial year and where possible work will be delayed or deferred to 2023/2024 to mitigate the adverse variance. 		
Waste Services	218,604	(5,772)	(498,987)	<p><u>Reason for Adverse Variance</u></p> <ul style="list-style-type: none"> Recycling Collection Agency employee costs (£515k) Recycling Collection Transport Costs (£243k) Treatment costs for the disposal of residual waste (£100k) <p>Agency/Transport - This is based on an increased number of staff and vehicles required to collect the recycling waste, after the increase in participation, during the lockdown period, continuing post covid and therefore the additional staff and vehicles are still required. Continued house building throughout the borough is also having an impact on costs.</p>		Matthew Stent

Action Plan

Environment

2022/23 Forecast Adverse Variances (as at 31st December 2022)

Appendix 4c

Service Area	2022/2023 Variance at June 2022 Forecast £	2022/2023 Variance at Sept 2022 Forecast £	2022/2023 Variance at Dec 2022 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
				<p>This has had a positive impact on the Local Authority Recycling Targets with an estimate of 68% against a target of 64% for the year.</p> <p>The adverse variance has been offset by fees and charges and grant income exceeding the budget by £384,000.</p> <p>Actions</p> <ul style="list-style-type: none"> • Expenditure will be closely monitored for the remainder of the financial year. • A review of budgets and costs is being undertaken. <p>Treatment – there is a new contract price for residual waste disposal which is index linked and has increased by £8 per tonne. This equates to an approximate increase of £100,000 based on the actual tonnage disposed of and an estimate to the end of the year.</p>		

Action Plan

Environment

2022/23 Forecast Adverse Variances (as at 31st December 2022)

Appendix 4c

Service Area	2022/2023 Variance at June 2022 Forecast £	2022/2023 Variance at Sept 2022 Forecast £	2022/2023 Variance at Dec 2022 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
				Actions <ul style="list-style-type: none">• A cost pressure of £100k has been put forward for 2023/2024 as part of the budget setting process.		

Detailed Analysis of Virements Actioned Between September 2022 to December 2022

	Budget Virement Out of Portfolio	Budget Virement Into Portfolio	Budget Virement Within Portfolio	COMMENTS
	£	£	£	
Environment Portfolio				
Corporate Landlord			14,972	Budget realignment to address cost pressure
Multi Storey Car Parks			(14,972)	Budget realignment to address cost pressure
Routine Repairs			30,000	Budget realignment to address cost pressure
Traffic Orders			(30,000)	Budget realignment to address cost pressure
CORPORATE SERVICES				
NDC			(9,070)	Budget realignment to address cost pressure
OD & Payroll			9,070	Budget realignment to address cost pressure
Total	0	0	0	

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Agenda Item 8

Cabinet and Council only

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: **Corporate Overview & Performance Scrutiny Committee**

Date of meeting: **16th March 2023**

Report Subject: **Capital Budget Monitoring, Forecast for 2022/2023
Financial Year (As at 31 December 2022)**

Portfolio Holder: **Cllr S Thomas – Leader & Cabinet Member Corporate
Overview & Performance**

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

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance and Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
	16/02/2023	06.03.23			16.03.23	19.04.23		

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 2022/2023 financial year, as at 31st December 2022.

2. Scope and Background

- 2.1 This report provides details on the following:

- Forecast financial position to 31st March 2023 across all portfolios
- Details of any significant adverse and/or favourable variances

- 2.2 This report forms part of the councils financial reporting framework.

3. Options for Recommendation

3.1 Option 1 (Recommended Option)

To 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 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 2022/27 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 quality services at the right time and in the right place”

The Capital programme allows the council to invest in connectivity, Community & Decarbonisation measures, to aid us in “Responding to the nature and climate crisis and enable connected communities”.

5. **Implications Against Each Option**

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

5.1.1 The current capital programme is approximately £139m and is funded by: -

WG Grant - £110m
 Other grant funding - £6m
 Council Resources - £23m

It is forecast that expenditure of £71.81m will be incurred on capital projects / schemes during 2022/23, with the remainder allocated for use in future years.

The overall financial position as forecast at 31st December 2022 indicates an underspend of £0.171m against a total in year capital budget of £71.98m.

The overall position across all Portfolios is shown below: -

Total Approvals Q1 (Dec 2022)	Future funding	In year funding	Forecast Expenditure to 31/03/2023	Actual Expenditure to 31/12/2022 (Month 9)	Forecast Variance Underspent / overspent
£000	£000	£000	£000	£000	£000
138,701	66,716	71,985	71,815	25,492	171

5.1.2 Significant variances have or are expected to arise for the following:

The LTF Bus Stop Infrastructure scheme is forecasting an underspend of £242,822, the underspend has occurred as the Contractor was unable to deliver the project within the funding timeframe. This funding will therefore not be claimed from WG.

- 5.1.3 Childcare Offer - Swffryd Scheme has an overspend of £72,248. The overspend has arisen due to increased costs on construction. This includes a temporary access road, surfacing workings, external works play areas including draining and fencing and a retaining wall in association with the aforementioned. Discussions are ongoing with Lead project officers and Welsh Government regarding funding the additional expenditure.
- 5.1.4 There is a high level of uncertainty surrounding the impact inflation will have on construction costs, particularly where contracts have yet to be let / awarded.
- 5.1.5 Technical Services have been proactive in value engineering such as substitution of materials and methods with less expensive alternatives, without sacrificing functionality to ensure contracts are kept within budget.
- 5.1.6 Accountancy is working with Budget holders to ensure early identification of projects at risk of exceeding the budget. Where overspends are identified, budget holders will explore options for funding variation or re-profile.

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, inflation pressures and the cost of living crisis, liaison with funding bodies will be required at the earliest opportunity in order to secure approval for funding re-profile.
- 5.2.2 There is a high level of uncertainty surrounding the impact inflation will have on construction costs, particularly where contracts have yet to be let / awarded. For those contracts which have been let and are on site, Technical Services have been proactive in value engineering such as substitution of materials and methods with less expensive alternatives, without sacrificing functionality to ensure contracts are kept within budget. Where budgets are forecast to be exceeded, project officers are either exploring funding variations or re-profile.
- 5.2.3 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.
- 5.2.4 If capital schemes do not achieve the required level of expenditure within the correct financial year and further peaks of inflation 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.
- 5.2.5 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

5.2.6 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.

5.3 **Legal**

N/A

5.4 **Human Resources**

N/A

6. **Supporting Evidence**

6.1 ***Performance Information and Data***

6.1.2 The Capital Expenditure Report 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 & Performance Scrutiny and Cabinet 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***

Accountancy 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.

Accountancy with Budget holders monitor schemes / projects to ensure early identification of schemes / projects at risk of exceeding the budget. Where potential overspends are identified, budget holders will explore options to mitigate / minimise the forecast overspend.

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 ***Decarbonisation and Reducing Carbon Emissions***

The Council is committed to the Decarbonisation Plan to achieve a carbon neutral public sector by 2030. The Capital Programme currently contains schemes which promote the reduction of carbon emissions such as ReFIT, Electric Vehicle Charge Points, Innovation for Decarbonisation - WBRID and the purchase of Ultra Low Emission Vehicles. New Council buildings should be designed to the latest energy efficiency standards.

6.9 ***Integrated Impact Assessment***

N/A

7. ***Monitoring Arrangements***

The Corporate Leadership Team, Corporate Overview & Performance Scrutiny and Cabinet consider the budget monitoring reports on a quarterly basis and provide challenge as appropriate.

Background Documents /Electronic Links

Appendix 1 – Funding Estimates – Summary

Appendix 2 – Funding Charges

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Management Reports

Reporting Year: and Period: 2023/9

Capital Programme Funding Estimates Summary

<i>Portfolio</i>	<i>Total Funding</i>	<i>In Year Budget</i>	<i>Future Funding</i>	<i>Expenditure To:</i> <i>December 2022</i>	<i>Remaining in Year Budget</i>	<i>Forecast Expenditure</i>	<i>Forecast Variance (Adv)/Fav</i>
Corporate Services Portfolio	1,879,883	867,160	1,012,723	378,638	488,522	867,160	0
Social Services Portfolio	5,805,471	4,676,394	1,129,077	1,767,220	2,983,622	4,750,842	(74,448)
Economy Portfolio	18,419,808	9,225,292	9,194,516	2,721,007	6,504,285	9,225,292	0
Education and Active Living	33,003,263	15,596,392	17,406,871	2,623,914	12,972,478	15,596,392	0
Environment Portfolio	4,707,777	984,140	3,723,637	833,787	150,353	984,140	0
Infrastructure Portfolio	70,519,532	40,098,910	30,420,622	16,936,597	22,919,431	39,856,028	242,882
All Portfolios	4,394,392	534,728	3,859,664	229,728	305,000	534,728	0
Total Capital Funding	138,730,126	71,983,016	66,747,110	25,490,893	46,323,690	71,814,582	168,434

Capital Programme - 2022/23 Funding Estimates
Capital Report 2022/23

Management Reports

Reporting Year: and Period: 2023/9

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 2022</i>	<i>Remaining in Year Budget</i>	<i>Forecast Expenditure</i>	<i>Forecast Variance (Adv)/Fav</i>
Corporate Services Portfolio								
Corporate Services								
327102	Corporate Properties H&S and Capital Wo	300,353	59,856	240,497	59,856	0	59,856	0
327103	Civic Centre Decommissioning	666,507	380,304	286,203	54,033	326,271	380,304	0
327104	Democratic & Community Hubs	44,412	0	44,412	0	0	0	0
327106	ICT Roadmap	763,611	322,000	441,611	262,500	59,500	322,000	0
328090	CCTV Upgrade	105,000	105,000	0	2,249	102,751	105,000	0
	Corporate Services	1,879,883	867,160	1,012,723	378,638	488,522	867,160	0
	Corporate Services Portfolio	1,879,883	867,160	1,012,723	378,638	488,522	867,160	0

Capital Programme - 2022/23 Funding Estimates
Capital Report 2022/23

Management Reports

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Capital Programme Funding Estimates

Code	Scheme	Total Funding	In Year Budget	Future Funding	Expenditure to: December 2022	Remaining in Year Budget	Forecast Expenditure	Forecast Variance (Adv)/Fav
Social Services Portfolio								
Childrens Services								
323152	Beaufort Road - Extension Training Flat	38,978	38,978	0	32,827	6,151	38,978	0
324719	Flying Start - Cwm 2	30,000	30,000	0	0	30,000	30,000	0
324721	Flying Start - Ebbw Vale North	2,082	2,082	0	0	2,082	2,082	0
324724	Flying Start - Sirhowy Primary	3,840	3,840	0	157	3,684	3,840	0
324728	Flying Start - Blaina ICC	235,000	235,000	0	0	235,000	235,000	0
324735	Flying Start Brynithel FS Centre	606	606	0	0	606	606	0
324736	Flying Start Additional Works	85,153	85,153	0	28,399	56,754	85,153	0
324737	Flying Start Capital (Covid-funding)	12,863	12,863	0	0	12,863	12,863	0
324738	FS Covid Recovery - Cwm Dev. Garden S	109,150	109,150	0	520	108,630	109,150	0
324739	FS Covid Recovery - Scout Hall	49,671	49,671	0	493	49,178	49,671	0
324771	Childcare Offer - Badminton Scheme	1,950,000	1,500,000	450,000	0	1,500,000	1,500,000	0
324772	Childcare Offer - Blaina ICC Scheme	1,001,552	428,936	572,616	4,663	424,273	428,936	0
324773	Childcare Offer - Swfryd Scheme	908,862	908,862	0	971,430	9,680	981,110	(72,248)
324774	Childcare Offer - Small Grants Scheme	280,000	280,000	0	77,961	202,040	280,000	0
324775	Childcare Offer - Brynmawr	0	0	0	0	2,200	2,200	(2,200)
Childrens Services		4,707,757	3,685,141	1,022,616	1,116,450	2,643,139	3,759,589	(74,448)
Adult Services								
323003	Health & Safety	35,121	35,121	0	34,590	531	35,121	0
323005	Tackling Food Poverty - WLGA	34,279	4,535	29,744	4,535	0	4,535	0
323120	Disabled equipment	285,000	285,000	0	179,750	105,250	285,000	0

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323144	ICF Main Capital Programme	75,789	2,205	73,584	2,205	0	2,205	0
323147	Intermediate Care Fund	3,133	0	3,133	0	0	0	0
323149	Better Care Capital Project	13,862	13,862	0	13,491	371	13,862	0
323151	Augusta House - Enablement Pods	463,197	463,197	0	345,291	117,906	463,197	0
323154	WLGA - Care & Support Equipment & Ada	187,333	187,333	0	70,909	116,424	187,333	0
	Adult Services	1,097,714	991,253	106,461	650,771	340,483	991,253	0
	Social Services Portfolio	5,805,471	4,676,394	1,129,077	1,767,220	2,983,622	4,750,842	(74,448)

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Economy Portfolio								
Tredegar Regeneration								
326163	Tredegar HLF	524,123	0	524,123	0	0	0	0
	Tredegar Regeneration	524,123	0	524,123	0	0	0	0
Ebbw Vale Town Centre								
326191	TRI - Urban Centre Commercial Property I	505,570	505,570	0	376,226	129,344	505,570	0
	Ebbw Vale Town Centre	505,570	505,570	0	376,226	129,344	505,570	0
Valleys Regional Park								
326200	VRP Ebbw Fach Trail	899	0	899	0	0	0	0
326205	VRP - Discovery Gateway	19,778	0	19,778	0	0	0	0
326207	Parc Bryn Bach - Co Working Space	298	0	298	0	0	0	0
	Valleys Regional Park	20,975	0	20,975	0	0	0	0
The Works Site								
325097	Big Arch	960,057	960,057	0	797,174	162,883	960,057	0
325103	Learning Works	37,985	0	37,985	0	0	0	0
325220	Site Investigation Works	19,001	0	19,001	0	0	0	0
	The Works Site	1,017,043	960,057	56,986	797,174	162,883	960,057	0
Other Regeneration								
326006	Tech Valley s Initiative	403,604	0	403,604	0	0	0	0

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326180	Lime Avenue Business Park	427,485	24,702	402,783	24,702	0	24,702	0
326181	Lime Avenue Employment park	2,495,101	0	2,495,101	0	0	0	0
326182	Box Works	8,445	8,445	0	8,445	0	8,445	0
326183	Regain 2	6,522,177	5,122,418	1,399,759	1,122,322	4,000,096	5,122,418	0
326184	Brexit Schemes	267,071	0	267,071	0	0	0	0
326193	TRI - Town Centre COVID-19 recovery ad:	488,710	6,225	482,485	6,225	0	6,225	0
326194	TT - Trinity Chapel & Abertillery Librar	1,150,388	1,150,388	0	0	1,150,388	1,150,388	0
326225	Heat Networks Project	17,385	0	17,385	0	0	0	0
326227	Innovation for Decarbonisation - WBRID	209,365	209,365	0	209,365	0	209,365	0
326251	Constrained Units	190,000	0	190,000	0	0	0	0
326252	Constrained Units - Roseheyworth	149,309	142,900	6,409	49,850	93,050	142,900	0
326265	Victoria Business Park - Development	8,747	0	8,747	0	0	0	0
326266	Brynmaur Retail Development	747,929	747,929	0	209	747,720	747,929	0
326267	Blaenau Gwent Digital	36,218	35,887	331	35,887	0	35,887	0
326268	Covid Recovery for Town Centres	55,902	18,133	37,769	18,133	0	18,133	0
326269	HiVE – Hi Value Engineering Centre - Mor	2,951,095	70,107	2,880,988	70,107	0	70,107	0
326271	Land Release Fund - Pithead Baths	223,166	223,166	0	2,363	220,804	223,166	0
	Other Regeneration	16,352,097	7,759,665	8,592,432	1,547,607	6,212,058	7,759,665	0
	Economy Portfolio	18,419,808	9,225,292	9,194,516	2,721,007	6,504,285	9,225,292	0

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Education and Active Living								
Education Services								
324125	Education Minor Works	5,360	5,360	0	4,401	959	5,360	0
324138	Education Capital Maintenance	250,281	250,281	0	244,723	5,558	250,281	0
324141	Bryn Bach - Kitchen Rep & Classroom ren	30,000	30,000	0	0	30,000	30,000	0
324143	Rhos-y-fedwyn - Refurbishment	3,945	3,945	0	1,053	2,892	3,945	0
324144	St Marys - Refurbishment	187,270	187,270	0	12,979	174,291	187,270	0
324145	Tredegar Comp - Food & Technology	30,070	30,070	0	6,579	23,491	30,070	0
324146	Deighton - Kitchen	57,851	57,851	0	0	57,851	57,851	0
324147	Tredegar Comp Upgrade Services and Ac	3,450	3,450	0	0	3,450	3,450	0
324148	Coed y Garn Roof & Remedial Works	58,261	58,261	0	12,250	46,011	58,261	0
324149	Brynbach Primary Disabled Adaptations	60,061	60,061	0	15,312	44,749	60,061	0
324151	Tredegar Comp Upgrade Electrical Supply	10,625	10,625	0	0	10,625	10,625	0
324152	Brynmawr Refurbishment	171,198	171,198	0	90,639	80,560	171,198	0
324154	Abertillery Learning Community	193	193	0	0	193	193	0
324156	River Centre Boiler	3,367	3,367	0	0	3,367	3,367	0
324161	Pen Y Cwm - Refurbishment Works	54,133	54,133	0	7,597	46,536	54,133	0
324166	Beaufort Hill Boiler	98,274	98,274	0	411	97,863	98,274	0
324167	Soffryd Boiler	100,000	100,000	0	62,411	37,589	100,000	0
324168	St Marys Boiler	49,213	49,213	0	822	48,391	49,213	0
324171	Abertillery LC Doors	60,025	60,025	0	49,145	10,880	60,025	0
324172	Brynmawr Foundation Doors	41,982	41,982	0	39,975	2,007	41,982	0
324174	River Centre Windows/Ventilation	95,401	95,401	0	94,686	715	95,401	0

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324175	River Centre Classroom and Toilets	50,000	50,000	0	17,541	32,459	50,000	0
324179	Ebbw Fawr Internal Remodelling	100,000	100,000	0	35,626	64,374	100,000	0
324180	Tredeggar Urgent Works IT suite staff roo	75,000	75,000	0	9,834	65,166	75,000	0
324182	CFS - Brynmawr Running Track	120,000	120,000	0	0	120,000	120,000	0
324183	Swffryd	120,000	120,000	0	0	120,000	120,000	0
324184	Tredeggar Path	35,000	35,000	0	25,682	9,318	35,000	0
324185	Glanhowy Ramp	100,000	100,000	0	850	99,150	100,000	0
324186	Roseheyworth Primary - Reboiling	100,000	100,000	0	60,210	39,790	100,000	0
324201	Class Size - Willowtown	75,001	75,001	0	48,500	26,501	75,001	0
324203	Period Poverty	5,028	5,028	0	0	5,028	5,028	0
324207	St. Josephs s106	35,000	35,000	0	8,545	26,455	35,000	0
324250	Electrical Upgrade - Blaen y Cwm	106,794	106,794	0	106,794	0	106,794	0
324251	Electrical Upgrade - Georgetown	29,652	29,652	0	26,119	3,533	29,652	0
324252	Electrical Upgrade - Glanhowy	29,401	29,401	0	24,707	4,694	29,401	0
324253	Universal Free School Meals Equipment	371,370	371,370	0	270,304	101,066	371,370	0
324255	Electrical Kitchen Upgrade-Brynmawr RC	124,379	124,379	0	4,350	120,029	124,379	0
324256	Electrical Kitchen Upgrade-Ystruth Prima	74,472	74,472	0	1,840	72,632	74,472	0
324257	Electrical Kitchen Upgrade-Roseheyworth	15,000	15,000	0	590	14,410	15,000	0
324258	Electrical Kitchen Upgrade-Willowtown Pr	15,000	15,000	0	1,720	13,280	15,000	0
324259	Electrical Kitchen Upgrade-St Illydds P	15,000	15,000	0	205	14,795	15,000	0
324260	Electrical Kitchen Upgrade-Sofrydd Prima	80,787	80,787	0	98	80,689	80,787	0
324261	Electrical Kitchen Upgrade-Tillery Campu	15,000	15,000	0	66	14,935	15,000	0
324262	Electrical Kitchen Upgrade-St Marys CIW	19,346	19,346	0	9,663	9,683	19,346	0

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324263	Electrical Kitchen Upgrade-St Josephs Pr	15,000	15,000	0	267	14,733	15,000	0
324264	Electrical Kitchen Upgrade-Ysgol Bro Hel	15,000	15,000	0	1,790	13,210	15,000	0
324266	Electrical Kitchen Upgrade-Deighton Prim	77,581	77,581	0	960	76,621	77,581	0
324267	Electrical Kitchen Upgrade-All saints RC	15,000	15,000	0	12,054	2,946	15,000	0
324268	Electrical Kitchen Upgrade-Rhosyfedwen I	15,000	15,000	0	6,943	8,057	15,000	0
324519	Digital 2030 Capital Grant - Post 16	4,621	0	4,621	0	0	0	0
324530	ALN	355,541	333,242	22,299	0	333,242	333,242	0
324532	Ebbw Fawr ASD	3,890	0	3,890	0	0	0	0
324534	ALN - Penycwm	26,353	26,353	0	26,353	0	26,353	0
324535	ALN - River Centre	22,104	22,104	0	22,104	0	22,104	0
324560	Schools IT Infrastructure	2,809	2,809	0	0	2,809	2,809	0
324580	Brynmawr 3G Pitch	173,004	173,004	0	138,038	34,966	173,004	0
324743	21st Century Schools Six Bells Project	326,624	326,624	0	93,847	232,777	326,624	0
324750	Band B - Welsh Medium New Build	9,853,337	5,433,331	4,420,006	36,425	5,396,906	5,433,331	0
324751	Band B - New Primary Ebbw Fawr Valley	8,569,508	4,895,000	3,674,508	519,329	4,375,671	4,895,000	0
324752	Band B - Secondary Remodelling Brynma	3,110,503	176,686	2,933,817	0	176,686	176,686	0
324753	Band B - Secondary Remodelling Abertille	3,197,316	200,000	2,997,316	0	200,000	200,000	0
324754	Band B - Secondary Remodelling Tredega	3,196,970	200,000	2,996,970	0	200,000	200,000	0
324755	Band B - Welsh Medium Remodelling Bro	751,111	431,058	320,053	310,358	120,700	431,058	0
324756	Band B - Rhosyfedwen	75,992	75,992	0	78,802	(2,810)	75,992	0
Education Services		32,889,454	15,515,974	17,373,480	2,543,497	12,972,477	15,515,974	0

Active Living Services

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329088	Bryn Bach Park Roof	12,439	0	12,439	0	0	0	0
329089	Abertillery LC Demolition	952	0	952	0	0	0	0
329092	ALC - Changing Room Refurbishment	20,000	0	20,000	0	0	0	0
329095	AWPOG - Play Equipment	49,850	49,850	0	49,850	0	49,850	0
329097	Play Equipment	30,568	30,568	0	30,568	0	30,568	0
	Active Living Services	113,809	80,418	33,391	80,418	0	80,418	0
	Education and Active Living	33,003,263	15,596,392	17,406,871	2,623,914	12,972,478	15,596,392	0

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Environment Portfolio								
Environmental Services								
327039	Kerbside Collections	2,052	0	2,052	0	0	0	0
327044	AHP Waste Collections	52,380	0	52,380	0	0	0	0
327045	BRC Decommissioning Project	191,777	0	191,777	0	0	0	0
327046	Repair Cafe	1,066	0	1,066	0	0	0	0
327061	CATS	80,000	0	80,000	0	0	0	0
327065	Re:Fit	2,070,071	6,803	2,063,268	6,803	0	6,803	0
327067	Market Hall - Asbestos Removal	18,606	0	18,606	0	0	0	0
327068	Cemeteries Investment Programme	9,137	0	9,137	0	0	0	0
327070	WRAP Cymru Capital Funding	3,792	0	3,792	0	0	0	0
327071	Education Centre	297,265	297,265	0	240,200	57,065	297,265	0
327074	New Vale HWRC Refurbishment Works	145,439	0	145,439	0	0	0	0
327080	Cemetery Capacity - Cefn Golau Tredegar	327,000	2,954	324,046	2,954	0	2,954	0
327081	Cemetery Capacity - Dukestown Tredegar	218,834	1,500	217,334	1,500	0	1,500	0
327082	Cemetery Capacity - Brynmawr	133,334	1,500	131,834	1,500	0	1,500	0
327083	Cemetery Capacity - Brynithel Abertillr	96,334	3,250	93,084	3,250	0	3,250	0
327090	Fly Tipping CCTV	961	0	961	0	0	0	0
327110	Allotment Support Grant	30,698	25,576	5,122	2,314	23,262	25,576	0
Environmental Services		3,678,746	338,848	3,339,898	258,520	80,328	338,848	0
Housing Environmental Health								
328221	Remediation of Contaminated Land/Dereli	102,564	0	102,564	0	0	0	0

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350510	Improvement grants - new scheme	608,254	432,554	175,700	432,554	0	432,554	0
350550	Support for Independent Living	159,283	139,186	20,097	68,261	70,925	139,186	0
350560	Empty Property Grants	158,930	73,552	85,378	73,552	0	73,552	0
350570	167 Lewis Street	0	0	0	900	(900)	0	0
	Housing Environmental Health	1,029,031	645,292	383,739	575,267	70,025	645,292	0
	Environment Portfolio	4,707,777	984,140	3,723,637	833,787	150,353	984,140	0

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Infrastructure Portfolio								
Engineering Services								
328149	SRIC - Tredegar Footway Improvements	25,000	25,000	0	25,000	0	25,000	0
328280	Coal Tip Safety	200,700	200,700	0	1,341	199,359	200,700	0
328315	Local Transport Fund - Project Retention	16,020	0	16,020	0	0	0	0
328318	Active Travel Fund	783,487	783,362	125	125,740	657,622	783,362	0
328323	Resilient Roads Fund	79,001	79,001	0	74,671	4,330	79,001	0
328340	LTF Metro Plus	1,956,837	1,956,837	0	104,456	1,852,381	1,956,837	0
328344	LTF Bus Stop Infrastructure	387,813	387,813	0	144,931	0	144,931	242,882
328346	Bus Infrastructure Fund	100,000	100,000	0	8,364	91,636	100,000	0
328360	Rail Infrastructure Programme	66,293,022	36,000,000	30,293,022	16,406,163	19,593,837	36,000,000	0
328370	20mph Core Allocation	230,054	230,054	0	0	230,054	230,054	0
Engineering Services		70,071,934	39,762,767	30,309,167	16,890,666	22,629,219	39,519,885	242,882
Highways Network Management								
328063	Bridge Strengthening Works	1,857	0	1,857	0	0	0	0
328270	Highways Improvement Works	165,918	165,918	0	43,264	122,654	165,918	0
328334	LGBI - Trinant Hall	11,402	2,667	8,735	2,667	0	2,667	0
328404	Flood Damage - Emergency Repairs	828	0	828	0	0	0	0
328405	Aberbeeg Road Repairs	100,035	0	100,035	0	0	0	0
328406	Small Scale Works Grant	167,558	167,558	0	0	167,558	167,558	0
Highways Network Management		447,598	336,143	111,455	45,931	290,212	336,143	0

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<i>Code</i>	<i>Scheme</i>	<i>Total Funding</i>	<i>In Year Budget</i>	<i>Future Funding</i>	<i>Expenditure to: December 2022</i>	<i>Remaining in Year Budget</i>	<i>Forecast Expenditure</i>	<i>Forecast Variance (Adv)/Fav</i>
	Infrastructure Portfolio	70,519,532	40,098,910	30,420,622	16,936,597	22,919,431	39,856,028	242,882

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All Portfolios								
All Portfolios								
300300	City Deal	3,662,700	0	3,662,700	0	0	0	0
303990	OS Capital Admin/Design & Supervision	524,000	524,000	0	219,000	305,000	524,000	0
321112	Disabled Access - Special Programme	10,728	10,728	0	10,728	0	10,728	0
324672	The Company Shop - Tred	196,964	0	196,964	0	0	0	0
All Portfolios		4,394,392	534,728	3,859,664	229,728	305,000	534,728	0
All Portfolios		4,394,392	534,728	3,859,664	229,728	305,000	534,728	0

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<i>Reporting Year: and Period: 2023/9</i>								

<i>Code</i>	<i>Scheme</i>	<i>Total Funding</i>	<i>In Year Budget</i>	<i>Future Funding</i>	<i>Expenditure to: December 2022</i>	<i>Remaining in Year Budget</i>	<i>Forecast Expenditure</i>	<i>Forecast Variance (Adv)/Fav</i>
Total Capital Funding		138,730,126	71,983,016	66,747,110	25,490,893	46,323,690	71,814,582	168,434

End of Report

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Information on Capital Funding Changes 2022/23
New Approvals and/or material Funding Changes in Quarter Three

APPENDIX 2

Portfolio	Cost Centre	Scheme	Amount (£)	Funding Body	Type	Additional Information	
Corporate Services							
	328090	CCTV Upgrade	105,000	Blaenau Gwent	Capital Programme	RCCO from CCTV Budget	
	327103	Civic Centre Decommissioning	-327,000	Blaenau Gwent	Capital Programme	RCCO not required as contract forecast to underspend heavily against original budget	
Social Services							
	324771	Childcare Offer - Badminton Scheme	450,000	Welsh Government	Childcare Offer	Transfer of funding between schemes as agreed with Welsh Government due to the Brynmawr project being aborted.	
	324772	Childcare Offer - Blaina ICC Scheme	-100,000	Welsh Government	Childcare Offer		
	324773	Childcare Offer - Swfryd Scheme	182,230	Welsh Government	Childcare Offer		
	324775	Childcare Offer - Brynmawr	-532,230	Welsh Government	Childcare Offer		
	324774	Childcare Offer - Small Grants Scheme	280,000	Welsh Government	Childcare Offer		New WG approval
Economy							
	326183	Regain 2	1,399,759	Welsh Government	Economy, Skills and Natural Resources	Additional WG funding approval	
	326184	Brexit Schemes	-142,900	Welsh Government	Brexit Economic Stimulus	Transfer of funds to project	
	326227	Innovation for Decarbonisation - WBRID	8,125	Welsh Government	Decarbonisation and Energy	Additional WG funding received	
	326252	Constrained Units - Roseheyworth	142,900	Welsh Government	Brexit Economic Stimulus	Transfer of funds to project	
Education, Active Living and Learning							
Page 151	324138	Education Capital Maintenance	69,912	Welsh Government	Education Capital Maintenance	Virement to individual projects	
	324139	Education Capital Maintenance 20/21	-52,826	Welsh Government	Education Capital Maintenance	Virement to individual projects	
	324142	Georgetown Windows & Boiler Replacement	-6,206	Welsh Government	Education Capital Maintenance	Transfer of funding between projects	
	324152	Brynmawr Canopy	90,000	Welsh Government	Education Capital Maintenance	Allocation of grant from Education Maintenance Fund	
	324157	Tredegar Comprehensive Kitchen Electrics	-48,273	Welsh Government	Education Capital Maintenance	Transfer of funding between projects	
	324167	Soffryd Boiler	50,000	Welsh Government	Education Capital Maintenance	Transfer of funding between projects	
	324168	St Marys Boiler	-50,000	Welsh Government	Education Capital Maintenance	Transfer of funding between projects	
	324170	Deighton Fire Alarm	-11,453	Welsh Government	Education Capital Maintenance	Transfer of funding between projects	
	324186	Roseheyworth Primary - Reboiling	50,000	Welsh Government	Education Capital Maintenance	Allocation of funds from community focused schools to individual project	
	324201	Class Size - Willowtown	69,557	Welsh Government	Education Capital Maintenance	Transfer of funding between projects	
	324206	Georgetown S106	-69,557	Welsh Government	Education Capital Maintenance	Transfer of funding between projects	
	324250	Electrical Upgrade - Blaen y Cwm	5,113	Welsh Government	Universal Free School Meals	Transfer to individual projects within the UFSM scheme	
	324252	Electrical Upgrade - Glanhwy	19,638	Welsh Government	Universal Free School Meals	Transfer to individual projects within the UFSM scheme	
	324253	Universal Free School Meals Equipment	-386,545	Welsh Government	Universal Free School Meals	Transfer to individual projects within the UFSM scheme	
	324255	Electrical Kitchen Upgrade-Brynmawr RC Primary	124,379	Welsh Government	Universal Free School Meals	Transfer to individual projects within the UFSM scheme	
	324256	Electrical Kitchen Upgrade-Ystruth Primary	74,472	Welsh Government	Universal Free School Meals	Transfer to individual projects within the UFSM scheme	
	324257	Electrical Kitchen Upgrade-Roseheyworth Campus	15,000	Welsh Government	Universal Free School Meals	Transfer to individual projects within the UFSM scheme	
	324258	Electrical Kitchen Upgrade-Willowtown Primary	15,000	Welsh Government	Universal Free School Meals	Transfer to individual projects within the UFSM scheme	
	324259	Electrical Kitchen Upgrade-St Illtydds Primary	15,000	Welsh Government	Universal Free School Meals	Transfer to individual projects within the UFSM scheme	
	324261	Electrical Kitchen Upgrade-Tillery Street Campus	15,000	Welsh Government	Universal Free School Meals	Transfer to individual projects within the UFSM scheme	
	324264	Electrical Kitchen Upgrade-Ysgol Bro Helyg	15,000	Welsh Government	Universal Free School Meals	Transfer to individual projects within the UFSM scheme	
	324266	Electrical Kitchen Upgrade-Deighton Primary	77,581	Welsh Government	Universal Free School Meals	Transfer to individual projects within the UFSM scheme	
	324267	Electrical Kitchen Upgrade-All saints RC primary	15,000	Welsh Government	Universal Free School Meals	Transfer to individual projects within the UFSM scheme	
	324268	Electrical Kitchen Upgrade-Rhosyfedwen Primary	15,000	Welsh Government	Universal Free School Meals	Transfer to individual projects within the UFSM scheme	
	324530	ALN	-48,457	Welsh Government	ALN	Transfer to individual projects within the ALN scheme	
	324534	ALN - Penycwm	26,353	Welsh Government	ALN	Transfer to individual projects within the ALN scheme	
	324535	ALN - River Centre	22,104	Welsh Government	ALN	Transfer to individual projects within the ALN scheme	
	324752	Band B - Secondary Remodelling Brynmawr	-23,314	Welsh Government	Sustainable Communities for Learning	Transfer to individual projects within the Band B scheme	
	324756	Band B - Rhosyfedwen	23,314	Welsh Government	Sustainable Communities for Learning	Transfer to individual projects within the Band B scheme	
	Environment						

327080	Cemetery Capacity - Cefn Golau Tredegar	-200,028	Blaenau Gwent	Capital Programme	Funding duplicated in 20/21. Already included in slippage so should not have been included in USB
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Infrastructure

328340	LTF Metro Plus	1,184,500	Welsh Government	Local Transport Fund	New WG Approval
328406	Small Scale Works Grant	167,558	Welsh Government	Flood and Coastal Erosion Risk Management Grants,	New WG Approval

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

Agenda Item 9

Cabinet and Council only

Date signed off by the Monitoring Officer: N/A

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

Committee: **Corporate Overview and Performance Scrutiny Committee**

Date of meeting: **16th March 2023**

Report Subject: **Progress Report Contracts over £500k**

Portfolio Holder: **Cllr Helen Cunningham, Deputy Leader / Cabinet Member Place and Environment**

Report Submitted by: **Clive Rogers, Head of Community Services**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
22/02/2023	23/02/2023	06.03.23			16/03/2023	19.04.23		

1. Purpose of the Report

- 1.1 The purpose of the report is to provide Members with updated information on the progress of capital projects over £500,000 in cost, undertaken within the Authority and, where appropriate, seek the necessary approval required under the Contract Procedural Rules to additional expenditure incurred on a particular project.

2. Scope and Background

- 2.1 The report is required to inform Members of the progress with these capital works projects, and also to satisfy the reporting requirements of Contract Procedural Rules. Appendix 1 includes each major contract with financial details and commentary update. The report is presented to Members on a six monthly basis, informing them of progress on delivering key projects.
- 2.2 Members of the Corporate Overview and Performance Scrutiny Committee have requested that they be kept informed of the progress of projects being undertaken within the Authority, particularly where contracts have been affected by additional costs or time overruns.
- 2.3 Contract Procedural Rules also require reports to be presented to Cabinet seeking approval for additional expenditure if the funding budget is not available and/or excessive time period over-runs have been experienced.

3. Options for Recommendation

- 3.1 The report has been presented to RCSLT and CLT.

Option 1

Members to consider and accept the information included within the report and recommend endorsement by Cabinet.

Option 2

Members to 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

The report has been developed to satisfy the requirements of the Contract Procedural Rules, and supports the key priorities identified in the Corporate Plan.

5. Implications Against Each Option

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

The financial positions of individual contracts are shown in the attached schedule Appendix 1.

5.2 *Risk including Mitigating Actions*

The risks associated with not completing a contract within budget or time scale could have a financial and negative reputational impact on the Council.

Where the financial risks associated with these projects have impacted on the capital programme allocations they would have previously been subject to review and approval by CLT and Council.

5.3 *Legal*

There are no legal implications associated with this report.

5.4 *Human Resources*

There are no staffing implications associated with this report.

6. Supporting Evidence

6.1 *Performance Information and Data*

There are four current contracts valued over £500,000 and of these the risk assessed performance shows:-

- Blue – one contract
- Green – two contracts
- Amber – one contract

In respect of the one contract risk assessed blue, the project has been completed on site. Delays and additional costs were incurred on the project due to meeting the Cadw specification requirements for a Grade 2 listed structure.

Regarding the two contracts risk assessed as green. The two projects are currently on site and progressing to programme. Both contracts are within their funding budget allocations.

Regarding the one contract risk assessed amber. The project was constructed during the Covid19 pandemic which has impacted significantly

on the contract progress and the contractor's performance on site. The contractor is currently on site attending to the defective work.

6.2 *Expected outcome for the public*

The Contracts Over £500k support the development and/or redevelopment of buildings and infrastructure across the Blaenau Gwent authority, thus providing better facilities and highways for use by the community and members of the public.

6.3 *Involvement (consultation, engagement, participation)*

Where relevant, consultation, engagement and involvement with the public and other interested parties have been carried out as part of delivery requirements of the capital projects.

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

The investment in property and infrastructure across Blaenau Gwent is identified to ensure sustainability for the future, removing redundant and substandard facilities, improving highway infrastructure, and providing new modern facilities to meet the service requirements and wellbeing of future generations.

6.5 *Preventative focus*

Investing in capital projects will prevent problems exacerbating with our property and infrastructure, by making prudent decisions to invest now rather than in the future when the costs are likely to be higher through further deterioration and inflation.

6.6 *Collaboration / partnership working*

The works undertaken are in collaboration with a number of partner funding agencies, e.g. WG Sustainable Communities for Learning.

6.7 *Integration(across service areas)*

The works undertaken impact on a number of service areas across the Council such as education, regeneration, infrastructure and corporate landlord.

6.8 *Decarbonisation and Reducing Carbon Emissions*

The projects all have to be designed to meet the current standards and regulations regarding reducing carbon emissions and achieving the zero carbon agenda where possible.

6.9 *Integrated Impact Assessment (IIA)*

An IIA is not relevant to the content of this progress report, as there are no decisions required, policy reviews or policy implementation.

7. *Monitoring Arrangements*

- 7.1 The Contracts Over £500k are routinely monitored within the service areas and six-monthly reports on progress with contracts will be provided to Corporate Overview and Performance Scrutiny Committee.

Background Documents /Electronic Links

- *Appendix 1 – Contracts Over £500k*

PROGRESS REPORT TO COMMITTEE – CONTRACTS OVER £500,000

Red (R)	There are significant issues with the project in respect of cost time or scope risks and the matter has to be reported to Corporate Management Team and/or Executive Committee for consideration and approval.	R
Amber (A)	There are issues with the project, in respect of cost, time or scope risks, and the matter can be resolved at project officer team level.	A
Green (G)	The project is progressing as planned, to original/revised budget allocation, scope and programme.	G
Blue (B)	The project is complete within approved original/revised budget allocation, scope and contractually agreed timescales.	B

DEFINITIONS

- A** - Name of Project.
- B** - The amount of funding allocated to the project.
- C** - Amount of the contract approved in accordance with the Authority’s Contract Procedure Rules.
- D** - The estimated final cost of the project.
- E** - Estimated underspend/overspend of contract comparing the Funding Budget (B) and Anticipated Final Cost (D)
- F** - The date at which the contractor takes possession of the site.
- G** - The date included within the contract for completion of the project.
- H** - The date at which the project is actually completed for use by the Authority.
- I** - The number of weeks the project has been delayed after the contract complete date.

PROGRESS REPORT TO COMMITTEE – CONTRACTS OVER £500,000

Project Title (A)	Funding Budget (B)	Contract Cost (C)	Anticipated Final Cost (D)	Underspend/ (Overspend) (E)	Contract Start Date (F)	Contract Complete Date (G)	Anticipated Complete Date (H)	Contract Delay (I)	Comments	RAGB Rating
New Glyncod Primary School and Childcare Facility	£13,052,468.11	£13,052,468.11	£13,052,468.11	£Nil	31/10/2022	12/01/2024	12/01/2024	Nil	The site set up has been established, ecology mitigation works and drainage diversion works to the Indoor Bowls Centre have been completed, groundworks and the works to the new entrance road are progressing. A delay with approvals for the Welsh Water main sewer diversion works may affect the works programme. The implications are currently being reviewed with the contractor.	G
New speculative offices, 'Regain 2', Mill Lane, The Works, Ebbw Vale	£5,645,042.90	£5,645,042.90	£5,645,042.90	£Nil	03/10/2022	01/08/2023	01/08/2023	Nil	The contract is progressing well and is on programme with the foundations, structural steel frame, floors, roof and drainage all installed to date. The original ex-Thales (NDEC) design is changed to a speculative 2 office configuration and the contractor's quotation for that change is awaited – due mid-March. Current advice from the contractor indicated no increase to the overall cost of the project and still contained within the budget approved by WG.	G

PROGRESS REPORT TO COMMITTEE – CONTRACTS OVER £500,000

Project Title	Funding Budget	Contract Cost	Anticipated Final Cost	Underspend/ (Overspend)	Contract Start Date	Contract Complete Date	Anticipated Complete Date	Contract Delay	Comments	RAGB Rating
Lime Avenue – Business & Box units	£7,440,000.00	£6,508,033.00	£7,440,000.00	£Nil	02/03/2020	16/11/2020	Business Units Completion 16/07/2021 (Actual) Box Units Anticipated Completion 12/05/2023	Business Units – 35 weeks Box -130 weeks	<p>Business Units were handed over on 16/07/21. Progress on this project was significantly affected during the Covid19 Pandemic. The contractor is currently attending to roof defects on the units.</p> <p>Progress on the project was significantly affected by the Covid19 Pandemic. Latest contractor's programme advises completion of the Box units by mid-May 2023. The contractor is currently attending to defects on the units.</p> <p>The contractor has committed to rectifying all defective work at their cost.</p> <p>The additional cost incurred above the original contract cost was as a direct result of the design development of the Box Units to meet the client's requirement after the first stage contract award. The second stage part of the contract involved detail design of the Box Units phase to meet the client's requirements, which resulted in an increase in the overall project costs. The increase in costs were reported to and approved by the SPB in accordance with the authority's procurement rules.</p>	A

PROGRESS REPORT TO COMMITTEE – CONTRACTS OVER £500,000

Project Title	Funding Budget	Contract Cost	Anticipated Final Cost	Underspend/ (Overspend)	Contract Start Date	Contract Complete Date	Anticipated Complete Date	Contract Delay	Comments	RAGB Rating
									The additional funding required for the project has been agreed with WG.	
Remedial works at Newtown Bridge Ebbw Vale	£1,202,825.55	£1,016,174.61	£1,202,825.55	£Nil	04/01/2022	01/07/22	02/09/2022	9 weeks	<p>Contract complete on site.</p> <p>Newtown Bridge is Grade II listing. A contract was to undertaken for strengthening work to the arch in the form of steel reinforcement and also the installation of interstitial grouting to the arch ring to provide a water-controlled barrier. Both repair methods were initially approved and accepted by Cadw and Listed Building Approval granted.</p> <p>However, on commence of onsite trials of the repair method Cadw were not satisfied with the aesthetic appearance of the repairs and would not accept them as they believe they are not within keeping of the original fabric of the arch. Cadw subsequently specified additional requirements be made to the repair method to improve the overall aesthetics of the repair. This resulted in the additional time and costs to the project</p>	B

PROGRESS REPORT TO COMMITTEE – CONTRACTS OVER £500,000

Project Title	Funding Budget	Contract Cost	Anticipated Final Cost	Underspend/ (Overspend)	Contract Start Date	Contract Complete Date	Anticipated Complete Date	Contract Delay	Comments	RAGB Rating
									The additional funding required for the project was met from the Highways Capital Improvements Programme in respect of the Big Arch project	

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Agenda Item 10

Cabinet and Council only

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: **Corporate Overview and Performance Scrutiny Committee**

Date of meeting: **16 March 2023**

Report Subject: **Treasury Management – Treasury Strategy Statement, Investment Strategy & MRP Policy Statement 2023/2024 (including Prudential Indicators)**

Portfolio Holder: **Cllr Stephen Thomas, Leader, Executive Member - Corporate Overview & Performance**

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

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
	09/03/2023				16/03/2023		30/03/2023	

1. **Purpose of the Report**
 - 1.1 The purpose of the report is to give Members the opportunity to scrutinise the Treasury Strategy, Investment Strategy and Minimum Revenue Provision Policy (including prudential indicators) to be adopted for the 2023/2024 financial year, prior to formal recommendation to Council.
2. **Scope and Background**
 - 2.1 The report is prepared in accordance with the CIPFA Code of Practice on Treasury Management that requires an annual Treasury Management Strategy Statement (TMSS) to be approved in advance of the relevant financial year. Prior to recommendation for formal approval by Council the TMSS is required to be adequately scrutinised by the Corporate Overview and Performance Scrutiny Committee.
 - 2.2 In accordance with the Code, the Treasury Strategy Statement includes the Annual Investment Strategy. It is important to note that although it is called the Annual Investment Strategy, it is kept under review throughout the year and any changes required are reported to Council at that time.
 - 2.3 The Code also recommends that Council creates and maintains a Treasury Management Policy Statement (TMPS), stating the policies and objectives of its treasury management activities. Although the Code does not require authorities to seek approval of the TMPS, it is attached as Appendix B for information.
 - 2.4 Local Authorities are required to prepare, before the start of each financial year, a statement of their policy on making revenue provision to cover debt repayments (known as MRP or Minimum Revenue Provision) in respect of that financial year and submit it to full Council for approval. The MRP statement for 2023/24 is therefore also included as part of the Treasury Strategy Statement (last page of Appendix A).

- 2.5 From 2019/20 onwards the revised codes of practice introduced a requirement for all local authorities to prepare a Capital Strategy report, which is intended to provide: -
- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
 - an overview of how the associated risk is managed
 - the implications for future financial sustainability

The Capital Strategy for Blaenau Gwent CBC is updated annually and is subject to a separate report on today's agenda.

3. **Options for Recommendation**

3.1 Option 1

Members consider the Annual Treasury Strategy Statement & Annual Investment Strategy & MRP Policy Statement for the 2023/2024 financial year and the Treasury Management Prudential Indicators contained therein (Appendix A) and consider any amendments, prior to submission to Council for formal approval.

3.2 Option 2 (preferred option)

Members consider the Annual Treasury Strategy Statement & Annual Investment Strategy & MRP Policy Statement for 2023/2024 financial year and the Treasury Management Prudential Indicators contained therein (Appendix A) and do not consider any amendments, prior to submission to Council for formal approval.

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

- 4.1 The report is written under legislation (the Local Government Act 2003), Welsh Government guidance and CIPFA codes of practice.
- 4.2 This report also supports the Corporate Plan Priority of being 'An ambitious and innovative council delivering the quality services at the right time and the right place', by ensuring effective forward financial planning arrangements are in place to support the Council's financial resilience.

5. **Implications Against Each Option**

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

- 5.1.1 The Authority will comply with the CIPFA Treasury Management in the Public Services: Code of Practice 2021 and in doing so will strive for effective risk management and control, whilst at the same time pursuing best value.

- 5.1.2 The Treasury Strategy Statement & Annual Investment Strategy and MRP Policy Statement for 2023/2024 financial year will be adhered to at all times with the prime objectives being firstly the security and secondly the liquidity of investments. It will seek to minimise the revenue costs of debt whilst maintaining a prudent level of debt redemption. The annual investment strategy has been developed to provide additional opportunities for the higher levels of investment currently forecast into the medium term.
- 5.1.3 The revenue cost of debt arises through the Minimum Revenue Provision (or MRP) set aside for debt repayment. The revised MRP Policy was agreed by Council in December 2021 and will be applied from 2021/22 and beyond. Budget forecasts for MRP from 2023/2024 have been factored into the Council's Medium Term Financial Strategy.

5.2 ***Risk including Mitigating Actions***

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

5.3 ***Legal*** N/A

5.4 ***Human Resources***

- 5.4.1 There are no direct staffing implications to report. Staff directly involved with Treasury Management activities will continue to receive consultancy advice, training and professional/technical updates during the year.

6. **Supporting Evidence**

6.1 ***Performance Information and Data***

- 6.1.1 This report sets out the Authority's prudential indicators for the 2023/2024 financial year, against which performance can be monitored throughout the year. It also sets out the borrowing and investment strategy and MRP policy that will be adhered to for the year.
- 6.1.2 The Prudential Code was developed by CIPFA, as a professional Code of Practice to support local authorities in taking their decisions on capital investment.
- 6.1.3 The key objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent, and sustainable. A further key objective is to ensure that treasury management decisions are taken in accordance with good professional practice and in a manner that supports prudence, affordability, and sustainability.

- 6.1.4 To demonstrate that local authorities have fulfilled these objectives, the Prudential Code sets out the indicators that must be used, and the factors that must be taken into account. The Code does not include suggested indicative limits or ratios.
- 6.1.5 The Treasury Strategy Statement attached as Appendix A includes the prudential indicators that are required to be established & monitored for Blaenau Gwent County Borough Council and that are recommended for approval by Council.
- 6.1.6 The Treasury Management Code requires that the Council nominate a Committee to be responsible for the effective scrutiny of Treasury Management Strategy and policies. For Blaenau Gwent CBC this role is undertaken by the Corporate and Performance Scrutiny Committee.
- 6.1.7 The documents contained within this report are required to be adequately scrutinised before being recommended to Council.
- 6.2 ***Expected outcome for the public***
The Council's Treasury Management activities support delivery of services to the public.
- 6.3 ***Involvement (consultation, engagement, participation)***
Members of the Corporate Overview and Performance Scrutiny Committee and Council are involved in the development and monitoring compliance with the Council's Treasury Management Strategy.
- 6.4 ***Thinking for the Long term (forward planning)***
The revised MRP Policy was agreed by Council in December 2021 and will be applied from 2021/22. Budget forecasts for MRP from 2023/2024 have been factored into the Council's Medium Term Financial Strategy and longer-term financial planning
- 6.5 ***Preventative focus***
The Authority's Treasury Management policy prioritises protecting the capital sum rather than achieving higher rates of interest.
- 6.6 ***Collaboration / partnership working***
N/A
- 6.7 ***Integration (across service areas)***
N/A
- 6.8 ***Decarbonisation and Reducing Carbon Emissions***
The Authority will consider Environmental, Social and Corporate Governance (ESG) factors when setting up any investment arrangements. For example, we would avoid investing in companies linked with fossil fuels.
- 6.9 ***Integrated Impact Assessment***
See above

7. **Monitoring Arrangements**

7.1 As the nominated Scrutiny Committee, Corporate Overview and Performance will receive three reports in every annual cycle: -

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

7.2 In addition, this Scrutiny Committee will receive quarterly monitoring reports on the Authority's performance against its Treasury Management Prudential Indicators.

Background Documents / Electronic Links

- Appendix A
- Appendix B

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BLAENAU GWENT COUNTY BOROUGH COUNCIL

Treasury Management Strategy Statement Annual Investment Strategy and Minimum Revenue Provision Policy Statement

2023/24

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1.0 Introduction

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity and / or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the Council's General Fund Balance.

CIPFA defines Treasury Management as:

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

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

To date the Authority has not engaged in any commercial investments and has no non treasury investments.

1.2 Statutory requirements

The Local Government Act 2003 (the Act) and supporting regulations requires the Council to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

The Act therefore requires the Council to set out its Treasury Strategy for borrowing and to prepare an Annual Investment Strategy. The Treasury Strategy details the expected activities of the Treasury function in the forthcoming financial year (2023/24). The Investment Strategy sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

Statutory Instrument WSI 2008 no. 588 section 3 lays down that:

"A local authority must calculate for the current financial year an amount of minimum revenue provision which it considers to be prudent."

Along with the above duty, the Welsh Government issued guidance in March 2008 (and further updated in November 2018) which requires that a Statement on the Authority's policy for its annual MRP should be submitted to the full Council for approval before the start of the financial year to which the provision will relate. A revised MRP policy was agreed by Council in 2021, the updated Annual MRP Policy Statement is therefore included at section 5.

1.3 CIPFA requirements

The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy, which will provide the following:

- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of this capital strategy is to ensure that all elected members of the full council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

The Capital Strategy will include capital expenditure, investments and liabilities and treasury management in sufficient detail to allow all members to understand how stewardship, value for money, prudence, sustainability and affordability will be secured.

The primary requirements of the Treasury Management Code are:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the full council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-Year Review Report and an Annual Report covering activities during the previous year.
4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions, which in this Council is the Chief Officer Resources.
5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Corporate Overview and Performance Scrutiny Committee.

1.4 Reporting Arrangements

The Full Council is currently required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

- a. **The Treasury Strategy Statement** (this report) - The first, and most important report covers:
 - The capital plans (including prudential indicators)
 - a Minimum Revenue Provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
 - the Treasury Management Strategy (how the investments and borrowings are to be organised), including treasury indicators; and
 - an Annual Investment Strategy (the parameters on how investments are to be managed).
- b. **A mid year treasury management report** – This will update members with the progress of the capital position, amending prudential indicators as

necessary, and an assessment of whether the treasury strategy is being met or whether any policies require revision.

- c. An annual treasury report** – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

The above highlighted reports are required to be adequately scrutinised before being recommended to and accepted by the Full Council. This role is undertaken by the Corporate and Performance Scrutiny Committee.

In addition to the three major reports detailed above, from 2023/24 quarterly reporting (end of June/end of December) is also required. These additional reports do not have to be reported to Full Council but must be adequately scrutinised.

The table below sets out the frequency of the reporting requirements:

Area of Responsibility	Frequency
Treasury Management Strategy / Investment Strategy / MRP policy	Annually before the start of the financial year
Treasury Management Strategy / Investment Strategy / MRP policy – midyear outturn report	Mid-year
Treasury Management Strategy/Performance against approved Prudential Indicators	Quarterly
Treasury Management Strategy / Investment Strategy / MRP policy – updates or revisions at other times	Ad hoc
Annual Treasury Outturn Report	Annually by 30 September after the year end.

1.5 Treasury Management Strategy for 2023/24

The strategy for 2023/24 covers two main areas:

Capital issues

- the capital expenditure plans and the associated prudential indicators
- the minimum revenue provision (MRP) policy

Treasury management issues

- the current treasury position
- treasury indicators which limit the treasury risk and activities of the Council
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- the investment strategy
- creditworthiness policy; and
- the policy on use of external service providers.

These elements incorporate the requirements of the Local Government Act 2003, Welsh Government Investment Guidance and MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

1.6 Training

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

Furthermore, the Code states that they expect “all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance, and decision making.

The scale and nature of this will depend on the size and complexity of the organisation’s treasury management needs. Organisations should consider how to assess whether treasury management staff and board/ council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

As a minimum, authorities should carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and council members.

- Require treasury management officers and council members to undertake self-assessment against the required competencies
- Have regular communication with officers and council members, encouraging them to highlight training needs on an ongoing basis.”

Members were invited to attend a training session in January 2023, provided by the Authority’s Treasury Management Advisors Link Treasury Services. Further training will be arranged as required.

A formal record of the training received by officers central to the Treasury function will be maintained by the Capital and Corporate Accounting Team. Similarly, a formal record of the treasury management/capital finance training received by members will also be maintained by the Democratic Services Team.

1.7 Treasury Consultants

The Council uses external treasury management advisors to support its Treasury Management function however the Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

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

The Council’s current advisors are Link Group and have been appointed from May 2022.

1.8 The role of the S151 Officer

The role of the S151 Officer in relation to Treasury management has been embodied in the CIPFA Code of Practice for many years. The 2017 revised Code, further enhanced this role in relation to the following areas:

- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe ensuring that the capital strategy is prudent, sustainable and affordable in the long term and provides value for money

- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by the authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed.

2. The Capital Prudential Indicators 2023/2024 – 2025/2026

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in prudential indicators, which are designed to assist members overview and confirm capital expenditure plans.

2.1 Capital Expenditure and Financing

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. The actual capital expenditure that was incurred in 2021/2022 and the estimates of capital expenditure to be incurred for the current and future years that are recommended for approval are:

Capital Expenditure £000's					
	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Total	15,261	50,809	74,300	26,931	17,835

Note

Actual figures for 2021/22 & estimated figures for 2022/2023 represent total gross capital expenditure (I.e. include all expenditure including that financed from grant).

*Estimated figures for 2023/24, 2024/25 & 2025/26 are based on the Authority's approved capital programme plus external funding approvals received at this stage and estimated spend
The increases for 2022/23 onwards relate mainly to the railway works and the 0% loan from WG*

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Capital Expenditure £000's	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Total	15,261	50,809	74,300	26,931	17,835
Financed by:					
Grants, Capital Receipts, revenue and other sources	14,264	45,055	38,070	17,026	13,955
Net financing need for the year from USB** and PB***, & Other Borrowing	997	5,754	36,230	9,905	1,905

** USB – Unhypothecated Supported Borrowing – borrowing that is supported through the Revenue Support Grant.

***PB – Prudential Borrowing – borrowing that is not supported through the Revenue Support Grant.

2.2 The Council's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure, which has not immediately been paid for (i.e. is borrowed for), will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long term liabilities (e.g. finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently has £0.139m of such schemes within the CFR.

The CFR projections recommended for approval are shown in the table below:

Capital Financing Requirement					
	<u>2021/22</u> <u>Actual</u> <u>£000</u>	<u>2022/23</u> <u>Estimate</u> <u>£000</u>	<u>2023/24</u> <u>Estimate</u> <u>£000</u>	<u>2024/25</u> <u>Estimate</u> <u>£000</u>	<u>2025/26</u> <u>Estimate</u> <u>£000</u>
CFR at start of financial year	169,050	169,422	173,932	208,824	217,295
CFR at end of financial year	169,422	173,932	208,824	217,295	219,642
Movement in CFR	372	4,510	34,892	8,471	2,347
<i>Movement in CFR represented by:</i>					
Net Financing need for the year (above)	996	5,754	36,230	9,905	3,880
New Finance Leases	501	500	500	500	500
less MRP	-1,125	-1,744	-1,838	-1,934	-2,033
	372	4,510	34,892	8,471	2,347

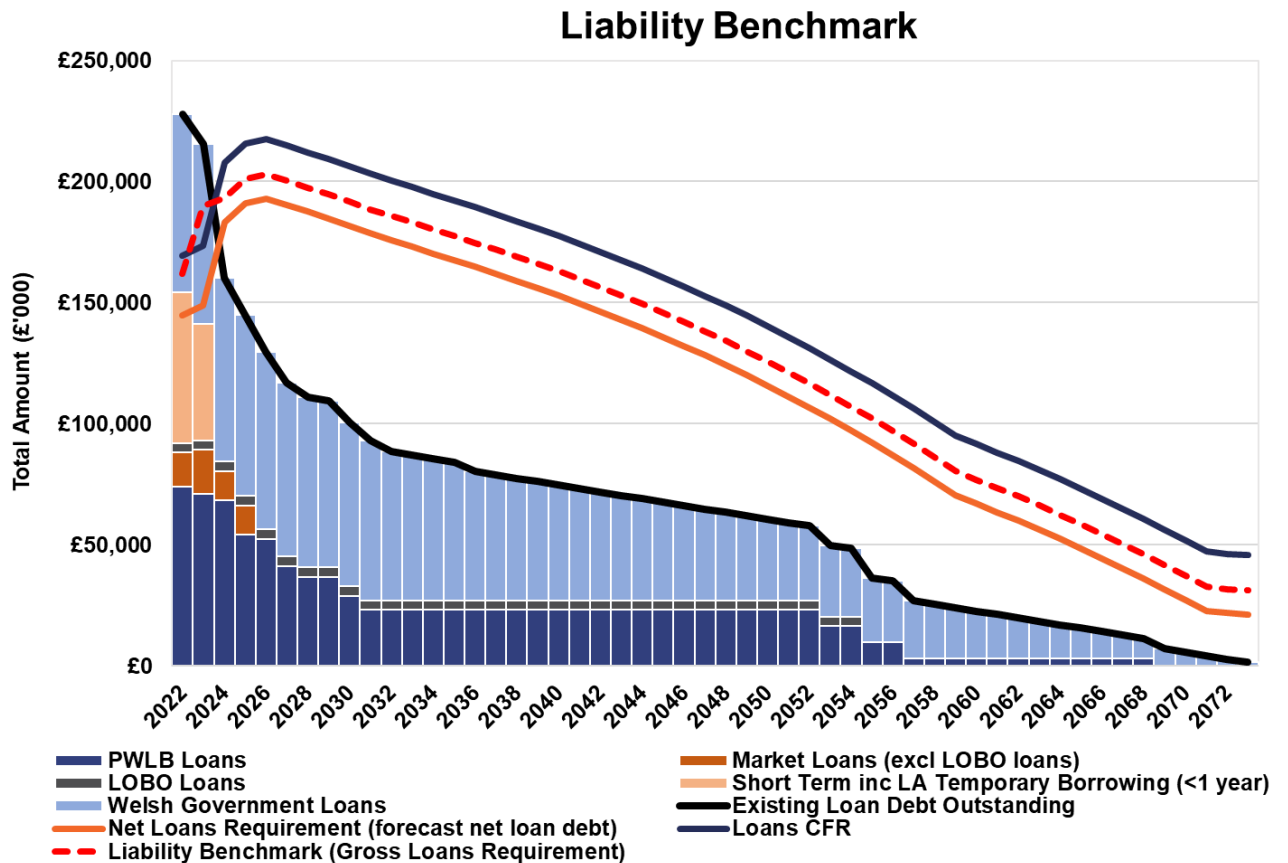
2.3 Liability Benchmark

A third and new prudential indicator for 2023/24 is the Liability Benchmark (LB). The Authority is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the LB: -

1. Existing loan debt outstanding: the Authority’s existing loans that are still outstanding in future years.
2. Loans CFR: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. Net loans requirement: this will show the Authority’s gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. Liability benchmark (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

The chart below shows the Authority’s Liability Benchmark (dotted line) for the maturity profile of the outstanding debt.



Liability Benchmark					
	<u>2021/22</u> <u>Actual</u> <u>£000</u>	<u>2022/23</u> <u>Estimate</u> <u>£000</u>	<u>2023/24</u> <u>Estimate</u> <u>£000</u>	<u>2024/25</u> <u>Estimate</u> <u>£000</u>	<u>2025/26</u> <u>Estimate</u> <u>£000</u>
Liability Benchmark	161,827	189,836	193,229	201,200	203,047
Existing Loan Debt Outstanding	227,827	215,542	160,353	144,901	129,624
(Over)/Under Liability Benchmark	(66,000)	(25,706)	32,876	56,299	73,423

The liability benchmark, or the Gross Loans requirement, is the forecast of the level of debt the Council requires in accordance with its budget plans.

Where the liability benchmark is greater than the existing loan debt, it suggests that there is a borrowing requirement, and the Authority is in an under-borrowed position. Where the existing loans debt is greater than the liability benchmark, it suggests that the Authority is over-borrowed and has surplus cash requiring to be invested.

The above chart above shows that the Authority was in an over-borrowed position as at 31st March 2022, which is due to the receipt of the £70m rail loan from the Welsh Government in March 2021. As expenditure is incurred in relation to the rail scheme, this over-borrowed position will reduce as the Capital Financing Requirement begins to increase. Excess cash balances from the receipt of the loan were invested in line with the Council's Investment Strategy.

The chart also shows that as the existing loan debt outstanding decreases due to maturing debt being repaid, the Authority will have a borrowing requirement. This borrowing requirement is built into the annual Treasury Management estimates included within the Medium Term Financial Strategy and will be met via the Borrowing Strategy outlined in section 3.4 below.

2.4 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

2.5 Ratio of financing costs to net revenue stream.

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

Ratio of financing costs to net revenue stream					
	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
	%	%	%	%	%
General Fund	2.62%	3.44%	4.06%	3.89%	3.70%

Note:

The estimates of financing costs for 2023/2024 include current commitments and the proposals in the budget report to be presented to Council in February/March

The net revenue stream for 2024/2025 & 2025/2026 are based on the following assumptions, which have been used as the basis for the Authority’s medium term financial strategy (MTFS).

- *RSG & NNDR – per MTFS assumption to increase by 2% for 2024/25 and remain static for 2025/26*
- *Council Tax -assumes 4% increase for 2024/25 and 4% for 2025/26.*
- *Council Tax Base – remains at 2022/2023 level*

3.0 Treasury Management Strategy for 2023/2024

The capital expenditure plans set out in Section 2 provide details of the capital activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this capital activity and the Council's Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

The suggested strategy for 2023/2024 in respect of the following aspects of the treasury management function is based upon the treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury advisor, Link Treasury Services.

The Strategy covers:

- 3.1 *the current treasury portfolio position*
- 3.2 *Treasury management prudential Indicators for 2023/2024 to 2025/2026*
- 3.3 *prospects for interest rates*
- 3.4 *the borrowing strategy*
- 3.5 *policy on borrowing in advance of need*
- 3.6 *debt rescheduling*
- 3.7 *strategy on the use of usable capital receipts*

3.1 Current Treasury Portfolio Position

The Council's treasury portfolio position at 31 March 2022, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

Treasury Portfolio Position					
	2021/22 actual £000	2022/23 estimate £000	2023/24 estimate £000	2024/25 estimate £000	2025/26 estimate £000
<i>External Debt:</i>					
Debt	227,827	215,542	217,884	218,348	220,814
Other Long-Term Liabilities	421	730	994	1,241	1,138
Gross Debt as at 31 March	228,248	216,272	218,878	219,589	221,952
The Capital Financing Requirement	169,422	173,932	208,824	217,295	219,642
Under / (Over) Borrowing	(59,198)	(42,340)	(10,054)	(2,294)	(2,310)

0

The Council is currently in an over borrowed position. This means its actual debt is higher than its capital financing requirement in the current year, this is as a result of Welsh Government providing the Authority with a specific loan in relation to the Rail Track in March 2021. However, the table indicates that as expenditure is incurred in relation to this capital scheme, the Authority will revert to its under borrowed position over time.

Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2023/24 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Chief Officer Resources reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes account of current commitments, existing plans, and the proposals in the budget report.

3.2 Treasury Management Prudential Indicators for 2023/24 – 2025/26

The following section sets out the Treasury Management Prudential Indicators that are recommended for approval.

3.2.1 Adoption of CIPFA Code of Practice for Treasury Management

In December 2021, CIPFA issued a revised CIPFA Code of Practice for Treasury Management in the Public Services, the Council will continue to comply with this.

3.2.2 Treasury management limits on activity

There are four debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- **Upper Limit on Fixed Interest exposure**

Blaenau Gwent County Borough Council has always adopted a risk averse strategy in relation to variable rate debt and should interest rates rise the Authority would wish to continue with its strategy of maintaining a stable long-term portfolio by drawing longer term fixed rate funding. In order to be consistent with this strategy, the upper limit on fixed rate exposures for 2023/2024, 2024/2025 & 2025/2026 should be set at 100% of its net outstanding sums.

- **Upper Limit on Variable Interest Exposure**

In order to give the flexibility to enable debt rescheduling opportunities to be undertaken, the upper limit on variable rate exposures for 2023/2024, 2024/2025 & 2025/2026 should be set at 30% of its net outstanding sums.

- **Range of Exposures**

This means that the Chief Officer Resources will manage fixed interest exposures within the range 70% to 100% and variable rate exposures within the range 0% to 30%. This is a continuation of current practice.

- **Maturity Structure of Fixed Rate Borrowing**

It is recommended that the Council sets upper and lower limits for the maturity structure of its borrowings as follows:

The amount of projected borrowing that is fixed rate and maturing in each period, as a percentage of total projected borrowing that is fixed rate, is illustrated in the table below. This is a continuation of the current practice.

	Upper Limit	Lower Limit
Under 12 months	20%	0%
12 months & within 24 months	20%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	75%	0%
10 years and above	95%	5%

3.2.3 Authorised Limit for External Debt

This is a key Prudential Indicator that represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

It is recommended that the Council approves the following Authorised Limits for its Total External Debt Gross of Investments for the next three financial years.

Authorised limit for external debt				
	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Borrowing	260,052	247,580	255,640	255,300
Other long-term liabilities	701	803	1,093	1,365
Total	260,753	248,383	256,733	256,665

3.2.4 Operational Boundary

This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

The proposed Operational Boundary for external debt is based on the same estimates as the Authorised Limit but directly reflects the Chief Officer Resources' prudent estimate of the most likely but not worst-case scenario. It excludes the contingency included within the Authorised Limit (to allow for example for unusual cash movements) and equates to the maximum of external debt projected by this estimate. The Operational Boundary represents a key management tool for in year monitoring by the Chief Officer Resources.

It is recommended that the Council approves the following Operational Boundary Limits for the next three financial years.

Operational Boundary for external debt				
	202/223 £000	2023/24 £000	2024/25 £000	2025/26 £000
Borrowing	236,411	225,073	232,400	232,091
Other long term liabilities	637	730	994	1,241
Total	237,048	225,803	233,394	233,332

3.2.5 Actual External Debt

The Council's actual external debt as at 31 March 2022 was £228.2 million (including temporary borrowing), comprising 99.9% borrowing and 0.1% other long term liabilities. It should be noted that actual external debt is not directly comparable to the Authorised Limit and Operational Boundary since the actual debt reflects the position at one point in time.

3.3 Prospects for Interest Rates

As part of their service, the Council's treasury advisor Link Group assist the Council to formulate a view on interest rates. The following table reflects current views:

Link Group Interest Rate View	19.12.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.20	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.30	4.40	4.40	4.30	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.30
25 yr PWLB	4.60	4.60	4.60	4.50	4.40	4.20	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.30	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.30	3.20	3.20

Additional notes by Link on this forecast table: -

- *Our central forecast for interest rates was updated on 19 December and reflected a view that the Monetary Policy Committee (MPC) would be keen to further demonstrate its anti-inflation credentials by delivering a succession of rate increases. Bank Rate stands at 4% currently, but is expected to reach a peak of 4.5% in H1 2023.*
- *Further down the road, we anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures are behind us – but that timing will be one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.*
- *In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but the on-going conflict between Russia and Ukraine. (More recently, the heightened tensions between China/Taiwan/US also have the potential to have a wider and negative economic impact.)*

Forecasts for Bank Rate

- As shown in the forecast table above, the forecast for Bank Rate now indicates a peak of 4.5% by the first quarter of the 2023/24 financial year. It is expected that the Monetary Policy Committee (MPC) will deliver another 0.25% increase in March followed by a further increase of 0.25% in May to arrive at the peak of 4.5% (4.0% currently).

However, the following could have an impact on these forecasts:

- The CPI measure of inflation looks to have peaked at 11.1% in Q4 2022 (currently 10.7%). Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling

upwards in what is evidently a very tight labour market.

- The plan to sell £10bn of gilts back into the market each quarter (Quantitative Tightening), has started and will focus on the short, medium, and longer end of the curve in equal measure, now that the short-lived effects of the Truss/Kwarteng unfunded dash for growth policy are firmly in the rear-view mirror.
- On the positive side, consumers are still estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

Gilt yields / PWLB rates

The yield curve movements have become less volatile of late and PWLB 5 to 50 years Certainty Rates are, generally, in the range of 4.10% to 4.80%. The view is that markets have built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the elevated inflation outlook.

Investment and borrowing rates

Investment returns are expected to improve slightly in 2023/24 in line with the markets expectations of further rate rises. However, while markets are pricing in response to the series of Bank Rate hikes, actual economic circumstances may see the MPC fall short of these elevated expectations.

Borrowing interest rates fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England. The Bank of England has since increased the base rate at each of its last 10 meetings, now to its current rate of 4.0%. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years.

The current margins over gilt yields are as follows: -.

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

Borrowing for capital expenditure. The long-term (beyond 10 years), forecast for Bank Rate is 2.50%. As all PWLB certainty rates are currently above this

level, borrowing strategies will need to be reviewed in that context. Better value can generally be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive whilst the market waits for inflation, and therein gilt yields, to drop back later in 2023.

While this authority will not be able to avoid borrowing to finance new capital expenditure and to replace maturing debt the cost of carry will be minimised, (the difference between higher borrowing costs and lower investment returns).

3.4 The Borrowing Strategy

The Council is currently in an over borrowed position. This means its actual debt is higher than its capital financing requirement in the current year, this is as a result of Welsh Government providing the Authority with a specific interest free loan in relation to the Rail Track project. However, as expenditure is incurred in relation to the scheme, the Authority will revert to its under borrowed position

The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short term interest rates currently lower than long term rates, it is likely to be more cost effective in the short term to either use internal resources, or to borrow short term loans instead.

By doing so, the Authority is able to reduce borrowing costs and reduce overall treasury risk. This results in the Council having a low liquidity ratio, however the risk associated with this is minimal and is continually monitored. The benefits of short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to decrease. The Council's Treasury Advisors will assist the Authority with this cost of carry and breakeven analysis.

In addition, the Authority will borrow short term loans to cover cash flow shortages.

The borrowing strategy to be adopted will therefore be:

(Each strand of the strategy will be considered together, and decisions made based on the most advantageous position for the Authority at that time).

To utilise the Authority's overdraft facility:

to fund unexpected daily cash deficits;

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

To borrow over the short term:

to fund temporary cash shortfalls;

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

To borrow over the long term:

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

If appropriate to avoid all new external borrowing:

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

Sensitivity of the forecast – In normal circumstances the main sensitivities of the forecast are likely to be the two scenarios noted below. Against this background and the risks within the economic forecast, caution will be adopted with the 2023/24 treasury operations. The Chief Officer Resources will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.*
- *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*

3.5 Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be carefully considered to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

In determining whether borrowing will be undertaken in advance of need the Council will;

- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need
- ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets have been considered

- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow
- consider the merits and demerits of alternative forms of funding
- consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.
- consider the impact of borrowing in advance on temporarily (until required to finance capital expenditure) increasing investment cash balances and the consequent increase in exposure to counterparty risk, and other risks, and the level of such risks given the controls in place to minimise them.

3.6 Debt Rescheduling

As short term borrowing rates will be still be cheaper than longer term rates, there may be potential for some residual opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the size of premiums incurred, their short term nature, and the likely cost of refinancing those short term loans, once they mature, compared to the current rates of longer term debt in the existing debt portfolio.

The reasons for any rescheduling to take place will include: -

- the generation of cash savings and / or discounted cash flow savings
- helping to fulfil the strategy outlined in paragraph 3.4 above
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Variations in risk will be considered when evaluating such opportunities, in order to ensure that the Authority's risk averse strategy is maintained.

All rescheduling will be reported to Council as part of the mid-year and Annual Treasury Outturn reports.

3.7 Strategy on the use of Usable Capital Receipts

The long standing policy on usable capital receipts is that they are immediately invested internally, thereby helping to improve the Authority's cash flow position and reducing the level of external loans that need to be raised. This in turn reduces external interest charges from the money market. This approach is consistent with what is regarded as good practice in terms of strategic level treasury management and overall produces savings in debt servicing costs for the Authority. However, as approved sums of usable capital receipts are subsequently used to finance part of the annual capital programme each year, appropriate allowance then needs to be made for the use of these receipts in determining the estimated level of external borrowing required for that year. Hence usable capital receipts are released on a controlled basis and the annual estimates for external interest charges are adjusted accordingly.

4.0 Annual Investment Strategy

4.1 Background

The Welsh Government and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (a separate report).

In setting its investment strategy the Council has regard to the following: -

- Part 1 of the Local Government Act 2003
- The Welsh Government’s Guidance on Local Government Investments (“the Guidance”)
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (“the Code”)
- CIPFA Treasury Management Guidance Notes 2018

The Council’s investment priorities are:

1. The **Security** of the capital sum –ensuring that our investments are safe and not at risk of being lost;
2. The **Liquidity** of its investments – ensuring that our investments are easily accessible i.e. not tied up for long periods of time;
3. Return on investment (**Yield**) – once security and liquidity have been satisfied in line with the Council’s risk appetite, then and only then will the Council seek the maximum return on its investment.

The Borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.

Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The Council mainly maintains temporary, short-term investments (i.e. for periods of less than a year) and investments will accordingly only normally be made with reference to the cash flow requirements, including the investing of sums borrowed at prevailing low interest rates in anticipation of capital spending. More recently, due to the receipt of cash in relation to specific capital schemes (Rail Track project) where spend is likely to be incurred over a 5-year period, this has identified cash that could be invested for longer periods, this annual investment strategy has been amended to reflect this

Investment returns expectations

The current forecast shown in paragraph 3.3, includes a forecast for the next increase in Bank Rate in March 2023.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year, (based on a 0.25% increase in March 2023) are as follows:

Average earnings in each year	
2023/24	4.40%
2024/25	3.30%
2025/26	2.60%
2026/27	2.50%
Long term later years	2.80%

For its cash flow generated balances, the Council will seek to utilise the Local Authority lending market, notice accounts, money market funds and short-dated deposits, in order to benefit from the compounding of interest.

4.2 Definition of Investments – Specified and non-specified

The Local Government Act 2003 refers to specified and non-specified investments. The Welsh Assembly Government's Guidance on Local Government Investments, effective from 1st April 2010, defines the following:-

Specified Investments:

An investment is a **specified** one if **all** of the following apply:-

- (a) it is denominated in sterling and any payments or repayments in respect of it are payable only in sterling
- (b) the investment is not a long-term one i.e. one which is due to be repaid within 12 months of the date on which the investment was made or one which may require to be repaid within that period
- (c) the making of the investment is not defined as capital expenditure by virtue of regulation 20(1)(d) of the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 [SI 3239 as amended]
- (d) the investment is made with a body or in an investment scheme of * high credit quality or with one of the following public sector bodies:
 - i. the UK Government
 - ii. a local authority in England or Wales (as defined in section 23 of the 2003 Act) or a similar body in Scotland or Northern Ireland
 - iii. a parish or community council.

* High credit quality is defined in the creditworthiness policy in 4.3

Non-specified Investments:

- (i) An investment is non-specified if it does not meet the above definition.

As a result of the change in accounting standards under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. The Welsh Government has passed a statutory override to allow Welsh local authorities time to adjust their portfolio of all pooled investments by delaying implementation of IFRS 9 for five years until 31 March 2023. At the current juncture it has not been determined whether a further extension to the over-ride will be agreed by Government.

4.3 Creditworthiness policy

In accordance with the guidance from the Welsh Government and CIPFA, and in order to minimise the risk to investments, the Council applies the creditworthiness service provided by its Treasury Advisors. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- “watches” and “outlooks” from credit rating agencies;
- CDS spreads that may give early warning of changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries

Counterparties for investment purposes are selected using specific criteria, as follows:

Banks - high credit quality – the Council will only use banks which:

- are UK banks; and/or
- are non-UK and domiciled in a country which has a minimum sovereign Long Term rating of AAA (any non UK transactions would be undertaken in Sterling).
- and have, as a **minimum**, the following Fitch, Moody's and Standard and Poor's credit ratings (where rated):

Table 1:

	Fitch	Moody's	S&P
Long Term	A-	A3	A-
Short Term	F1	P-1	A-1

Long term rating – covers maturities of up to five years. It provides an assessment of the ongoing stability of the institutions prospective financial condition. **A** indicates high credit quality and low expectation of credit risk. The + or – suffixes are appended to a rating to denote the relative status within the long term rating category. The Moody's and S&P definitions are similar to Fitch. The Moody's numerical suffix indicates a rating at the higher end of the scale (1) to the lower end of the scale (3), with 1 having higher credit quality than 3.

Short term rating – covers obligations which have a maturity of less than one year. This rating places greater emphasis on the liquidity necessary to meet financial commitments. Rating **F1 (Fitch)** is the highest short term credit quality rating. It indicates the strongest capacity for timely payment of financial commitments. The Moody's and S&P definitions are similar to Fitch.

- **Part nationalised UK bank** – Royal Bank of Scotland Group (NatWest, Royal Bank of Scotland, Ulster Bank). This bank can be included provided it continues to be part nationalised or it meets the ratings in Banks above.
- **The Council's own banker (Barclays)** – Since under existing arrangements excess surplus funds can be held overnight with the Council's Bank, unexpected credit rating downgrades to the Bank could result in these short-term investments technically being placed with a counterparty that does not meet the minimum approved credit criteria specified above. The S&P short term rating for Barclays is A-1. A-1 means that S&P consider Barclays capacity to meet its financial commitment on its obligations as strong. Fitch and Moody's both consider this to be strong. The minimum credit rating for Barclays will therefore be A-1 (S&P) with F1 for Fitch and P-1 for Moody's. Whilst this will mean that Barclay's S&P credit ratings could be lower than those required for other institutions (as detailed above), investments with Barclays will be restricted to the overnight (or over weekend) sweep facility (where surplus balances are "swept" into an interest bearing account) up to a maximum of £10 million.

Should Barclays' credit ratings continue to meet the credit criteria required for other institutions (above), then the investment periods for meeting the minimum criteria will continue to be applied. See below for contingency arrangements in relation to the Authority's bank.

Table 2:

	Fitch	Moody's	S&P
Long Term	A+	A1	A
Short Term	F1	P-1	A-1

- **Building societies** - The Council will *use only* the Nationwide Building Society, unless their short term credit ratings fall below the minimum specified in table 1 above for banks.
- **AAA rated Money market funds (MMFs)** – Triple A rated MMFs are considered to be highly credit rated.
- **UK Government** - The Debt Management Account Deposit Facility DMADF of the Debt Management Office (DMO). The DMO is legally and constitutionally part of HM Treasury and as an Executive Agency of His Majesty’s Treasury it operates at arm’s length from Ministers. The DMO is considered to be highly credit rated.
- **UK Local authorities**, Police Authorities, parish councils etc.
- **Corporate Bonds, Ultra short and short duration bonds** - The council will invest in corporate bonds in line with the criteria below

Use of additional information other than credit ratings

Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information must be applied before making any specific investment decision from the agreed pool of counterparties. Ratings will therefore not be the sole determinant of the quality of an institution and the assessment will therefore also take account of information that reflects the opinion of the markets, as follows:

Credit default swaps (CDS)

The Council will engage with its Treasury advisors to maintain a monitor on market pricing such as “credit default swaps (CDS)” and overlay that information on top of the credit ratings.

CDS spreads offer a timely market perception of the risk attached to the relevant institution. These can, on occasion, pre-empt actions by the credit rating agencies whose ratings can lag behind market reaction to changes in the credit institutions situation. Since they are traded instruments, they carry in them market perception related to that entity’s credit quality. In order to “measure” the CDS data, the Authority uses a benchmark system which allows the CDS spread of an institution to be compared against a predetermined benchmark rate. This

data is then used to assess whether the market is indicating that an institution's credit quality is a cause for concern. Where there is a cause for concern then the counterparty will either be downgraded in terms of investment period or removed from the approved list.

Credit Rating Agency Comments

➤ **Rating Watch negative (or on review for possible downgrade)**

Where the credit rating agencies have placed counterparties on "rating watch negative" or "on review for possible downgrade", then this indicates that there is a reasonable probability of a rating change in a relatively short period (a few weeks). If the counterparty is on negative rating watch, then it will be downgraded in terms of the investment period or removed from the list.

➤ **Negative Outlook**

This indicates the direction a rating is likely to move over a one to two year period.

Time and monetary limits applying to investments.

The table below shows the time and monetary limits per institution on the Council's counterparty list:

	Long term Rating (Fitch, Moody's, S&P)	Short term rating (Fitch, Moody's, S&P)	Money Limit	Time Limit
Banks - higher quality	AAA, Aa2, AA	F1+, P-1, A-1+	£15m	3 years
Banks - medium quality (including Nationwide BS)	A-, A3, A-	F1, P-1, A-1	£6m	2 years
Banks – part nationalised	N/A	N/A	£4m	2 years
Council's banker (not meeting Banks - medium)	A+, A1, A	F1, P-1, A-1	£10m	overnight
DMADF	AAA	N/A	unlimited	6 months
Corporate bonds, ultra-short and short duration bonds	AA, A	A-1	£10m	4 years
Local authorities – per Authority	N/A	N/A	£10m	3 years
	Fund rating		Money Limit	Time Limit
Money market funds – per MMF	AAA		£10m	liquid

Country and Group Limits

The Council has determined that it will only use approved counterparties from non UK countries with a minimum sovereign rating of AAA from Fitch (Aa2 Moody's, AAA S&P).

In addition, no more than £6m will be placed with any non-UK Bank/Financial Institution at any time.

For financial institutions included within the same banking group, the counterparty limit will apply to the group.

Lloyds Banking Group

- Halifax Lloyds Bank Bank of Scotland

RBS Group

- National Westminster Royal Bank of Scotland Ulster Bank

4.4 Contingency Arrangements for the Authority's Corporate Bank

If credit agency ratings change and the Authority's Corporate Bank fails to comply with the approved Investment Policy criteria specified above, then delegated authority, to agree appropriate and reasonable interim contingency arrangements prior to approval by Full Council, is granted to the Members and Officers listed below:

- a. Nominated Members: Leader of the Council, Deputy Leader of the Council, Chair of Corporate and Performance Scrutiny Committee.
- b. Nominated Officer: Statutory Section 151 Officer (Chief Officer Resources)

The Statutory Section 151 Officer and at least two of the three nominated Members, must approve unanimously the appropriate and reasonable interim contingency arrangements.

4.5 Monitoring of credit ratings

Guidance states that the Annual Investment Strategy must state how credit ratings are to be monitored and what action is to be taken when ratings change.

The responsibility for constructing and amending the Council's approved counterparty investment list is delegated to the Chief Officer Resources and is contained within the Treasury Management Practice Schedules. All investments will be made in accordance with this list and the limits therein.

Credit ratings for individual counterparties can change at any time. The Chief

Officer Resources is responsible for applying the stated credit rating criteria above, and will add or delete counterparties as appropriate to / from the approved counterparty list when there is a change in the credit ratings of individual counterparties or in banking structures. The Authority is alerted to changes in credit ratings through its Treasury Advisors.

- If a downgrade results in the counterparty/investment scheme no longer meeting the Authority's minimum criteria, its further use as a new investment will be withdrawn immediately.
- If a body is placed on negative rating watch (i.e. there is a reasonable probability of a rating change and the likelihood of that change being negative) and it is currently near at the minimum acceptable rating for placing investments with that body, then no further investments will be made with that body.

The only exception permitted to these criteria will be the contingency arrangement for the Authority's bank described in section 4.4

4.6 Liquidity of Investments

The maximum period for which funds may be committed will depend upon future cash flow requirements and will comply with the maximum period permitted (as specified in the table above).

Specified investments may comprise up to 100% of the Council's total investments

The Authority will consider investing in long-term investments in order to manage the cash profile associated with the specific rail project. Excluding the UK Government, it is suggested that no more than £15m be placed with any one institution with duration as set out in the table above. The Authority will not have more than £50m deposited in long-term investments (the Upper Limit).

4.7 Ethical investing

Investment guidance, both statutory and from CIPFA, makes clear that the SLY principles i.e. security, liquidity and yield must remain fundamental to Local Authority investing: however ethical issues may play a subordinate role to this. It should be noted that local authority investing incorporates Environmental, Social and Corporate Governance (ESG) metrics into credit rating agency assessments and a growing number of financial institutions and fund managers/money market funds promote ESG products. Therefore, where appropriate the Authority will consider ESG factors when setting up any investment arrangements. For example, we would avoid investing in companies linked with fossil fuels.

The Council has begun developing a policy on ESG within its Treasury Management Practices (TMP 1). This Council is supportive of the Principles of Responsible Investment and will seek to bring ESG factors into the decision-making process for investments. Within this, the Council is also appreciative of the Statement on ESG in Credit Risk and Ratings which commits signatories to incorporating ESG into credit ratings and analysis in a systemic and transparent way. The Council uses ratings supplied by Link from Fitch, Moody's and Standard & Poor's to support its assessment of suitable counterparties. Each of these rating agencies is a signatory to the ESG in credit risk and ratings statement.

4.8 Investment monitoring reports

The Council will report on its investment activity as part of its mid-year and Annual Treasury Outturn Report.

5. Annual Minimum Revenue Provision (MRP) Statement

The Secretary of State recommends that before the start of each financial year a local authority prepares a statement of its policy on making MRP in respect of that financial year and submits it to full Council.

Under regulation 22 of the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003, local authorities are required to charge to their revenue account for each financial year MRP to account for the principal cost of their debt in that financial year.

For 2007/8 and subsequent financial years, the detailed calculation has been replaced with a requirement that local authorities calculate an amount of MRP which they consider to be prudent. Local Authorities are legally obliged to "have regard" to such guidance (i.e. set a prudent MRP) – which is exactly the same duty as applies to other statutory guidance including the Prudential Code and CIPFA Treasury Management Code.

The broad aim of prudent provision is to ensure that debt is repaid over a period reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Revenue Support Grant (RSG), reasonably commensurate with the period implicit in the determination of that grant.

The legislation does not define what constitutes a "prudent provision". However, the MRP guidance issued by the Secretary of State (WG) interprets the term and provides some ready-made examples of acceptable methods for calculating a prudent level of MRP.

In November 2021, Council approved an amended MRP policy to be applied from 2021/22 and beyond, as follows:

MRP on Supported Borrowing – this element of the CFR will be calculated on an annuity basis over 50 years.

MRP on Unsupported Borrowing – this will be based on Option 3 of the statutory guidance that allows for MRP provision using the asset life methodology on an annuity basis. The calculation looks at the average asset life for all unsupported borrowing in each year and applies the annuity calculation to the total unsupported borrowing capital expenditure for that year. The annuity method can be argued as providing a fairer charge than equal instalments as it takes into account the time value of money. The interest rate to be used in the annuity calculation is the weighted average PWLB annuity rate. Estimated life periods will be determined under delegated powers. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Council. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

In addition, the guidance allows for MRP to be deferred for assets under construction and this part of the guidance is adopted because the asset is not used by the authority until it is operational and therefore the MRP will match the life of the asset.

MRP on Finance Leases - Option 3 will apply in a modified form, to ensure that the MRP for Finance Leases is equal to the rental payable each year, with the following exception for capital receipts.

Capital Receipts – In circumstances where it is prudent to do so and to protect Council Tax payers from unnecessary MRP charges, capital receipts received will be used to reduce the Council's overall borrowing requirement, rather than making a conventional MRP charge to revenue.

Loans to third parties – where loans are made to other bodies for their capital expenditure, then the capital receipts generated by the annual repayments on those loans will be put aside to repay debt instead of charging MRP. However, if there is a risk during the term of the loan that collateral held as security is not sufficient to meet its obligations or there is a likelihood of default, a prudent MRP will commence as a charge to the Authority's revenue account.

Voluntary repayment of debt - the Authority may make additional voluntary debt repayment provision from revenue or capital resources. If it does so, this will be disclosed in the Authority's Statement of Accounts. The Section 151 officer can then choose to offset previous years disclosed overpayments against the

current year's prudent provision providing the amount charged is not less than zero.

Application of retrospective sum – The remaining £3.2m retrospective adjustment balance from the previous MRP Policy review in 2017/18, has been re-profiled over the period 2021/22 to 2025/26. However, it is important to note that all figures have been calculated prospectively and do not amend any previous years calculations, in line with the Welsh Government Guidance which applied from April 2019.

CP 15/02/2023

APPENDIX B Treasury Management Policy Statement

1. This organisation defines its treasury management activities as: “The management of the authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
2. This organisation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
3. This organisation acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.”

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Agenda Item 11

Cabinet and Council only

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: **Corporate Overview and Performance Scrutiny Committee**

Date of meeting: **16 March 2023**

Report Subject: **Capital Strategy 2023/2024**

Portfolio Holder: **Cllr Stephen Thomas, Leader, Cabinet Member - Corporate Overview & Performance**

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

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
	09/03/2023				16/03/2023		30/03/2023	

1. Purpose of the Report

- 1.1 The purpose of this report is to give members the opportunity to consider the Capital Strategy (attached at Appendix 1) following the annual review, to be adopted for the financial year 2023/2024.

2. Scope and Background

- 2.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code for Capital Finance in Local Authorities, revised in 2017, introduced the concept of a Capital Strategy with effect from April 2019. Appendix 1 to this report is the proposed Capital Strategy for this Council.
- 2.2 The capital strategy is intended to give a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability. The development of a capital strategy allows flexibility to engage with full council to ensure that the overall strategy, governance procedures and risk appetite are fully understood by all elected members.
- 2.3 The Capital Strategy is reviewed and updated annually to ensure that the Council's Corporate Plan priorities continue to be delivered.

3. **Options for Recommendation**
 - 3.1 **Option 1 (Preferred Option)**

Members consider the Capital Strategy for the 2023/24 financial year (attached as appendix 1) and do not consider any amendments, prior to submission to Council for formal approval
 - 3.2 **Option 2**

Members consider the Capital Strategy for the 2023/24 financial year (attached as appendix 1) and consider any amendments, prior to submission to Council for formal approval.
4. **Evidence of how this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**
 - 4.1 The Capital Strategy is aligned to the Corporate Plan and Well-being Plan and will inform the way in which long term service objectives are delivered.
 - 4.2 The Capital Strategy is intended to take a long-term view which reflects the requirements of the Wellbeing of Future Generations Act.
5. **Implications Against Each Option**
 - 5.1 **Impact on Budget (short and long term impact)**
 - 5.1.1 The detailed financial implications of the Capital Strategy are contained within the Capital Programme, Treasury Management Strategy and Medium-Term Financial Strategy.
 - 5.2 **Risk including Mitigating Actions**
 - 5.2.1 The identification and mitigation of risk is contained within the Capital Strategy document.
 - 5.3 **Legal**
 - 5.3.1 There are a number of statutory requirements relating to capital expenditure, capital financing and treasury management activity that the Council must adhere to.
 - 5.4 **Human Resources**

N/A
6. **Supporting Evidence**
 - 6.1 **Performance Information and Data**
 - 6.1.1 The Performance information is contained within Appendix 1 – Capital Strategy

6.2 **Expected outcome for the public**

6.2.1 The Capital Strategy will detail the financial implications for the Council in providing capital investment for the communities of Blaenau Gwent.

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

6.3.1 The Corporate Leadership Team will consider the long-term implications of capital investment and how the governance arrangements in place through full Council, enable decisions to be made by elected members.

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

6.4.1 The Capital Strategy summarises the capital expenditure, capital financing and treasury management arrangements of the Authority, for the long term.

6.5 **Preventative focus**

6.5.1 The Capital Strategy will assist in the prevention of projects outside of the Council's service objectives and priorities proceeding.

6.6 **Collaboration / partnership working**

6.6.1 The future development of the Capital Strategy, particularly in relation to commercial investments, will require a collaborative / partnership approach.

6.7 **Integration (across service areas)**

6.7.1 The future development of the Capital Strategy will require an integrated approach across all services.

6.8 **Decarbonisation and Reducing Carbon Emissions**

6.8.1 The Council is committed to the Decarbonisation Plan to achieve a carbon neutral public sector by 2030. The Capital Programme currently contains schemes which promote the reduction of carbon emissions such as ReFIT, Electric Vehicle Charge Points and Carbon reduction schemes. New Council buildings should be designed to the latest energy efficiency standards.

6.8.2 The Authority also considers Environmental, Social and Corporate Governance (ESG) factors when setting up any investment arrangements. For example, we would avoid investing in companies linked with fossil fuels.

6.9 **Integrated Impact Assessment**

See above

7. **Monitoring Arrangements**

- 7.1 The Capital Strategy will be reviewed and updated on an annual basis and be reported to full Council.

However, monitoring reports are submitted to Corporate Overview and Performance Scrutiny Committee during the financial year as follows:

- Capital Programme – Quarterly
- Treasury Management Report – 6 monthly
- Update on performance against prudential indicators - quarterly

Background Documents / Electronic Links

Appendix 1 – Capital Strategy 2023-24

- Corporate Plan
- Medium Term Financial Strategy
- Treasury Management Strategy Statement
- Capital Programme
- Statement of Accounts
- Strategic Asset Management Plan
- Constitution
- Local Wellbeing Plan 2018-2023

BLAENAU GWENT COUNTY BOROUGH COUNCIL

CAPITAL STRATEGY

1 INTRODUCTION

- 1.1 The concept of a Capital Strategy was first highlighted by the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code for Capital Finance in Local Authorities in 2017 with a requirement that they be introduced from April 2019.
- 1.2 The Strategy defines at the highest level how the capital programme decision making identifies the issues and options that influence capital spending, and sets out how the resources and capital programme will be managed. In addition, the Capital Strategy should comply with the Prudential Code for local authority capital investment introduced through the Local Government Act 2003. The key objectives of the Code are to ensure that capital investment plans are affordable, prudent and sustainable.
- 1.3 Part 1, Section 3 of the Local Government Finance Act 2003 (the Act) requires that the Authority shall determine and keep under review how much it can afford to borrow. The Act is supported by the Prudential Framework for local authority capital investment and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Code).

2. DETERMINING A CAPITAL STRATEGY

- 2.1 Authorities should have in place a capital strategy that sets out the *long-term context* in which capital expenditure and investment decisions are made, primarily to deliver the priorities in the Council's Corporate Plan.

This demonstrates that authorities take capital expenditure and investment decisions in line with service objectives and properly takes account of: -

- Stewardship
- Value for money
- Prudence and
- Sustainability and affordability

It will also enable due consideration *to both risk and reward* and *impact* on the achievement of priority outcomes. The capital strategy should form a part of the authority's integrated revenue, capital, and balance sheet planning.

- 2.2 As local authorities become increasingly complex and diverse it is vital that those charged with governance understand the long-term context in which investment decisions are made and all the financial risks to which the authority is exposed. For example, when local authorities have increasingly wide powers around commercialisation, more authorities being subject to group arrangements and the increase in combined authority arrangements, it is no longer sufficient to consider only the individual local authority but also the residual risks and liabilities to which it is subject.
- 2.3 The capital strategy is intended to give a high level overview of how: -
- capital expenditure
 - capital financing
 - treasury management activity
- contribute to the provision of services, along with an overview of how associated risk is managed and the implications for future financial sustainability. The development of a capital strategy allows flexibility to engage with full Council to ensure that the overall strategy, governance procedures and risk appetite are fully understood by all elected members.
- 2.4 The capital strategy should be tailored to the authority's individual circumstances but should include capital expenditure, investments and liabilities and treasury management. The capital strategy should include sufficient detail to allow all members to understand how stewardship, value for money, prudence, sustainability and affordability will be secured and to meet legislative requirements on reporting.
- 2.5 In considering how stewardship, value for money, prudence, sustainability and affordability can be demonstrated, local authorities should have regard to the following key areas where material.

3. LINKS TO THE CAPITAL STRATEGY

- 3.1 The report has links to the strategic themes of the Authority, taking into account cross-cutting issues where relevant. It has specific links to the following plans / strategies:

a) The Council's Corporate Plan 2022/2027

The Corporate Plan is the prime document which outlines what the Council aims to achieve. The current plan covers the period 2022 - 2027. The core vision, core values and priorities in the Council Plan are: -

Blaenau Gwent – a place that is fair, open and welcoming to all by working with and for our communities

The Council's Core Values:



Our Vision and Values reflect who we are as a Council, how we do things and how we are shaping the future by ensuring that these apply to everything we do.

Corporate Plan 2022/27 Outcome Priorities:

- Maximise learning and skills for all to create a prosperous, thriving, resilient Blaenau Gwent
- Respond to the nature and climate crisis and enable connected communities
- An ambitious and innovative council delivering quality services at the right time and in the right place
- Empowering and supporting communities to be safe, independent and resilient

The key objective of this Capital Strategy is to ensure that the capital funding available to the Council is spent on projects that assist the Council to deliver the outcomes in the Corporate plan, including maintaining, replacing or / and upgrading existing assets. This is why the Corporate Plan features strongly in the allocation of resources in the capital programme.

There are several other key strategies / documents which align with the Council's Corporate Plan. These guide how the Council works on specific aspects affecting the Council.

b) Medium Term Financial Strategy

The Capital Strategy is closely linked to the Medium Term Financial Strategy (MTFS), primarily with respect to the affordability of the capital programme. The MTFS is agreed by Council on an annual basis and forms part of the annual budget setting report.

c) Treasury Management Strategy

The Treasury Management Strategy links to the Capital Strategy in determining the Council's approach to borrowing and investments, including borrowing to fund capital expenditure. The Treasury Management Strategy incorporates the requirements of the Prudential Code and includes the Prudential Indicators. The Council has an integrated Treasury Management Strategy and has adopted the CIPFA Code of Practice for Treasury Management in Public Services. The Treasury Management Strategy deals with borrowing and investment arising as a consequence of all the financial transactions of the Council, not exclusively those arising from capital spending.

d) Statement of Accounts

Capital expenditure incurred during the year is reflected in the Balance Sheet within the Statement of Accounts, ensuring that stewardship of assets is demonstrated. The accurate monitoring and recording of capital expenditure ensures that this document is free from material error. The Statement of Accounts is externally audited each financial year to certify that it presents a true and fair view of the financial position of the Council.

e) Strategic Asset Management Plan 2017/2022

The Strategic Asset Management Plan sets out how the Council manages and treats its property and land, ensuring that it is well placed to manage expectations, budgets and services going forward.

f) Regulatory Framework of Capital Spend

The Procurement Strategy, along with the Contract Standing Orders and Financial Regulations (part of the Council's Constitution), looks at who can supply goods and services to the Council and how these goods and services should best be obtained to secure value for money.

More generally, prudent financial management contributes to the following Well-being Goals within the Wellbeing of Future Generations Act (Wales) 2015:

- A prosperous Wales.
- A resilient Wales.
- A healthier Wales.
- A more equal Wales.
- A Wales of cohesive communities.
- A Wales of vibrant culture and thriving Welsh Language.
- A globally responsible Wales.

4 **CAPITAL STRATEGY**

The Capital Strategy outlines the principles and framework at the very high level that shape the Authority's capital investment proposals. The principal aim is to deliver an affordable programme of capital consistent with the medium term financial strategy that contributes to the achievement of the Council's priorities and objectives as set out in the Authority's Corporate Plan, considers associated risks particularly with commercial opportunities, recognises financial constraints over the longer term and represents value for money.

4.1 **CAPITAL EXPENDITURE**

4.1.1 Capital expenditure is defined as costs incurred by the Council in acquiring new property, plant and equipment (PPE); or costs incurred by enhancing the existing PPE asset base. Capital expenditure can also be incurred in instances where the asset is owned by a third party but the Council has provided the third party with a grant. In such instances the expenditure is recorded as if incurred directly by the Council.

4.1.2 In accordance with accounting definitions, expenditure can be capitalised when it relates to:

- *The acquisition or creation of a new fixed asset* - capitalisation will depend on the creation of rights to future economic benefits controlled by the Authority.
- *The enhancement of an existing fixed asset* - capitalisation will depend on the works substantially increasing the value of the asset, extending its useful life, or increasing its use in service provision.

4.1.3 The Council's current asset base can be classed into two distinct areas: -

- *operational assets* i.e., those assets relating to day-to-day activities that will ensure the Council meets (primarily) its statutory requirements and
- *development assets* i.e., those assets which will help the Council achieve strategic aims and generate income

4.1.4 The Authority has a de-minimus limit for capital expenditure of £50,000. The Policy will be reviewed during 2023/24.

Capital expenditure that is below this de-minimus limit, is charged to a revenue budget. There are however, some exceptions including Highways capital expenditure, and Health & Safety capital expenditure. In these cases, items that individually fall below this de-minimus level are allowable as capital expenditure because they are aggregated together and treated as one single item of expenditure within the year.

4.1.5 The Authority's core capital programme is considered by Council and is funded from a variety of sources including capital receipts, Prudential Borrowing, General Capital Grant and Supported Borrowing Approvals. Both of the two

latter funding streams are confirmed annually by Welsh Government as part of the Local Government Finance Settlement.

4.1.6 Changes to the programme from one year to the next include: -

- New policy directives
- New proposed schemes
- Revised scheme profiling
- Slippage and
- Changes in expenditure projections

4.1.7 The Authority's forecast of capital expenditure for the next three financial years, in line with the prudential indicators and as laid out in the 2023/2024 Treasury Management Strategy is as follows: -

Capital Expenditure £000's						
	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Total	15,261	50,809	74,300	26,931	17,835	5,740

The capital programme usually covers a three-year period. However, the current capital programme covers the financial years 2019/20 to 2025/2026, primarily to incorporate Band B of the 21st Century Schools Programme

4.1.8 Governance arrangements are as follows: -

The capital programme is considered annually by full Council

The capital programme is monitored in-year through: -

- Regular forecast expenditure reports to budget holders
- Quarterly forecast expenditure reports to the Corporate Overview & Performance Scrutiny Committee and Cabinet .
- Actual outturn expenditure is incorporated into the Council's annual Statement of Accounts, which is reported to the Governance & Audit Committee and subject to external audit.

4.1.9 If additional resources are identified, a revised capital programme will be presented to full Council for consideration. If the value of competing bids exceeds the amount of available resources, a prioritisation methodology is followed, in order to match bids to available resources. Currently that methodology incorporates the following key elements: -

- Links to the Council's Corporate Plan
- Links to national priorities
- Statutory scheme or non-statutory scheme
- An existing legal or contractual commitment

- The availability of external grant funding
- The likelihood of revenue saving generation / cost avoidance
- National Wellbeing Goals/ Sustainability Principles

4.2 **CAPITAL EXPENDITURE FINANCING**

4.2.1 All capital expenditure must be financed, either from external sources (government grants and other contributions); the Council's own resources (revenue contributions, reserves and capital receipts); or debt (borrowing supported and unsupported; leasing).

4.2.2 A detailed explanation of each of the main sources of funding is provided below:

- **General Capital Grant** – This is a sum of money which is provided by the Welsh Government as part of the annual settlement. The Council is free to use the capital grant on any capital project it wishes.
- **Supported Borrowing** – The Council will borrow internally / externally to fund expenditure. The revenue costs arising from the borrowing (Interest Costs and Minimum Revenue Provision) are funded by the Welsh Government through the annual revenue settlement, hence the term “Supported Borrowing”.
- **Unsupported Borrowing** – the Council borrows internally / externally but is required to finance the revenue costs from its own resources. Projects funded by means of unsupported borrowing tend to be projects which deliver revenue savings or generate additional income and these savings are used to meet the additional revenue costs arising from the borrowing.
- **Specific Capital Grants** – The Council will be awarded capital grants which partly or fully fund the cost of a project. Capital grants usually come with restrictions surrounding the expenditure which can be funded and by when the expenditure must be incurred.
- **Revenue Contribution** – Services can make a contribution from their revenue budgets to fund projects and should deliver revenue savings/avoid future costs or generate additional income. These contributions tend to be as a match funding to a project which is mainly funded from a specific capital grant.
- **Capital Receipts** – The funds generated from the sale of assets can be used to contribute to the funding of the capital programme. These are usually generated from the sale of surplus assets (normally land or buildings).
The Council's long-standing policy on usable capital receipts is that they are immediately invested internally. This helps to improve the Council's cash flow position and reduces the level of external loans that need to be raised,

which in turn reduces external interest charges from the money market. This approach is consistent with what is regarded as good practice in terms of strategic level treasury management and overall, produces savings in debt servicing costs for the Council.

However, as approved sums of usable capital receipts are subsequently used to finance part of the annual capital programme each year, appropriate allowance then needs to be made for the use of these receipts in determining the estimated level of external borrowing required for that year. Hence usable capital receipts are released on a controlled basis and the annual estimates for external interest charges are adjusted accordingly. Any request to earmark a capital receipt for a different purpose will require a report to full Council.

- **Reserves** – Funding held in reserve, e.g. unapplied capital receipts, can be used to support the capital programme.

4.2.3 The financing of the forecast capital expenditure shown in paragraph 4.1.7 above, is detailed below:

Capital Expenditure £000's	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Total	15,261	50,809	74,300	26,931	17,835	5,740
Financed by:						
Grants, Capital Receipts, revenue and other sources	14,264	45,055	38,070	17,026	13,955	3,835
Net financing need for the year from USB and PB	997	5,754	36,230	9,905	3,880	1,905

4.2.4 Debt (including leases) is a source of finance that is used to fund a capital scheme and is repayable over time. The Council sets aside a Minimum Revenue Provision (MRP) every year for the repayment of existing debt. MRP forms part of the debt management budget and is monitored by Corporate Finance. The annual Treasury Management Strategy Statement, (which is approved by full Council before the start of the new financial year), includes (at section 32) a MRP statement which sets out the MRP Policy that is to be adopted by the Council at the start of the next financial year.

4.2.5 The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The Council's estimated CFR is set out in the Treasury Management Strategy and is illustrated below.

Capital Financing Requirement					
	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£001</u>
CFR at start of financial year	169,050	169,422	173,932	208,824	217,295
CFR at end of financial year	169,422	173,932	208,824	217,295	219,642
Movement in CFR	372	4,510	34,892	8,471	2,347
<i>Movement in CFR represented by:</i>					
Net Financing need for the year (above)	996	5,754	36,230	9,905	3,880
New Finance Leases	501	500	500	500	500
less MRP	-1,125	-1,744	-1,838	-1,934	-2,033
	372	4,510	34,892	8,471	2,347

4.3 **TREASURY MANAGEMENT**

- 4.1 The Chartered Institute of Public Finance & Accountancy defines treasury management as “The management of the organisation’s borrowing; investments and cash flows; its banking; money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks”.
- 4.3.2 Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. Investment balances tend to be high at the start of the financial year as revenue income is received before it is spent but reduce in the long-term as capital expenditure is incurred before being financed.
- 4.3.3 Due to decisions taken in the past, the Council currently has £227.8m debt outstanding as at 31 March 2022, at an average interest rate of 2.35%. In addition, £77,418 was earned on investments during 2021/22 at an average rate of 0.04%.
- 4.3.4 The Council has to have regard to Environmental, Social and Governance (ESG) factors when it considers its investment opportunities. For example, this Council would avoid investing in organisations linked with fossil fuels. This Council is supportive of the Principles of Responsible Investment and will seek to bring ESG factors into the decision-making process for investments. This is a developing area and will be explored further as more opportunities become available to Local Authorities and if cash balances allow.
- 4.3.5 The Annual Treasury Management Strategy Statement is approved by Full Council prior to the start of the new financial year and sets out the Council’s Borrowing Strategy; Investment Strategy and respective prudential indicators.

- 4.3.6 In addition to the Capital Strategy, the full Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of polices, estimates and actuals.

The Treasury Strategy - the first, and most important report covers:

- The capital plans (including prudential indicators)
- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).
- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);

A mid year treasury management report – This will update members with the progress of the capital position, amending prudential indicators as necessary, and an assessment of whether the treasury strategy is being met or whether any policies require revision.

An annual treasury report – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Quarterly reports – In addition to the three major reports detailed above, from 2023/24 quarterly reporting (end of June/end of December) is also required. These additional reports do not have to be reported to Full Council but do require to be adequately scrutinised. This role is undertaken by the Corporate Overview and Performance Scrutiny Committee.

Scrutiny and monitoring of the Strategy throughout the year is carried out by the Corporate Overview & Performance Scrutiny Committee.

4.4 COMMERCIAL ACTIVITIES

- 4.4.1 A number of local authorities are investing in non-treasury management investment, for example commercial property, either via a fund manager or direct purchase of property in order to generate enhanced treasury returns above the rate of inflation. The returns generated from this type of investments can support revenue budgets in an environment when Welsh Government revenue support funding has declined year on year.
- 4.4.2 At present the Council has no investments in commercial property either directly (through property acquisitions) or indirectly (through a fund manager). However, the Council is continually developing an investment strategy in line with a more commercial approach and so this type of investment will be considered in the future.
- 4.4.3 With a financial rate of return being the main objective, the Council would need to fully identify the Local Authority powers underpinning any investments i.e.

economic regeneration activity. In addition, the Council would need to understand that there is a degree of higher risk on commercial investment than with treasury investments. The principal risk exposures include a decline in the property market and capital being tied up in the medium/ long-term. In order to balance the three basic principles of security, liquidity and yield, consideration would need to be given to the proportion of commercial investments made.

- 4.4.4 Any potential commercial investment would need due diligence and expert independent external advice. Legal advice would also be required from within the Council and where necessary, externally.
- 4.4.5 As per the revised Treasury Management and Prudential codes of practice, an authority must not borrow to invest primarily for financial return.

4.5 POTENTIAL OPPORTUNITIES AND RISKS ARISING FROM THE CAPITAL STRATEGY

- 4.5.1. The Capital Strategy will enable the Council to focus its energy and resources to the priorities in the Corporate Plan. In addition, transparent governance arrangements will enable improved decision making processes and financial planning into the longer term.
- 4.5.2. By adopting a more commercial approach, the Council will be able to secure additional revenue streams to mitigate future enforced budget reductions.
- 4.5.3 The level of annual savings required over the period of the medium term financial strategy will continue to be challenging with the potential to impact on the capital programme. If the funding gap is difficult to achieve, this risk could be mitigated by a further review of the capital programme to assess the feasibility of reducing capital financing costs affecting revenue. This would involve reducing capital expenditure and the associated borrowing requirement, therefore reducing interest and loan repayment costs.
- 4.5.4. The Council's Capital Strategy is based on an assumed level of funding from Welsh Government and from external grants and capital receipts. Given the continued uncertainty over budgets and the changes to grant funding, there is a risk that this assumed level of grant funding may not be received or further funding given to local authorities during the financial year. This risk can be mitigated through regular reviews of the current capital programme.
- 4.5.5. If interest rates increase sharply in the medium term, there is a risk that long term capital financing costs will impact on the affordability of new capital schemes and the revenue budget. This risk can be mitigated by regular reviews of interest rate forecasts and engagement with the Council's external treasury management advisor.
- 4.5.6. The strategy acknowledges the importance of maintaining existing Council assets. There is a risk that a replacement programme is not sufficient and that

the standard of the assets falls to such a point that a greater level of investment is required in order to maintain services. This risk can be mitigated by ensuring that the capital programme delivers a balanced programme of enhancing current assets and developing new assets.

- 4.5.7. External borrowing results in a significant interest cost each year. Any sharp rise in interest rates may impact on the affordability of future projects which are funded from new borrowing. This risk is mitigated to some extent through the Treasury Management Strategy which illustrates a mix of short term, medium term and long term loans.

4.6. **KNOWLEDGE AND SKILLS**

- 4.6.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions.
- 4.6.2 Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council tests the market through regular competitive tendering. This ensures that performance management arrangements are in place, as laid out in the contract specification.
- 4.6.3 To ensure knowledge & skills are maintained and appropriate Key relevant staff will undertake training as and when opportunities arise or whenever there are changes in regulations. Treasury management training for members has and will continue to be provided by officers and treasury management advisors on an annual basis.

Agenda Item 12

Cabinet and Council only

Date signed off by the Monitoring Officer: N/A

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

Committee: **Corporate Overview and Performance Scrutiny Committee**

Date of meeting: **16th March 2023**

Report Subject: **Forward Work Programme: 27th April 2023**

Portfolio Holder: **Cllr Steve Thomas, Leader / Cabinet Member
Corporate Overview and Performance**

Report Submitted by: **Scrutiny and Democratic Officer**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance and Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
x	x	06.03.23			16.03.23			

1. Purpose of the Report

- 1.1 To present to Members the Corporate Overview and Performance Scrutiny Committee Forward Work Programme for the Meeting on 27th April 2023 for discussion and agreement.

2. Scope and Background

- 2.1 The Scrutiny Work Programmes are key aspects of the Council's planning and governance arrangements and support the requirements of the Constitution.
- 2.2 The topics set out in the Forward Work Programme link to the strategic work of the Council as identified by the Council's revised Corporate Plan, corporate documents and supporting business plans.
- 2.3 Effective work programmes are essential to ensure that the work of scrutiny makes a positive impact upon the Council's delivery of services.
- 2.4 The Committee's Forward Work Programme was agreed in September 2022, recognising the fluidity of the document to enable the Committee to respond to urgent and emerging issues, and included timescales when reports will be considered by the Committee. The work programme is managed and implemented by the Scrutiny and Democratic Officer under the direction of the Chair and Committee.
- 2.5 The forward work programme for the forthcoming meeting will be presented to Committee on a 6 weekly cycle in order that Members can consider the programme of work; request information is included within the reports, as appropriate and / or make amendments to the work programme.

3. **Options for Recommendation**

3.1 **Option 1:** The Scrutiny Committee consider the Forward Work Programme for the meeting 27th April 2023, and

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

3.2 **Option 2:** The Scrutiny Committee agree the Forward Programme for the meeting 16th March 2023, as presented.

Background Documents /Electronic Links

- Appendix 1 – Forward Work Programme – Meeting on 27th April 2023

Corporate Overview and Performance Scrutiny Committee Forward Work Programme

Dates	Topic	Purpose	Lead	Cabinet / Council
Thursday 27 th April 2023	Joint Finance and Performance report	Performance Monitoring Members to receive quarter 3 for consideration.	Gemma Wasley	Cabinet – FWP 2023/24
	Review of the Agile Working Policy	Performance Monitoring To consider progress of the Agile Working Policy.	Andrea Prosser	Cabinet - FWP 2023/24

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