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Blaenau Gwent

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

THIS IS A MEETING WHICH THE PUBLIC ARE ENTITLED TO ATTEND

13th October 2023

Dear Sir/Madam

GOVERNANCE & AUDIT COMMITTEE

A meeting of the Governance & Audit Committee will be held in Hybrid Meeting to be held virtually via MS Teams or in The Sir Williams Firth Room, General Offices, Steelworks Road, Ebbw Vale on Wednesday, 18th October, 2023 at 9.30 am.

Yours faithfully

Damien McCann
Interim Chief Executive

AGENDA

Pages

1. SIMULTANEOUS TRANSLATION

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

2. **APOLOGIES**
- To receive.
3. **DECLARATIONS OF INTEREST AND DISPENSATIONS**
- To receive.
4. **GOVERNANCE & AUDIT COMMITTEE** 5 - 10
- To receive the decisions of the Governance & Audit Committee held on 20th September, 2023.
- (Please note the decisions are submitted for points of accuracy only).
5. **ACTION SHEET** 11 - 14
- To receive the Action Sheet arising from the meeting held on 20th September, 2023.
6. **FORWARD WORK PROGRAMME 2023-24** 15 - 22
- To receive.
7. **THE ANNUAL LETTER OF THE PUBLIC SERVICES OMBUDSMAN FOR WALES 2022/2023** 23 - 34
- To consider the report of the Head of Legal and Corporate Compliance.
8. **STATEMENT OF ACCOUNTS 2021/22** 35 - 226
- To consider the reports of:
- i) the Chief Officer Resources and
 - ii) the Auditor General for Wales.
9. **AUDIT WALES: DIRECT PAYMENTS FOR ADULT SOCIAL CARE** 227 - 282
- To consider the report of the Interim Corporate Director Social Services.
10. **BLAENAU GWENT COUNCIL SELF-ASSESSMENT 2022/23** 283 - 390
- To consider the report of the Interim Chief Executive.

11. PUBLIC INTEREST REPORT - ASSURANCE REVIEW FINDINGS 391 - 400

To consider the report of the Head of Democratic Services, Governance and Partnerships.

12. INFORMATION GOVERNANCE ANNUAL REPORT 401 - 412

To consider the report of the Data Protection and Governance Officer.

To: J. Absalom (Chair)
Councillor S. Behr (Vice-Chair)
Councillor D. Bevan
Councillor K. Chaplin
Councillor W. Hodgins
Councillor C. Smith
Councillor J. Wilkins
M. Veale

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 GOVERNANCE & AUDIT COMMITTEE

**SUBJECT: GOVERNANCE & AUDIT COMMITTEE
20TH SEPTEMBER, 2023**

REPORT OF: DEMOCRATIC OFFICER

PRESENT: JOANNE ABSALOM (CHAIR)

Councillors S. Behr
D. Bevan
K. Chaplin
W. Hodgins
C. Smith
J. Wilkins

Martin Veale

WITH: Interim Corporate Director of Social Services
Chief Officer Resources
Head of Democratic Services, Governance & Partnerships
Head of Community Services
Audit & Risk Manager
Professional Lead – Internal Audit
Team Manager - Housing Solutions and Compliance
Service Manager Commercial & Business Opportunities
Service Manager – Children’s Services
Data Protection & Governance Officer
Communications & Marketing Manager
Team Leader – School Meals Catering Service
Professional Lead – Risk and Insurance
Senior Auditor

DECISIONS UNDER DELEGATED POWERS

<u>ITEM</u>	<u>SUBJECT</u>	<u>ACTION</u>
No. 1	<p><u>SIMULTANEOUS TRANSLATION</u></p> <p>It was noted that no requests had been received for the simultaneous translation service.</p>	
No. 2	<p><u>APOLOGIES</u></p> <p>Apologies for absence were received from:</p> <p>Chief Officer Commercial and Customer</p> <p>Mike Jones, Richard Harries, Alice King and Deborah Woods, Audit Wales.</p>	
No. 3	<p><u>DECLARATIONS OF INTEREST AND DISPENSATIONS</u></p> <p>There were no declarations of interests or dispensations reported.</p>	
No. 4	<p><u>GOVERNANCE & AUDIT COMMITTEE</u></p> <p>The decisions of the Governance & Audit Committee held on 12th July, 2023 were submitted.</p> <p>It was unanimously,</p> <p>RESOLVED that the decisions be accepted as a true record of proceedings.</p>	
No. 5	<p><u>ACTION SHEET – 12TH JULY, 2023</u></p> <p>The Action Sheet arising from the meeting held on 12th July, 2023 was submitted, whereupon:</p>	

	<p><u>Item No. 7 – Forward Work Programme 2023/24 – Refresher Training on the Role and Remit of the Governance & Audit Committee</u></p> <p>It was noted that the above training would take place on Tuesday, 10th October, 2023 at 9.30 a.m. via MS Teams. Therefore, this action was now complete.</p> <p>It was unanimously,</p> <p>RESOLVED, subject to the foregoing, that the Action Sheet be noted.</p>	
<p>No. 6</p>	<p><u>FORWARD WORK PROGRAMME 2023/2024</u></p> <p>Consideration was given to report of the proposed Forward Work Programme 2023/2024, whereupon:</p> <p>The following update was provided:</p> <ul style="list-style-type: none"> - Annual Report of the Governance & Audit Committee would be considered by the Committee at the November meeting. However, in subsequent years this item would be included on the forward work programme for September. - Statement of Accounts 2021/2022 – subject to Audit Wales finalising the ISA 260, it was anticipated that this report would be presented to the October meeting of the Committee for consideration. <p>Following concerns raised by Members regarding the delay in receiving the finalised Statement of Accounts 2021/2022, the Chief Officer Resources advised that a representative of Audit Wales had offered to meet Members of the Committee to provide an explanation in terms of the issues that were currently being experienced.</p> <p>RESOLVED accordingly.</p> <p>It was unanimously,</p>	

	<p>FURTHER RESOLVED, subject to the foregoing, that the report be accepted Option 1 be endorsed, namely that the Forward Work Programme be accepted.</p>	
No. 7	<p><u>INTERNAL AUDIT CHARTER</u></p> <p>Consideration was given to the report of the Audit and Risk Manager.</p> <p>It was unanimously,</p> <p>RESOLVED that the report be accepted and Option 1 be endorsed, namely that the Internal Audit Charter be approved in line with good practice and the requirements of the PSIAS.</p>	
No. 8	<p><u>INTERNAL AUDIT PROGRESS 2023/2024</u></p> <p>Members considered the report of the Professional Lead – Internal Audit, whereupon:</p> <p><u>Internal Audit Report – Temporary Accommodation 2022/2023</u></p> <p>Due to the potential financial impact on the local authority and the lack of social housing accommodation in the area, the issue of homelessness would be discussed departmentally to ascertain whether this matter should be included within the corporate risk register.</p> <p>If appropriate, following the assessment of the risk and any potential mitigation measures, updates would be provided to the Committee.</p> <p>It was unanimously,</p> <p>RESOLVED, subject to the foregoing, that the report be accepted and the progress on activities for the period 1st April to 30th June, 2023 be noted.</p>	

No. 9	<u>CORPORATE RISK REGISTER Q1 2023/2024</u> Consideration was given to the report of the Chief Officer Resources. It was noted that Members would have further opportunity to comment on the format of the risk register, the risk management process and the information presented in respect of the Committee's assurance role at the refresher training session on 10 th October, 2023. It was unanimously, RESOLVED that the report be accepted and following consideration of the information the Committee was assured that the Council had appropriate arrangements in place to manage risk.	
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Blaenau Gwent County Borough Council

Action Sheet

Governance & Audit Committee

Meeting Date	Action to be Taken	By Whom	Action Taken
21 st June, 2023	<p><u>Item 7 – Forward Work Programme 2023/2024</u></p> <p>➤ A discussion to take place with appropriate officers regarding the provision of a report relating to Artificial Intelligence.</p>	Chief Officer Commercial and Customer	<p>AI has been referenced within key deliverables as part of the Corporate Digital Strategy. A Member engagement session on the draft principles and priorities in the strategy was held on 27th July prior to it being presented through the democratic process in September and October. Cabinet considered the strategy on 4th October – link to access the strategy on-line appended below:</p> <p>https://democracy.blaenau-gwent.gov.uk/documents/s14735/Appendix%201.pdf?LLL=0</p> <p>Action: complete</p>

Meeting Date	Action to be Taken	By Whom	Action Taken
21 st June, 2023	<p><u>Item 9 – Annual Report of the Audit and Risk Manager 2022/2023</u></p> <ul style="list-style-type: none"> ➤ An update be provided on the three large investigations that had commenced during the year, at the appropriate juncture. 	Audit & Risk Manager	<p>Update to be provided at the appropriate time.</p> <p>Action: ongoing</p>
12 th July, 2023	<p><u>Item 5 – Action Sheet – 21st June, 2023 – Town Centre Visitor Footfall</u></p> <ul style="list-style-type: none"> ➤ A Member Briefing to be arranged to outline the methodology around footfall counters, how the data was collected and the algorithms used to quantify the data. 	Corporate Director of Regeneration & Community Services/Business and Regeneration Service Manager	<p>Member briefing has been scheduled to be held on 11th October, 2023 to discuss Town Centre Visitor Footfall.</p> <p>Action: complete</p>
20 th September, 2023	<p><u>Item 6 – Forward Work Programme 2023/2024</u></p> <ul style="list-style-type: none"> ➤ Following concerns raised by Members regarding the delay in receiving the finalised Statement of Accounts 2021/2022, a 	Chief Officer Resources	<p>Meeting with representatives of Audit Wales held on 5th October, 2023.</p> <p>Action: complete</p>

Meeting Date	Action to be Taken	By Whom	Action Taken
	meeting will be arranged with a representative of Audit Wales to discuss the issues that were currently being experienced.		

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Agenda Item 6

Cabinet and Council only

Date signed off by the Monitoring Officer: N/A

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

Committee: **Governance and Audit Committee**

Date of meeting: **18th October 2023**

Report Subject: **Forward Work Programme 2023-24**

Portfolio Holder: **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 Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
		08.10.23	18.10.23					

1. **Purpose of the Report**
 - 1.1 To present the Forward Work Programme for 2023-24 (Appendix 1).
2. **Scope and Background**
 - 2.1 The 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 Corporate Plan 2022-27, agreed by the Council in October 2022, corporate documents and supporting business plans.
 - 2.3 The Governance and Audit Committee Forward Work Programme is aligned to the Scrutiny Committee, Cabinet and Council Forward Work Programmes.
 - 2.4 The Work Programme is a fluid document and there is flexibility to allow for regular review between the Chair and the Committee.
3. **Options for Recommendation**
 - 3.1 **Option 1**
To accept the Forward Work Programme.
 - 3.2 **Option 2**
To suggest any amendments to the Forward Work Programme.

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Governance and Audit Forward Work Programme 2023/24

Topic	Purpose	Lead Officer
Meeting Date: 21st June 2023		
Forward Work Programme 2023/24	To agree the FWP for 2023/24	Scrutiny and Democratic Officer
Strategic Internal Audit Plan 2023-2028	To provide Members with the five-year strategic Audit Plan for the period 2023-2028.	Louise Rosser
Annual Report of the Audit and Risk Manager	To present the opinion of the Annual Opinion of the Audit & Risk Manager	Louise Rosser
Integrated Impact Assessment on the Civic Centre	To present the Integrated Impact Assessment the Civic Centre.	Ellie Fry / Bernadette Elias

Meeting Date: 12th July 2023		
Audit Wales Planning Review	To present the Audit Wales report.	Steve Smith
Annual Governance Statement 2021/22	To present the Annual Governance Statement (AGS).	Gemma Wasley

Topic	Purpose	Lead Officer
Meeting Date: 20th September 2023		
Internal Audit Charter	To provide an updated copy of the Internal Audit Charter.	Louise Rosser
Audit Plan Progress Report (Qtr 1)	To update Members on the progress against the Internal Audit Plan.	Louise Rosser
Corporate Risk Register (Qtr1)	To update Members on the Corporate Risk Register	Louise Rosser

Governance and Audit Forward Work Programme 2023/24

Meeting Date: 18th October 2023

Meeting Date: 18 th October 2023		
Annual Report of the Public Services Ombudsman for Wales 2021/22	To inform Members of the Council's performance regarding complaints to the Public Services Ombudsman for Wales.	Andrea Jones
Annual Self-Assessment of Council Performance 2022/23 To be published by 31st October each year	To present the Annual Self-Assessment of Council performance.	Sarah King
Review of Governance and oversight arrangements of companies of which the Council has an interest	Following the audit Wales review of Silent Valley and subsequent recommendation, the following companies will be included within this report: Gwent Crematorium Gwent Archives EAS ALT	Sarah King
Information Governance	To consider the report.	Steve Berry
National Audit Wales Study – Direct Payments for Adult Social Care	To present the Local Audit Wales report.	Tanya Evans
Statement of Accounts 2021/22	To present the 2021/22 Statement of Accounts and to consider the Authority's financial standing as at 31 March 2022.	Rhian Hayden
Audit of Financial Statements	To present the report.	Rhian Hayden

Governance and Audit Forward Work Programme 2023/24

Meeting Date: 22nd November 2023

Meeting Date: 22nd November 2023		
BGCBC – Annual Audit Summary	To present the Audit Wales Annual Audit Summary.	Sarah King
Audit Wales – Examination of the Setting of Well-being Objectives	To present the Local Audit Wales report.	Damien McCann / Sarah King
Annual Report of the Governance and Audit Committee	To present the Annual report of the Committee.	Steve Berry / Chair
Audit Plan Progress Report (Qtr 2)	To update Members on the progress against the Internal Audit Plan.	Louise Rosser
RIPA Activity	To report on authorised RIPA activity as per the Council's policy.	Andrea Jones
Complaints Report (Qtr1 & Qtr2)	To present the bi-annual report on Complaints as required by the Ombudsman	Andrea Jones
Draft Statement of Accounts 2022/23	To present for consideration the 2022/23 Draft Statement of Accounts and to consider the Authority's financial standing as at 31 March 2023.	Rhian Hayden
Corporate Risk Register (Qtr 2)	To update Members on the Corporate Risk Register	Louise Rosser

Topic	Purpose	Lead Officer
Meeting Date: 20th December 2023		
Items to be identified		

Meeting Date: 17th January 2024

Meeting Date: 17th January 2024		
Audit Plan Progress report (Qtr 3)	To update Members on the progress against the Internal Audit Plan.	Louise Rosser

Governance and Audit Forward Work Programme 2023/24

Meeting Date: 21st February 2024

Statement of Accounts 2022/23	To present for approval the 2022/23 Statement of Accounts and to consider the Authority's financial standing as at 31 st March 2023.	Rhian Hayden
Audit of Financial Statements	To consider the report from the Council's External Auditors Wales Audit Office.	Rhian Hayden
Annual Governance Statement	To present the final Annual Governance Statement (AGS).	Gemma Wasley
Corporate Risk Register (Qtr 3)	To update Members on the Corporate Risk Register	Louise Rosser

Meeting Date: 20th March 2024

Items to be identified		
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Meeting Date: 17th April 2024

Code of Governance	To present the revised Code of Governance for the Council.	Louise Rosser
Internal Audit Outturn 2023/24	To present the Internal Audit Outturn for 2023/24	Louise Rosser

Dates for Items to be confirmed

Audit Wales – Digital Strategy	To present the National and Local Audit Wales report.	Bernadette Elias
Audit Wales – Performance Data Review	To present the National and Local Audit Wales report.	Sarah King
Audit Wales – Unscheduled Care Project	To present the National Audit Wales report.	Tanya Evans / Alyson Hoskins
Risk Management Strategy and Risk Management Handbook	To present the updated Risk Management Strategy and Risk Management Handbook	Louise Rosser
Silent Valley Waste Services	To provide detail regarding the finalisation of the in-house transfer.	Rhian Hayden
Draft Annual Governance Statement 2022/23	To present the draft Annual Governance Statement (AGS).	Gemma Wasley
Audit Wales 2023 Audit Plan for BGCBC	To present the Audit Wales 2023 Audit Plan.	Rhian Hayden

Governance and Audit Forward Work Programme 2023/24

Appendix 1

Member Briefing Session		
Review of progress against External and Internal Audit Recommendation	To provide an update to Members.	Various

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Agenda Item 7

Cabinet and Council only

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: **Governance & Audit Committee**
Date of meeting: **18 October 2023**
Report Subject: **The Annual Letter of The Public Services Ombudsman for Wales 2022/2023**
Portfolio Holder: **Cllr Steve Thomas, Leader / Cabinet Member
Corporate Overview and Performance**
Report Submitted by: **Andrea Jones, Head of Legal & Corporate Compliance**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
	28/09/2023	08.10.23	18/10/2023			29/11/2023		

1. Purpose of the Report

- 1.1 The report is to inform Members and Officers of the Council's performance with regard to complaints to the Public Services Ombudsman for Wales.

2. Scope and Background

- 2.1 The Public Services Ombudsman for Wales (PSOW) prepares an annual letter which provides the number of service and code of conduct complaints for each Council in Wales, and compares the Council's performance with that of the average council in Wales.
- 2.2 In 2019, the National Assembly for Wales (now Senedd Cymru Welsh Parliament) passed the Public Services Ombudsman (Wales) Act 2019. The Ombudsman in Wales is now the first office in the UK to have full and operational powers to drive systemic improvement of public services through investigations on our 'own initiative' and the Complaints Standards role.
- 2.3 Since April 2019, the Complaints Standards Authority (CSA) have continued its work with public bodies in Wales. They introduced a model complaints policy that has been adopted by local authorities and health boards in Wales and they also deliver training sessions. Local Authorities submit their complaints data to the CSA on a quarterly basis which is then published by the CSA.
- 2.4 For 2022/2023, the overall number of complaints received by the Ombudsman relating to local authorities across Wales was 1,020 – a reduction of 11% compared to the previous year.
- 2.5 During this period, the Ombudsman intervened in (upheld, settled or resolved at an early stage) 13% of local authority complaints.

- 2.6 The Ombudsman also received fewer Code of Conduct complaints compared to the previous year, relating to both Principal Councils and Town and Community Council. 12 complaints were referred to either the Adjudication Panel for Wales or Local Standards Committee, due to evidence of a breach of the code, a welcome reduction from 20 last year.
- 2.7 The Ombudsman received 16 complaints for Blaenau Gwent during 2022/2023 and this was one of the lowest number in Wales. None of the complaints required intervention by the Ombudsman. This was an increase from 13 with no interventions for 2021/2022. Blaenau Gwent manage complaints pro-actively at Stage1 and 2 to try and ensure that complainants do not need to progress their complaint to the Ombudsman.
- 2.8 The number of Code of Conduct Complaints made to the Ombudsman in relation to this Council is 3. This is a reduction from 4 in 2021/2022.
- 2.9 The number of Code of Conduct Complaints made to the Ombudsman in relation to Town/Community Council is 3. This is a decrease from 6 in 2021/2022.
3. **Options for Recommendation**
- 3.1 **Option 1**
To provide the Governance and Audit Committee with assurance that the process for the monitoring of complaints is robust and the performance information provided reflects these practices.
- 3.2 **Option 2**
To seek further clarification on any areas within the report and/or to highlight any areas of interest or concern that need to be considered in future monitoring and reporting of complaints.
4. **Evidence of how this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**
- 4.1 There is a legislative requirement to provide information on the number of complaints the Council received in order for the Public Services Ombudsman for Wales to prepare an annual letter.
- 4.2 The monitoring of complaints and compliments is a key performance indicator within the Council's Corporate Plan, under the Well-being Theme, 'Efficient Council'.
- 4.3 From the Well-being Plan the monitoring of complaints links into 'A resilient Wales' as it provides an opportunity for citizens to take an active and empowered role. The Council is required to present the Annual Letter to members.

5. **Implications Against Each Option**

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

The Ombudsman in certain circumstances may award compensation to the complainant. In such circumstances, the compensation will be paid by the relevant department/service area.

5.2 ***Risk including Mitigating Actions***

Complaints are investigated in accordance with the Councils Corporate Complaints Policy.

5.3 ***Legal***

There are no legal implications associated with this report.

5.4 ***Human Resources***

There are no human resource implications associated with this report.

5.5 ***Health and Safety***

There are no health and safety implications associated with this report.

6. **Supporting Evidence**

6.1 ***Performance Information and Data***

See appendix 1:

Section A: Complaints received and investigated with the local authority average adjusted by population

Section B: Complaints received by subject

Section C: Complaint outcomes

Section D: Cases with PSOW intervention

Section E: Code of Conduct complaints.

Section F: Town/Community Council Code of Conduct complaints

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

This report is positive information to share with the public and is evidence that the Council's Corporate Complaints Policy is working effectively to resolve complaints at an early stage, and few complainants are seeking independent redress.

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

By providing a complaints process, the Council is enabling active participation of the public and partners to identify areas of concern that need to be addressed.

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

The Public Service Ombudsman (Wales) Act 2019 was introduced to give the Ombudsman new powers aimed at:

- Improving access to their office
- Allowing the Ombudsman to undertake own initiative investigations when required in the public interest
- Ensuring that complaints data from across Wales may be used to drive improvement in public services for citizens in Wales

6.5 ***Preventative focus***

The complaints process enables the Council to rectify processes that have been highlighted within a complaint. This in turn supports the Council to prevent similar complaints being provided.

6.6 ***Collaboration / partnership working***

As part of the report prepared by the Public Services Ombudsman for Wales comparisons are made across all Council's across Wales.

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

The Complaints process is undertaken across all sections of the Council in order to provide a full picture across the Council.

6.8 ***Decarbonisation and Reducing Carbon Emissions***

N/A

6.9 ***Integrated Impact Assessment (IIA)***

An Integrated Impact Assessment is not required for the performance monitoring of complaints, however, if a complaint requires consideration of the Equalities Act an EqlA would be undertaken for the specific complaint

7. **Monitoring Arrangements**

7.1 The Public Service Ombudsman for Wales annual reports are presented to the Corporate Leadership Team, Governance and Audit Committee and Cabinet on an annual basis.

Background Documents / Electronic Links

- Appendix 1



Factsheet

Appendix A - Complaints Received

Local Authority	Complaints Received	Received per 1000 residents
Blaenau Gwent County Borough Council	16	0.24
Bridgend County Borough Council	55	0.38
Caerphilly County Borough Council	49	0.28
Cardiff Council*	142	0.39
Carmarthenshire County Council	53	0.28
Ceredigion County Council	35	0.49
Conwy County Borough Council	31	0.27
Denbighshire County Council	32	0.33
Flintshire County Council	65	0.42
Cyngor Gwynedd	36	0.31
Isle of Anglesey County Council	25	0.36
Merthyr Tydfil County Borough Council	17	0.29
Monmouthshire County Council	23	0.25
Neath Port Talbot Council	39	0.27
Newport City Council	42	0.26
Pembrokeshire County Council	44	0.36
Powys County Council	38	0.29
Rhondda Cynon Taf County Borough Council**	54	0.23
Swansea Council	94	0.39
Torfaen County Borough Council	16	0.17
Vale of Glamorgan Council	49	0.37
Wrexham County Borough Council	65	0.48
Total	1020	0.33
* inc 9 Rent Smart Wales		
** inc 2 South Wales Parking Group		



**Ombwdsmon
Ombudsman**
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Appendix B - Received by Subject

Blaenau Gwent County Borough Council	Complaints Received	% share
Adult Social Services	2	13%
Benefits Administration	0	0%
Children's Social Services	3	19%
Community Facilities, Recreation and Leisure	0	0%
Complaints Handling	3	19%
Covid 19	0	0%
Education	1	6%
Environment and Environmental Health	0	0%
Finance and Taxation	0	0%
Housing	1	6%
Licensing	0	0%
Planning and Building Control	2	13%
Roads and Transport	1	6%
Various Other	3	19%
Total	16	

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1 Ffordd yr Hen Gae, CF 35 5LJ
Rydym yn hapus i dderbyn ac
ymateb i ohebiaeth yn y Gymraeg.

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We are happy to accept and respond
to correspondence in Welsh.



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Appendix C - Complaint Outcomes
(* denotes intervention)

Blaenau Gwent County Borough Council		% Share
Out of Jurisdiction	7	44%
Premature	6	38%
Other cases closed after initial consideration	3	19%
Early Resolution/ voluntary settlement*	0	0%
Discontinued	0	0%
Other Reports - Not Upheld	0	0%
Other Reports Upheld*	0	0%
Public Interest Reports*	0	0%
Special Interest Reports*	0	0%
Total	16	

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We are happy to accept and respond
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Appendix D - Cases with PSOW Intervention

	No. of interventions	No. of closures	% of interventions
Blaenau Gwent County Borough Council	0	16	0%
Bridgend County Borough Council	5	57	9%
Caerphilly County Borough Council	6	52	12%
Cardiff Council	25	145	17%
Cardiff Council - Rent Smart Wales	1	9	11%
Carmarthenshire County Council	7	60	12%
Ceredigion County Council	13	44	30%
Conwy County Borough Council	5	35	14%
Denbighshire County Council	2	33	6%
Flintshire County Council	5	70	7%
Cyngor Gwynedd	5	33	15%
Isle of Anglesey County Council	5	25	20%
Merthyr Tydfil County Borough Council	1	18	6%
Monmouthshire County Council	1	22	5%
Neath Port Talbot Council	7	38	18%
Newport City Council	8	48	17%
Pembrokeshire County Council	3	45	7%
Powys County Council	8	44	18%
Rhondda Cynon Taf County Borough Council	2	54	4%
Rhondda Cynon Taf County Borough Council - South Wales Parking Group	0	2	0%
Swansea Council	10	99	10%
Torfaen County Borough Council	1	17	6%
Vale of Glamorgan Council	15	53	28%
Wrexham County Borough Council	6	67	9%
Total	141	1086	13%



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Ombudsman**
Cymru • Wales

Appendix E - Code of Conduct Complaints

**Blaenau Gwent County
Borough Council**

Investigations

Decision not to investigate	0
Discontinued	3
No evidence of breach	0
No action necessary	0
Refer to Adjudication Panel	0
Refer to Standards Committee	0
Total	3

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Rydym yn hapus i dderbyn ac
ymateb i ohebiaeth yn y Gymraeg.

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ask@ombudsman.wales
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Appendix F - Town/Community Council Code of Complaints

	Investigations					Total	
	Decision not to investigate	Discontinued	No evidence of breach	No action necessary	Refer to Adjudication Panel		Refer to Standards Committee
Abertillery & Llanhilleth Community Council	2	0	0	0	0	0	2
Brynmawr Town Council	0	0	0	0	0	0	0
Nantyglo & Blaina Town Council	1	0	0	0	0	0	1

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Information Sheet

Appendix A shows the number of complaints received by PSOW for all Local Authorities in 2022/23. These complaints are contextualised by the population of each authority.

Appendix B shows the categorisation of each complaint received, and what proportion of received complaints represents for the Local Authority.

Appendix C shows outcomes of the complaints which PSOW closed for the Local Authority in 2022/23. This table shows both the volume, and the proportion that each outcome represents for the Local Authority.

Appendix D shows Intervention Rates for all Local Authorities in 2022/23. An intervention is categorised by either an upheld complaint (either public interest or non-public interest), an early resolution, or a voluntary settlement.

Appendix E shows the outcomes of Code Of Conduct complaints closed by PSOW related to Local Authority in 2022/23. This table shows both the volume, and the proportion that each outcome represents for the Local Authority.

Appendix F shows the outcomes of Code of Conduct complaints closed by PSOW related to Town and Community Councils in the Local Authority's area in 2022/23. This table shows both the volume, and the proportion that each outcome represents for each Town or Community Council.

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Page 9 of 9

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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: **Governance & Audit Committee**
Date of meeting: **18 October 2023**
Report Subject: **Statement of Accounts 2021/2022**
Portfolio Holder: **Cllr Steve Thomas, Leader / Cabinet Member**
Corporate Overview and 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)
			18/10/23					<i>Statutory Returns; Financial Governance</i>

1. **Purpose of the Report**
 - 1.1 To present for approval the 2021/2022 Statement of Accounts.
2. **Scope and Background**
 - 2.1 The requirements for preparation, inspection, audit, approval and publication of Local Authority annual accounts are specified in the Public Audit (Wales) Act 2004 [the 2004 Act] and the Accounts and Audit (Wales) Regulations 2014 [the 2014 Regulations] as amended by the Accounts and Audit (Wales) (Amendment) Regulations 2018.
 - 2.2 Section 25 of The Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 specifies that the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting (“the Code”) represents proper practice in preparing local authority accounts in compliance with section 8(1) of the 2014 Regulations.
 - 2.3 Without amending the statutory deadlines for the preparation, publication and audit of accounts for 2021/2022, Welsh Government agreed an extended timetable that recommended preparation of draft accounts by 31 August 2022 and publication of final audited accounts by 30 November 2022.
 - 2.4 The Council’s Draft Statement of Accounts were reported to the Governance & Audit Committee on 16 November 2022. As reported previously, the principal reason for delay in submission related to the resolution of the significant issue identified by Audit Wales in their report on the audit of accounts for 2020/2021, specifically correction of the errors identified in the Fixed Asset Register historic cost records that resulted in misstatement of the Capital Adjustment Account and Revaluation Reserve.
 - 2.5 Since that time a number of adjustments have been identified and these are being reported to Committee before approval of the Final Accounts.

- 2.6 Most significantly, the external auditor (i.e. Audit Wales) has expressed concerns that the Net Book Value of Property, Plant & Equipment disclosed in the Council's Accounts could be materially misstated. This is due to the absence of a systematic and regular review of the Estimated Useful Life (EUL) of assets in previous years.
- 2.7 The detailed financial audit of the accounts and disclosure notes that comprise the overall Statement has now been finalised. Audit Wales has prepared its statutory Audit of Accounts Report (International Standards on Auditing or ISA 260 report) and this forms part of today's agenda.
- 2.8 The Authority anticipates receiving a qualified audit opinion from the Appointed Auditor. This qualification relates to the potential for a material misstatement of depreciation charges and the net book value of assets resulting from the absence of a systematic and regular review of the estimated useful life of assets.
- 2.9 Section 11 of the 2014 Regulations and Section 29 of the 2004 Act require that the Accounts and other documents are made available for public inspection for 20 working days. The documents were made available from Wednesday 16 November 2022 to Tuesday 13 December 2022 inclusive. No requests for information or inspection were received during that period.
- 2.10 Section 31 of the 2004 Act provides for local electors to make objections to the External Auditor regarding any item of account that is contrary to law or any matter that could result in a report in the public interest. The auditor has appointed 14 December 2022 as the date on or after which these rights can be exercised.
- 2.11 Following this Governance & Audit Committee, if agreed, the Statement of Accounts will need to be signed by the Chief Officer Resources and the Chair of the Committee (as the person presiding over the meeting).
3. **Options for Recommendation**
- 3.1 **Option 1 (preferred)**
On consideration of this report and the External Auditor's report, the Accounts **are approved** by the Governance & Audit Committee under the delegated authority of the Council.
- 3.2 **Option 2**
The Governance & Audit Committee considers and does not approve the Statement of Accounts.
4. **Evidence of how this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**
- 4.1 **Statutory Responsibilities**
The Statement of Accounts is prepared in accordance with relevant statutory and regulatory provisions, accounting codes of practice and accounting standards. It details the financial transactions of the Authority

for the 2021/2022 financial year and the value of assets, liabilities and reserves at the balance sheet date (31 March 2022).

5. Implications Against Each Option

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

5.1.1 The Final Statement of Accounts includes several adjustments to the Draft Accounts previously presented which have a significant or material impact on the Authority's Balance Sheet:

- Calculation of the fair value of the Ebbw Valley Railway Infrastructure Loan (see 6.1.9 for further detail);
- Indexation of assets valued on a 'Depreciated Replacement Cost' (DRC) basis (see 6.1.10 for further detail); and
- Reclassification of 'Current Investments' (see 6.1.11 for further detail).

5.1.2 The impact on the Council's Balance Sheet resulting from these adjustments is as follows:

Table 1: Summarised Balance Sheet	Draft Accounts 2021/2022	Adjustment	Final Accounts 2021/2022
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Property Plant & Equipment	311,404	(13,022)	298,382
Other Long-Term Assets	6,477	0	6,477
Current Investments	0	21,000	21,000
Current Debtors	55,358	(21,000)	34,358
Other Current Assets	90,459	0	90,459
Current Liabilities	(105,737)	0	(105,737)
Non-Current Borrowing	(109,073)	(17,850)	(126,923)
Other Long-Term Liabilities	32,185	0	32,185
Total Net Assets/(Liabilities)	(48,901)	(30,872)	(78,963)
Usable Reserves	(102,743)	17,464	(85,279)
Unusable Reserves	150,834	13,408	164,242
Total Usable Reserves	48,091	30,872	78,963

- 5.1.3 Further to the audit of the Accounts, the Council's Usable General and Earmarked Reserves are unchanged at £45.252m. Capital Reserves have reduced by £17.464m on correction of the Ebbw Valley Railway Loan fair value calculation for 2020/2021.

Table 2: Balance Sheet Usable Reserves	Draft Accounts 2021/2022	Adjustment	Final Accounts 2021/2022
	<u>£000</u>	<u>£000</u>	<u>£000</u>
Council Fund	(13,067)	0	(13,067)
Earmarked Reserves	(32,185)	0	(32,185)
Total – General & Earmarked Reserves	(45,252)	0	(45,252)
Capital Grants Unapplied	(49,293)	17,464	(31,829)
Usable Capital Receipts	(8,198)	0	(8,198)
Total Capital Reserves	(57,491)	17,464	(40,027)
Total Usable Reserves	(102,743)	17,464	(85,279)

- 5.1.4 Significant elements of earmarked reserves held at 31 March 2022 relate to grant funding in respect of specific projects or services that will be utilised in delivering the relevant service outcomes.
- 5.1.5 Given the potential for future public sector funding restrictions to mitigate the extraordinary levels of borrowing incurred by Central Government in dealing with Covid-19 and inflationary pressures on budgets, it would therefore be prudent to retain appropriate levels of earmarked and general reserves to assist with a funding situation potentially similar to that experienced during the last decade.
- 5.1.6 It should also be noted that of the £31.829m balance of Capital Grants Unapplied, £26.851m relates to the accounting adjustment required for the Ebbw Valley Railway Infrastructure Loan. This sum is ring-fenced for utilisation solely in relation to this project over the next three years.
- 5.1.7 Although the adjustments made to the accounts have a material impact on the Balance Sheet, they have no impact on the Council's usable reserves and level of available resources.

5.2 ***Risk including Mitigating Actions***

- 5.2.1 Achievement of the statutory requirements in relation to the annual accounts is important in terms of demonstrating that the Authority has the appropriate governance arrangements in place to manage the reporting of its strategic financial affairs. Failure may result in reputational damage for the Council. A planned approach is utilised to ensure that, as far as possible, statutory requirements are met.

5.2.2 A clear audit opinion indicates that the Statement of Accounts presents a 'true and fair view' of the Council's financial position as at 31 March each year and that the accounting statements have been properly prepared in accordance with the Code of Practice on Local Authority Accounting.

5.3 **Legal**

5.3.1 The requirements for preparation, inspection, audit, approval and publication of Local Authority annual accounts are specified in the Public Audit (Wales) Act 2004 [the 2004 Act] and the Accounts and Audit (Wales) Regulations 2014 [the 2014 Regulations] as amended by the Accounts and Audit (Wales) (Amendment) Regulations 2018.

5.4 **Human Resources**

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

6. **Supporting Evidence**

6.1 **Performance Information and Data**

6.1.1 The Accounts and Audit (Wales) (Amendment) Regulations 2014 stipulate the following deadlines for preparing, approving and publishing the Accounts:

Table 3:	
Regulatory Requirement	Deadline
A provisional (i.e. pre-audit) Statement of Accounts to be fully prepared and certified by the Chief Officer - Resources as presenting a true and fair view of the Authority's financial position and its income and expenditure for the year ended 31 March 2021	31 May 2022
Publication of a final audited Statement of Accounts	31 July 2022

6.1.2 As previously reported, the Draft Statement of Accounts was not prepared and certified until 30 September 2022 and as the initial statutory deadline was not met, the required notice was published on the Council's website outlining the reasons for the lack of certification at 31 May 2022 together with the intended course of action proposed to resolve the situation.

6.1.3 As the Final Statement of Accounts was not completed and audited by the 31 July 2022 deadline, another notice was published on the Council website ahead of that date together with the required statutory notice stating the position and intended action at that date.

- 6.1.4 In recognition of the continuing impact of the Covid-19 pandemic, Welsh Government implemented the following extended timetable implemented for preparation and publication of the 2021/2022 Accounts:

Table 4: Welsh Government Extension Requirement		Deadline
A provisional (i.e. pre-audit) Statement of Accounts to be fully prepared and certified by the Chief Officer - Resources as presenting a true and fair view of the Authority's financial position and its income and expenditure for the year ended 31 March 2022		31 August 2022
Publication of a final audited Statement of Accounts		30 November 2022

- 6.1.5 The delay in completing the Draft Accounts impacted on the commencement of the statutory audit by Audit Wales. It was anticipated that the audit of accounts would have been substantially completed by January 2023, but this has been delayed by the resolution of the UK-wide issue regarding the accounting treatment of Infrastructure Assets and the problem identified in relation to the potential misstatement of depreciation charges and the Net Book Value of PPE assets.

- 6.1.6 Subject to approval by Committee and subsequent receipt of an Audit Opinion from the Auditor General for Wales, the Final Audited Accounts will be published as soon as practicable.

6.1.7 **Unadjusted Misstatements**

There are no significant or material unadjusted misstatements in the final 2021/2022 Accounts.

6.1.8 **Adjusted Misstatements**

Since the Draft Statement of Accounts was reported to Audit Committee, the audit of the Accounts has resulted in the correction of a number of misstatements. These are detailed in Appendix 3 of The Audit Wales *Audit of Accounts Report*, the most significant of which are:

6.1.9 ***Ebbw Valley Railway Infrastructure Loan***

- 6.1.9.1 The audit of the 2021/2022 Accounts identified a potential miscalculation of the fair value of the Ebbw Valley Railway Infrastructure Loan in 2020/2021. Officers reviewed the previous year discounting calculation and agreed to correct the error identified.

- 6.1.9.2 The effect of the miscalculation was an overstatement of the Capital Grant Unapplied Reserve in 2020/2021 by £17.464m with a corresponding understatement of Non-Current Borrowing. The Accounting Code of

Practice requires the correction of this error to be made in the Accounts as a prior period adjustment. Consequently, the appropriate entries for 2020/2021 have been restated in the 2021/2022 Accounts.

6.1.9.3 As a result of this adjustment in 2020/2021, the calculation of the amount of discount unwound in the following financial year (2021/2022) also required recalculation. This increased the transfer between the Capital Adjustment Account (Unusable Reserves) and Non-Current Borrowing by £0.386m (from £0.486m to £0.872m).

6.1.9.4 The impact of these adjustments is as follows:

Table 5: Impact of Recalculation of Loan Fair Value	Draft Accounts 2021/2022	Adjustment	Final Accounts 2021/2022
	<u>£000</u>	<u>£000</u>	<u>£000</u>
Non-Current Borrowing:			
Recalculation of Fair Value in 2020/2021	(21,976)	(17,464)	(39,440)
Unwinding of Discount in 2021/2022	(486)	(386)	(872)
Other Non-Current Borrowing	(86,611)	0	(86,611)
Total:	(109,073)	(17,850)	(126,923)
Capital Grants Unapplied:			
Recalculation of Fair Value in 2020/2021	(44,315)	17,464	(26,851)
Capital Adjustment Account:			
Unwinding of Discount in 2021/2022	486	386	872
Total Reserve Adjustments:	(43,829)	17,850	(25,979)

6.1.10 ***Indexation of assets valued on a 'Depreciated Replacement Cost' (DRC) basis***

6.1.10.1 Due to increases in the cost of building and maintaining assets, it was necessary to reassess the valuation of assets valued on a depreciated replacement cost basis to ensure that the balance sheet was not materially misstated.

6.1.10.2 For the Draft Accounts, this largely consisted of school assets, together with car parks and a number of leisure-related assets such as sports centres and libraries. To estimate the most accurate indexed valuation, school assets were calculated with reference to pupil numbers and any related land assets were also adjusted using an appropriate index.

6.1.10.3 As a result of the audit of Accounts, the pupil numbers used to calculate school valuations were revised to provide a more accurate estimate. In addition, officers agreed to remove all indexation relating to associated land assets.

6.1.10.4 Between the Draft and Final Accounts this resulted in a reduction in PPE Asset values of £13.022m, with compensating adjustments to the Capital Adjustment Account and Revaluation Reserve.

6.1.11 **Reclassification of Short-Term Investments**

6.1.11.1 At 31 March 2022, the Council had placed £21m of investments with other local authorities that were due to be repaid within 365 days. In the Draft Accounts these had been included in the Current Debtors disclosure, but officers agreed to reclassify these amounts as 'Short-Term Investments' as they were not due to be repaid within 90 days.

6.1.11.2 The impact of this amendment was as follows.

Table 6: Balance Sheet Extract	Draft Accounts 2021/2022	Adjustment	Final Accounts 2021/2022
	<u>£000</u>	<u>£000</u>	<u>£000</u>
Current Investments	0	21,000	21,000
Current Debtors	55,358	(21,000)	34,358

6.1.12 **Post Balance Sheet Event – LGPS Actuarial Valuation**

6.1.13.1 In March 2023, the Actuary to the Greater Gwent Local Government Pension Fund notified admitted bodies that they may require additional actuarial advice in respect of the accounting position as at 31 March 2022, in those authorities where the conclusion of the 2022 triennial actuarial valuation occurred prior to the completion of the financial audit of Accounts.

6.1.13.2 The Council requested additional information from the Fund Actuary to test the impact of the triennial valuation on attributable fund balances at 31 March 2022. The following changes were indicated:

Table 7: Pension Scheme Balances	Original Balances 2021/2022	Potential Adjustment	Revised Balances 2021/2022
	<u>£000</u>	<u>£000</u>	<u>£000</u>
Attributable LGPS Assets	465,516	(6,534)	458,982
Attributable LGPS Obligations	(759,017)	9,447	(749,570)
Attributable Net Asset/(Liability)	(293,501)	2,913	(290,588)

- 6.1.13.3 The Accounting treatment of pension transactions requires that changes to the Net Pension Asset/Liability are reversed by entries to the Pensions Reserve, such that there is no overall impact to either the Council's Balance Sheet or the bottom line of the Revenue Account.
- 6.1.13.4 The potential impact in percentage terms is no greater than 1.4% of attributable LGPS assets and the net liability figure recorded on the Balance Sheet is impacted by less than 1%. Given the minimal impact of the potential adjustment and the absence of any overall impact on the Balance Sheet and Revenue Account, the Council does not consider that the absence of the entries required would mislead users of the Accounts. As a result, these adjustments have not been made to the 2021/2022 Accounts.
- 6.1.14 In addition, there have been a number of minor amendments to information included in the disclosure notes. In overall terms, these changes would not substantially alter the reader's interpretation and understanding of the Accounts compared to the Draft Accounts considered by Governance & Audit Committee in November 2021.
- 6.1.15 **Qualification Issue**
- 6.1.15.1 Audit Wales have provided a qualified true and fair audit opinion to the Accounts as a consequence of the absence of a systematic and regular review of the Estimated Useful Life (EUL) of assets, which could potentially result in the material misstatement of depreciation charges and therefore the Net Book Value of assets in the Balance Sheet.
- 6.1.15.1 It is difficult to ascertain the value of this misstatement as the estimated useful lives of the relevant assets are not available at the date of their last revaluation. To determine the potential misstatement, officers have undertaken an exercise to recalculate all asset depreciation over a period of up to 5 years using the assumption that each asset was re-lifed to the maximum standard life for the relevant category of asset.
- 6.1.15.3 This indicated that, as a potential worst-case scenario, depreciation charged to the accounts may have been overstated by £4.7m, which could be considered to be a material misstatement.
- 6.1.15.4 As it has not been possible to correct this issue for the 2021/2022 Accounts, external valuers have been procured for the provision of asset valuations and assessment of the estimated useful life of assets in the 2022/2023 Accounts. This exercise should remove the potential for a material error and the resulting qualification of Accounts by the Auditor, but has resulted in a delay in producing the 2022/2023 Draft Accounts.
- 6.1.15.5 Assets are typically held at their current or fair value in the Statement of Accounts, but a record of Historic Cost is retained in the Asset Register. The most significant potential impact that incorrect Historic Cost

Valuations has on the Accounts is in a technical accounting adjustment between the Capital Adjustment Account and the Revaluation Reserve.

6.1.15.6 In Local Government accounts, a 'statutory override' is applied that reverses the amount of depreciation charged to services and replaces it with a 'Minimum Revenue Provision' (MRP).

6.1.15.7 As a result, even if depreciation charged to services is misstated, this will be reversed in the statutory accounts and therefore have no impact on the Council's usable reserves and level of available resources.

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

6.2.1 Preparation, publication and approval of statutory accounts helps demonstrate stewardship of the Authority's resources and its ability to provide services to the local community in the short and long term.

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

6.3.1 The Statement of Accounts is presented to the Governance & Audit Committee for approval subsequent to consideration of the draft version.

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

6.4.1 Preparation of statutory accounts helps demonstrate stewardship of the Authority's resources and its ability to provide services to the local community in the short and long term.

6.5 ***Preventative focus***

Not applicable.

6.6 ***Collaboration / partnership working***

Not applicable.

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

Not applicable.

6.8 ***Decarbonisation and Reducing Carbon Emissions***

6.8.1 The Statement of Accounts is currently not required to include information relevant to decarbonisation and reduction of carbon emissions.

6.9 ***Socio-Economic Duty Impact Assessment***

6.9.1 A Socio-Economic Duty Impact Assessment has not been completed for the Statement of Accounts, which provides an objective and audited report of the Authority's transactions for the financial year and balance sheet position at the year-end. This information can be utilised in making decisions that might help to reduce the inequalities of outcome associated with socio-economic disadvantage.

6.10 **Equality Impact Assessment**

- 6.10.1 An Equality Impact Assessment has not been prepared as this report provides an actual outturn position in relation to the Authority's transactions and year-end balances for the financial year, on an objective basis in accordance with relevant accounting standards, codes, concepts, principles, guidance and legislation.

7. **Monitoring Arrangements**

- 7.1 The Council continues to take into consideration the financial standing of the Authority as reported within the Statement of Accounts when monitoring budgets, setting the Revenue Budget and Capital Programme and in developing future medium term spending plans.

Background Documents / Electronic Links

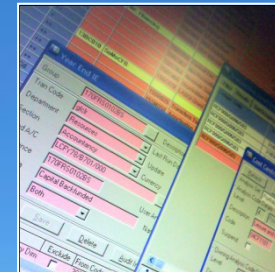
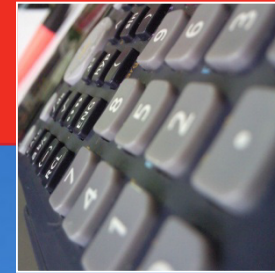
- *Appendix 1 – Audit of Accounts – Blaenau Gwent County Borough Council*

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2021/2022

Statement of Accounts

October 2023



Page 47



Dyngor Bwrdeistref Sirol
Blaenau Gwent
County Borough Council



Cover Photo: "Wind Power", Manmoel Common.



Cyngor Bwrdeistref Sirol

Blaenau Gwent

County Borough Council

Contents

Page Number

Abbreviations and Terms Used	i - ii
Narrative Report	1
Statement of Responsibilities	14
Auditor's Report	15

The Statement of Accounts

The Core Financial Statements

Comprehensive Income and Expenditure Statement	18
Movement in Reserves Statement	20
Balance Sheet	22
Cash Flow Statement	23

The Notes to the Core Financial Statements

1. Accounting Policies	24
2. Impact of changes in Accounting Policies, Accounting Estimates and Errors	32
3. Accounting Standards Issued but not yet Adopted	33
4. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty	33
5. Critical Judgements in Applying Accounting Policies	35
6. Events After the Reporting Period	35

Notes to the Comprehensive Income and Expenditure Statement

7. Expenditure and Funding Analysis	35
8. Taxation and Non-Specific Grant Income	41

Contents (Continued)

Page Number

9. Other Operating Expenditure	42
10. Financing and Investment Income and Expenditure	42
11. Agency Income and Expenditure	43
12. Partnership Schemes Under Section 33 of the NHS (Wales) Act 2006	44
13. Members' Allowances	45
14. Officers' Remuneration	45
15. Termination Benefits and Exit Packages - Costs to Authority	48
16. Termination Benefits and Exit Packages - Causes	49
17. External Audit Fees	49
18. National Non-Domestic Rates	50
19. Council Tax	50
20. Precepts and Demands	51
21. Grants & Contributions	52
22. Related Parties	53

Notes to the Movements in Reserves Statement

23. Other Comprehensive Income and Expenditure	58
24. Adjustments Between Accounting Basis and Funding Basis Under Statutory Provisions	59

Notes to the Balance Sheet

25. Property Plant and Equipment	62
26. Heritage Assets	69
27. Leases	71
28. Non-Current Investments	72

Contents (Continued)

Page Number

29. Non-Current Debtors	73
30. Consolidation of Schools in Single Entity Accounts	74
31. Current Investments	75
32. Inventories	76
33. Current Debtors	76
34. Current Creditors	79
35. Provisions, Contingent Liabilities and Contingent Assets	80
36. Other Long-Term Liabilities	83
37. Financial Instruments	83
38. Nature and Extent of Risks Arising from Financial Instruments	85
39. Post-Employment Benefits – Defined Contribution Plans (Teachers)	88
40. Post-Employment Benefits – Defined Benefit Plans (LGPS & TPS Discretionary Payments)	89
41. Reserves	97

Notes to the Cash Flow

42. Reconciliation of the Deficit on the Provision of Services to Net Cash Flows From Operating Activities	105
43. Analysis of the Amounts of Major Classes of Gross Cash Receipts and Gross Cash Payments	105
44. Cash and Cash Equivalents	106

Other Notes

45. Joint Arrangements - Cardiff Capital Region City Deal	107
46. Joint Arrangements - Other	110
47. Charitable Trusts	111

Group Accounts

113

Abbreviations and Terms Used

Byrfoddau a Thermau a Ddefnyddir



Cyngor Bwrdeistref Sirol

Blaenau Gwent

County Borough Council

Abbreviations and Terms Used in the Statement of Accounts

AEF	Aggregate External Finance	GMIRS	Group Movement in Reserves Statement
ALT	Aneurin Leisure Trust	GMP	Guaranteed Minimum Pension
AW	Audit Wales	GTU	Gwent Transport Unit
BS	Balance Sheet	GWICES	Gwent Wide Integrated Community Equipment Service
CARE	Career Average Revalued Earnings	HMRC	Her Majesty's Revenue & Customs (<i>for 2021/2022</i>)
CBC	County Borough Council	HMT	Her Majesty's Treasury (<i>for 2021/2022</i>)
CC	City or County Council	HRA	Housing Revenue Account
CCP	Collaborative Change Programme	IAS	International Accounting Standard
CCRCD	Cardiff City Region City Deal	ICT	Information and Communications Technology
CDS	Credit Default Swap	IFRS	International Financial Reporting Standard
CIES	Comprehensive Income and Expenditure Statement	IPSAS	International Public Sector Accounting Standard
CIPFA	Chartered Institute of Public Finance and Accountancy	ISB	Individual Schools Budget
CPFA	Chartered Public Finance Accountant	LASAAC	Local Authority (Scotland) Accounts Advisory Committee
CPI	Consumer Price Index	LGPS	Local Government Pension Scheme
DRC	Depreciated Replacement Cost	LLP	Limited Liability Partnership
EAS	Education Achievement Service (for South-East Wales)	LMS	Local Management of Schools
EEA	European Economic Area	LOBO	Lender's Option Borrower's Option
EFA	Expenditure and Funding Analysis	MiRS	Movement in Reserves Statement
EFTA	European Free Trade Association	MMI	Municipal Mutual Insurance
EU	European Union	MRICS	Member of the Royal Institution of Chartered Surveyors
EUV	Existing Use Value	MRP	Minimum Revenue Provision
FRS	Financial Reporting Standard	MTFS	Medium Term Financial Strategy
FSS	Funding Strategy Statement	NHS	National Health Service
FTSE	Financial Times Stock Exchange	NNDR	National Non-Domestic Rates
GBS	Group Balance Sheet	NPV	Net Present Value
GCIES	Group Comprehensive Income and Expenditure Statement	NRW	Natural Resources Wales
GGCJC	Greater Gwent Cremation Joint Committee	PPE	Property, Plant and Equipment
GJRC	Gwent Joint Records Committee	PWLB	Public Works Loan Board

Abbreviations and Terms Used in the Statement of Accounts

REFCUS	Revenue Expenditure Funded from Capital Under Statute
RICS	Royal Institution of Chartered Surveyors
RPI	Retail Price Index
RSG	Revenue Support Grant
SCR	Standard Contribution Rate
SeRCoP	Service Reporting Code of Practice
SEWSPG	South East Wales Planning Group
SPA	State Pension Age
SRS	Shared Resource Services
STCA	Short-Term (Accumulating) Compensated Absences
STRGL	Statement of Total Recognised Gains and Losses
SVWS Ltd.	Silent Valley Waste Services Ltd
TPS	Teachers Pension Scheme (<i>also</i> : uTPS)
UK GAAP	United Kingdom Generally Accepted Accounting Principles (and/or Practices)
UKGN	United Kingdom Guidance Notes (RICS)
UKVS	United Kingdom Valuation Standards (RICS)
uTPS	Unfunded Teachers Pension Scheme (<i>also</i> : TPS)
VAT	Value Added Tax
WAO	Wales Audit Office
WG	Welsh Government
WRAP	Waste & Resources Action Programme
WTO	World Trade Organisation



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Cyngor Bwrdeistref Sirol

Blaenau Gwent

County Borough Council

1. Introduction

The purpose of this Narrative Report is to offer a guide to the economic context in which the Authority operates, provide an overview of the most significant matters affecting the Accounts, outline the changes in accounting policies applied in preparing the Accounts and explain the Authority's overall financial position.

The financial statements cover the period 1 April 2021 to 31 March 2022 and have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/2022 (the Code), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

Amounts in these Accounts have been rounded and presented to the nearest thousand Pound (£000), except where disclosure to the nearest Pound is required to aid in presentation and understanding.

2. Background - Impact of Current Economic Climate on the Authority and the Services it Provides

The economic situation remains a major concern to the public sector both in Wales and the UK with the cost of living crisis, high inflation, increasing interest rates, supply chain disruption and issues with recruitment, particularly in the social care sector, having a significant impact on both individuals and organisations. The overall Welsh Government (WG) Revenue Settlements for 2021/2022 and 2022/2023 have been positive, with increases in Aggregate External Finance (after allowing for specific grants transferring into the settlement) of 3.7% (£4.3m) and 8.4% (£10.4m) respectively. The provisional settlement for 2022/2023 included indicative revenue funding on an all Wales basis for 2023/2024 and 2024/2025 and this indicated an average uplift of 3.5% and 2.4% respectively, supporting financial planning at least in the short term. However, when compared to recent Bank of England inflation forecasts these indicative funding increases fall far short of expected pay and price rises.

The positive settlement for 2021/2022 allowed the Council to set a balanced budget, whilst addressing cost pressures and growth items of £2.07m, uplift school budgets by £1.47m and a planned increase in specific and general reserves of £1.25m to support medium term financial planning and the financial resilience of the Council.

The Council continued to respond to the Covid-19 pandemic, whilst also commencing its recovery journey with services being restarted and/or moving towards business as usual. A new operating model was successfully implemented during the year supporting an agile workforce.

Through the Emergency Hardship Fund, Welsh Government continued to provide significant financial support to both reimburse additional costs borne by the Council as a result of the required response to the pandemic and also compensate for loss of income incurred due to closure of facilities and suspension/reduced service provision.

Costs reimbursed related to the delivery of existing essential services as well as additional demands and responsibilities including free school meals direct payment for school holiday/periods of self isolation, temporary homelessness accommodation and additional financial support to commissioned social care service providers. The hardship fund came to an end on 31 March 2022, with the exception of free school meals direct payment, self isolation payments and the Statutory Sick Pay (SSP) enhancement scheme.

The funding received during 2021/2022 is as follows:

Welsh Government Funding	2021/2022 £000
Emergency Hardship Funding - Additional Costs	5,467
Emergency Hardship Funding - Loss of Income	915
Council Tax Income Collection - Compensation	493
Administration Grant	378
Total	7,253

Further details of these schemes can be found in the Grants disclosure (note 21, pages 52-53).

The Council also acted as an agent for Welsh Government in processing £7.6m of Covid-19 support payments and reliefs across the following schemes:

Funding Administered on Behalf of Welsh Government	2021/2022 £000
Business Support Grants	1,577
Self Isolation Payments	2,743
SSP Enhancement Payments	83
Care Workers Payments	1,998
Freelancer Grants	108
Winter Fuel Payments	1,102
Total	7,611

Further details of these arrangements can be found in the Agency Income & Expenditure disclosure (note 11, page 43).

3. Background - Significant Events

Prior to the completion of the Accounts, the following significant events occurred that have had an impact on the financial statements themselves or the environment in which the Authority operates:

3.1 Annual Governance Statement

In the Annual Governance Statement, the Audit & Risk Manager has concluded that Blaenau Gwent County Borough Council's system of internal control during the financial year 2021/2022 operated to a level which gives reasonable assurance on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

3.2 Silent Valley Waste Services Ltd.

In December 2017, the Council made the decision to transfer the assets and liabilities of Silent Valley Waste Services Limited back to the Council in order that the service would be delivered in-house. Following extensive due diligence the transfer process has commenced with a target date of 31 January 2023.

3.3 European Union Membership

The UK formally left the European Union on 31 January 2020 and entered into a transition period that ended on 31 December 2020. During and subsequent to the period of transition there have been no significant changes to the legal and financial environment in which the Authority operates and there has therefore been no direct material impact on the transactions and balances reported for the 2021/2022 financial year.

3.4 Ebbw Valley Railway Infrastructure Loan

During March 2021 the Council agreed to accept a £70million interest free loan from Welsh Government to progress infrastructure works on the Ebbw Valley Railway project. The acceptance of the loan was subject to the development and acceptance of a quadripartite agreement between Blaenau Gwent Council, Welsh Government, Transport for Wales and Transport for Wales (Rail). This agreement was signed by all parties by September 2021, with the loan to be repaid over a 50-year period after the scheduled conclusion of the infrastructure works in 2023/2024. In order to meet the loan repayments the Council will receive a guaranteed sum on an annual basis, generated from the projected increase in income resulting from increased train frequency.

3.5 Material Events After the Reporting Date

There were no material adjusting or non-adjusting post-balance sheet events.

4. Summary of Outturn

4.1 Revenue

In setting the 2021/2022 budget, the Authority agreed a Council Tax increase of 3.3%, identified Bridging the Gap efficiencies of £0.75m and addressed £2m of cost pressures and growth including £0.6m for social care, and £0.28m to uplift the Council Tax Reduction Scheme, in addition individual school budgets received an uplift of £1.47m.

Overall, the management accounts have reported an underspend against budget of £3.6m against budget of £158m, after a net transfer to new and existing specific reserves of £4.2m. The underspend is mainly due to receipt of additional grant funding from Welsh Government in the latter part of the financial year that have been used appropriately to offset core funding and consequently resulted in service underspends against budget.

In addition, Welsh Government announced in March 2022 the distribution of £60m additional Revenue Support Grant for 2021/22 with Blaenau Gwent receiving £1.36m of unhypothecated funding. This funding is to be used to assist in the management of inflationary and service pressures and the ending of the Local Government Hardship Fund, as well as helping to decarbonise services and respond to the climate and nature emergency over the next few years. This funding has been transferred into a specific reserve, Inflation and Service Pressures.

A number of budget pressures were identified during the year and these have been managed within the overall budget, with ongoing cost pressures being built into the budget for 2022/2023.

The Council received £5.5m from the Hardship Fund for Covid-19 related expenditure and £0.9m for loss of income (including sums relating to and passported to Aneurin Leisure Trust). These amounts have been included within Portfolio accounts.

4.2 Capital

Capital expenditure has reduced in the last financial year, with provisional outturn expenditure in 2021/2022 being £2m lower than the previous financial year. The outturn expenditure of £15.2m covered a range of projects, including Business and Industrial Units, the Highways Network, Schools and the Roseheyworth Household Waste Recycling Centre.

The provisional outturn position forecasts an underspend of £1.3m against the in year budget, mainly due to underspends on highways infrastructure schemes. Although there was a provisional forecast underspend, there was an overspend of £0.3m on the construction of the Household Waste Recycling Centre and Lime Avenue Business Units. The increased costs of these schemes, which can be attributed to the impact on costs of the Covid-19 pandemic has been funded by reserves.

Welsh Government general capital funding for 2022/2023 and future years is forecast to potentially be lower than current levels.

4.3 Reserves

Total General and Earmarked Reserve balances increased by £17.452m during 2021/2022, as a result of a number of factors, including:

- the net total forecast underspend of £5.6m in Capital and Revenue budgets; and
- receipt of additional specific and unhypothecated grants.

5. Revenue Expenditure Outturn and Funding

5.1 2021/2022 Outturn

The following table reconciles the net service expenditure reported on a statutory basis in the Comprehensive Income & Expenditure Statement (*page 18*) with net outturn as reported to management during the year. The Expenditure and Funding Analysis (*page 36*) together with the accompanying notes provide details of the adjustments that have been made in reconciling between the statutory and management accounts. The table also indicates the Authority's net service expenditure (as reported to management) compared with the budget for the year.

Service Expenditure Compared to Budget	2021/2022					
	CIES Net Expenditure £000	Accounting Code Adjustments £000	Funding and Accounting Basis Adjustments £000	Net Outturn - Management Accounts £000	Revised Budget £000	Variance: Adverse/ (Favourable) £000
Portfolio/Committee:						
Corporate Services	25,324	(6,711)	(2,473)	16,140	17,780	(1,640)
Education *	15,765	50,749	(2,696)	63,818	63,899	(81)
Environment	23,419	11,278	(7,987)	26,710	26,728	(18)
Regeneration & Economic Development	2,401	498	(1,380)	1,519	1,574	(55)
Social Services	44,334	3,378	(4,963)	42,749	46,652	(3,903)
Licensing	115	13	(33)	95	109	(14)
Planning	762	218	(182)	798	1,291	(493)
Sub-Total:	112,120	59,423	(19,714)	151,829	158,033	(6,204)
Education - School Spending **	40,453	(49,534)	2,853	(6,228)	0	(6,228)
Cardiff Capital Region City Deal ***	(78)	(107)	185	0	0	0
Total:	152,495	9,782	(16,676)	145,601	158,033	(12,432)

*: *Education* refers to centralised education functions and non-school transactions.

** : *Education - School Spending* refers to financial transactions related specifically to school establishments.

***: *Cardiff Capital Region City Deal* refers to the Authority's contributions to revenue and capital costs, as apportioned in accordance with the terms of the joint arrangement.

5.2 Impact of Inflation on Revenue Expenditure

Consumer price inflation at March 2022 was 7%, having increased during the year from 1.5% at April 2021, ending the financial year significantly above the Bank of England target rate of 2% largely as a result of rising global energy prices and the Russian invasion of Ukraine. The Bank of England's Monetary Report in August 2022 indicated that inflation could be around 13% in the next few months.

The impact of inflationary pressures on the Authority varies according to specific areas of spend. Much of the Authority's expenditure relates to employee costs with a 1% increase in employee costs equating to approximately £1m. However, staff shortages, particularly in the Social Care Sector, coupled with increases in the cost of living, could see wage increases much higher than previously expected, adding to the pressure on local government budgets.

As part of the Bank of England's response to increasing inflation, the Monetary Policy Committee decided on 17 March 2022 to increase the Bank Rate from 0.25% to 0.75%. It raised them further in May, June and August and reached 2.25% in September 2022.

The Monetary Policy Committee continues to review rates in line with their assessment of the economic outlook and may apply further interest rate increases in order to control inflation and bring it down to the 2% target level.

Overall, increases in prices at which the Authority procures goods and services (in excess of related income from fees and charges or general government grants) will have a detrimental impact on a wide range of services.

5.3 Funding Sources

Welsh Government provides the majority of the Authority's funding, through Revenue Support Grant, Specific & Unhypothecated Grants and Non-Domestic Rates (69% of funding in 2020/2021). For 2021/2022, Aggregate External Financing (adjusted for transfers) increased by 3.6% compared with 2020/2021, lower than the average Welsh Unitary Authority increase of 3.8% (*source: Local Government Finance Report (No.1) 2021-22 (Final Settlement - Councils) - Table 1a.*) The Chancellor's Spending review in November 2020, covering the period to 2021/2022, indicated a £694m (4.6%) increase to the Welsh Government budget compared to previous years. Welsh Government also provided an initial funding package of Covid-19 funding of £77m.

A 1% increase in RSG compared to 2020/2021 levels represents additional funding of £0.941m, which equates to 0.36% of the Authority's total funding. In real terms this increase is reduced by the impact of inflation.

The level of investment income available to the Authority has been increased as a result of higher rates of interest, but this has been more than offset by the increase in interest expenses on borrowing.

The economic impact of Covid-19, rising prices and Russia's invasion of Ukraine is yet to be fully realised, but reductions in disposable income could all have a detrimental impact on the Authority's revenue streams.

In summary, the combination of rising interest rates, controlled grant funding and the uncertainties caused by Covid-19, rising prices and Russia's invasion of Ukraine create an environment in which there is continued pressure to maintain control of costs.

6. Capital Expenditure Outturn and Funding

Capital Expenditure

In year, total capital expenditure amounted to £15.261m, a decrease of £2.343m compared to the previous year, largely due to a decrease in expenditure on industrial units and waste management services of £8.32m due to projects coming to an end and an increase in expenditure of £5.48m mainly in relation to new regeneration schemes.

The major items of expenditure, categorised by scheme type, are identified in the table (below).

Capital Expenditure by Scheme	2021/2022		2020/2021	
	£000	£000	£000	£000
Rail Infrastructure Programme	3,709		0	
Regeneration Schemes	2,922		1,155	
Schools & Education Establishments	2,612		1,749	
Road Network & Maintenance Schemes	2,590		2,719	
Waste Management	924		3,280	
Industrial Units	620		6,580	
Housing General	541		436	
Social Services Adults	529		538	
Flying Start Schemes	485		331	
Town Centre Regeneration	158		309	
Corporate Property	95		95	
Leisure Schemes	32		187	
Cardiff Capital Region City Deal	0		92	
The Works & Learning Works	0		64	
Other	44		69	
Total:		15,261		17,604

Further details of capital expenditure are contained in Core Statement notes 25.2 - 25.3 (pages 62-64) and 25.5 (page 67).

Financing of Capital Expenditure

Capital expenditure totalling £15.261m was financed by local authority borrowing (£4.710m), grants (£10.036m), capital receipts (£0.057m) and revenue contributions (£0.458m).

7. Contingencies, Provisions and Reserves

7.1 Contingencies

A number of contingent liabilities are disclosed in relation to issues where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority, where it is not probable that an outflow of resources will be required or where the amount of the obligation cannot be measured reliably. For 2021/2022, disclosures cover:

- The Municipal Mutual Insurance run-off claims and liability under the Scheme of Arrangement;
- Warranties and indemnities to Tai Calon arising from the transfer of housing stock;
- Part 1 compensation claims arising from public works projects;
- Guarantees to the Greater Gwent (Torfaen) Pension Fund in the event that pension liabilities are not settled by Aneurin Leisure Trust and Awen Cultural Trust;
- A Deed of Priority arrangement in relation to the development of land in Brynmawr; and
- Potential liabilities that may arise following decisions of the courts in relation to specific past actions of the Authority.

No contingent assets have been identified.

It is not possible to place a value on these contingent liabilities, which may or may not crystallize at a point in the future. In the event of these issues and the sums involved becoming more certain, the appropriate accounting treatment will be applied and relevant charges made to the accounting statements.

Further details of contingent liabilities can be found in note 35.3 (pages 82-83).

7.2 Provisions

The level of provisions held by the Authority varies each year in relation to the level of liabilities identified. Total provisions held by the Authority at the beginning of the year amounted to £3.346m, decreasing by £0.359m to £2.987m during 2021/2022. This was largely due to and reductions in sums held for insurance liabilities.

All provisions have been assessed to reflect payments made against them during the financial year and have been increased or decreased in line with anticipated outstanding liabilities.

Details of the movements of individual provisions are shown in note 35.2 to the Core Statements (*see pages 81-82*).

7.3 Reserves

In their 2017/2018 Annual Audit Letter to Blaenau Gwent County Borough Council, the Wales Audit Office noted that the level of General and Earmarked Reserves as a percentage of gross revenue expenditure was 4.63%, the lowest of any Welsh Authority and significantly below the 2017/2018 Welsh average of 11.44%. The Authority accepted the need to maintain an appropriate level of reserves and agreed a planned annual contribution to the General Reserve as part of its Medium Term financial Strategy. In addition the budget for 2021/2022 agreed a budgeted increase of £1.0m earmarked reserve to support medium term financial planning.

To the end of 2020/2021 these measures had resulted in an improvement in the level of general and earmarked reserves held by the Council, increasing to 19.4% as a percentage of net revenue expenditure. This was the eighth lowest in Wales in comparison with other Welsh Authorities.

Aggregate Usable Reserves - 2018/2019 to 2021/2022	2018/2019	2019/2020	2020/2021 (Restated)†	2021/2022
	£000	£000	£000	£000
Council Fund	(5,894)	(6,399)	(7,553)	(13,067)
Earmarked Reserves	(6,831)	(8,275)	(20,781)	(32,185)
Usable Capital Reserves	(7,163)	(7,349)	(39,493)	(40,027)
Total Usable Reserves	(19,888)	(22,023)	(67,827)	(85,279)

Between 2018/2019 and 2021/2022 the Council Fund General Reserve has increased by 121.7%, from £5.894m to £13.067m. This increase has been due to:

- the management of the reserve in accordance with the Authority's policy of maintaining General Reserves at a target level of 4% of Revenue Outturn Expenditure;
- the agreement to replenish the reserve by annual contributions; and
- budget underspends as a result of additional Welsh Government grants.

Aggregate Usable Reserves increased by £2.1m between 2018/2019 and 2019/2020 with exceptional increases of £63.3m in 2020/2021 and £17.5m in 2021/2022.

Aggregate Usable Reserves - year on year movement	2020/2021 (Restated)†	2021/2022	Increase	
	£000	£000	£000	%
Council Fund	(7,553)	(13,067)	(5,514)	73.00
Earmarked Reserves	(20,781)	(32,185)	(11,404)	54.88
Usable Capital Reserves	(39,493)	(40,027)	(534)	1.35
Total Usable Reserves	(67,827)	(85,279)	(17,452)	129.23

As indicated in the table above, the majority of total usable reserves relates to Usable Capital Reserves, which is the result of the required accounting treatment of the loan received for the Ebbw Valley Railway Project (£30.560m in 2020/2021 (restated); £26.851m in 2021/2022). For additional details see page 7.

The increase of £16.918m in the Council Fund and Earmarked Reserves is a result of a number of factors, including:

- compensation through the hardship fund for loss of service income;
- receipt of additional specific and unhypothecated grants; and
- service underspends against budget and implementation of 'Bridging the Gap' proposals.

Significant elements of these earmarked sums relate to grant funding held in respect of specific projects or services and these will be utilised in delivering the relevant service outcomes. In addition, the Authority has set aside substantial amounts to assist with the ongoing response to Covid-19 and the transformation and delivery of services post-pandemic. In future years, it is probable that there will be restrictions on public spending in order to mitigate the extraordinary levels of borrowing incurred by Central Government in dealing with Covid-19. It would therefore be prudent to retain appropriate levels of earmarked and general reserves to assist with a funding situation potentially similar to that experienced under the austerity measures of the last decade.

Establishment, retention and use of earmarked reserves are subject to review during the year in accordance with the Authority's risk-assessment based Reserves Management Protocol.

Impact of Pension Deficit on Reserves

The Authority holds total usable reserves of £85.279m at 31 March 2022 (£67.827m (restated) at 31 March 2021). The effect of applying the net superannuation fund deficit of £293.580m to the Authority's usable reserves would be a deficit of £208.301m (2020/2021: the superannuation deficit of £349.681m exceeded usable reserves by £281.854m).

However, this deficit is dependent on a number of factors such as investment performance and retirement benefits payable. The long-term under-funding of the Local Government Scheme is being addressed over a number of years by staged increases to employer contributions. Consequently, the total liability would not arise in one financial year. The overall financial standing of the Superannuation Fund is regularly reviewed by Actuaries on behalf of the administering Authority (Torfaen CBC).

Further details on Pension balances and transactions can be found in notes 39-40 (*pages 88-97*).

†: The current value of the Ebbw Valley Railway Infrastructure loan has been re-appraised to correct an error in the 2020/2021 discounting calculation. This has reduced the element classified as 'capital grants unapplied' by £17.464m, with a corresponding increase in the amount accounted for as a loan.

Movements on usable reserves are detailed in note 41 to the Core Statements (pages 97-101). Total usable reserves at the commencement of the year amounted to £67.827m (restated), increasing by £17.452m to £85.279m at 31 March 2022.

The most significant net contributions to/from usable reserves were:

Summary Reserves Movements	2021/2022		2020/2021 (Restated)†	
	£000	£000	£000	£000
Balance at 1 April		(67,827)		(22,023)
Significant net contributions (to)/from earmarked reserves:				
Capital Inflation & Service Cost Pressure	(1,000)		Covid-19 Response & Recovery	(2,000)
COVID19 Response & Recovery	473		Financial Planning/ Resilience	(2,500)
Financial Planning/ Resilience	(1,054)		Future Interest Rate	(244)
Future Interest Rate	(400)		ICT	(1,104)
Inflation & Service Cost Pressure	(1,361)		Insurance Liabilities	(912)
Invest to Save	(1,000)		Individual Schools Budget (ISB)	(142)
LMS	(2,533)		LMS	(2,457)
New Operating Model	(492)		Revenue Grants & Contributions Unapplied	(1,698)
Revenue Grants & Contributions Unapplied	(1)		Reserves Related to Portfolio Services	(1,179)
Reserves Related to Portfolio Services	(2,417)		Technology Park Feasibility Study	174
Supporting Additional Capacity	(369)			
		(10,154)		(12,062)
Significant net contributions (to)/from other usable reserves:			Significant net contributions (to)/from other usable reserves:	
Usable Capital Receipts	(549)		Usable Capital Receipts	(849)
Capital Grants Unapplied	15		Capital Grants Unapplied	(31,295) *
Other net contributions (to)/from usable reserves	(6,764)		Other net contributions (to)/from usable reserves	(1,598)
		(7,298)		(33,742)
Balance at 31 March		(85,279)		(67,827)
Capital Grant Unapplied Relating to Railway Project		(26,851)		(30,560)
Balance of Reserves Excluding CGU Relating to Railway Project Loan		(58,428)		(37,267)

*: The Ebbw Valley Railway Project loan is to be repaid over a period of 50 years from 2024/2025 and has therefore been discounted to its current (fair) value in the statutory accounts. The Authority is required to account for the difference between the current value and the actual loan amount as capital grant unapplied.

†: The current (fair) value of the loan in 2020/2021 has been re-appraised to correct an error in the discounting calculation. This has reduced the element classified as 'capital grants unapplied' by £17.464m, with a corresponding increase in the amount accounted for as a loan.

As a result, a restated figure of £30.560m of the balance of Capital Grants Unapplied in 2020/2021 relates to the loan arrangement. Unapplied grant was utilised to fund £3.709m of expenditure in 2021/2022, leaving a balance of £26.851m to be applied to the railway project over the next two years.

8. Treasury Management Activities

In July 2021, the Authority approved the Treasury Strategy Statement, Annual Investment Strategy and MRP Policy Statement for the 2021/2022 financial year. In November 2021, the Authority approved a revision to the MRP Policy. The prime objectives of these policies were firstly to ensure the security of capital and secondly to maximise the liquidity of investments. In doing so, the policies sought to minimise the revenue costs of debt whilst maintaining a prudent level of debt redemption.

All borrowing and investing activities have been conducted within the framework set out in the Treasury Strategy. In particular the Authority has adopted a low risk strategy in order to give priority to the security of its investments.

Borrowing Activities

Total external loan debt at 31 March 2022 amounted to £200.606m (31 March 2021 (restated): £207.882m). Following the increases in the Bank of England base rate during the second half of the financial year, temporary borrowing has been kept to a minimum. Further opportunities to raise long term loans will be explored in 2022/2023.

In March 2021 the Authority received a £70m interest free loan from the Welsh Government in relation to the Ebbw Valley Railway Infrastructure Project. This was initially classified as current (short-term) borrowing. However, further to signing of the agreement (*page 2*) the accounting treatment has changed, with the loan being reclassified as non-current (long-term) borrowing to be repaid over a 50 year period commencing in 2024/2025. The loan has been discounted to its fair value in 2020/2021 and the sum in excess of the fair value has been included as capital grant unapplied.

Transactions relating to external loan debt during the year were as follows:

	2021/2022			2020/2021 (Restated)†		
	Temporary Loans £000	Other Loans £000	Total £000	Temporary Loans £000	Other Loans £000	Total £000
Balance at 1 April	(65,317)	(142,565)	(207,882)	(60,700)	(98,327)	(159,027)
Loans Raised	(73,050)	(825)	(73,875)	(94,117)	(53,695)	(147,812)
Loans Repaid	76,000	5,918	81,918	89,500	8,780	98,280
Effective Interest Adjustment	0	(46)	(46)	0	(44)	(44)
Soft Loan Adjustment	0	(721)	(721)	0	721	721
Balance at 31 March	(62,367)	(138,239)	(200,606)	(65,317)	(142,565)	(207,882)

†: The current value of the Ebbw Valley Railway Infrastructure loan has been re-appraised to correct an error in the 2020/2021 discounting calculation. This has reduced the element classified as 'capital grants unapplied' by £17.464m, with a corresponding increase in the amount accounted for as a loan.

Investing Activities

During the year, transactions related to investments were as follows:

Investments	2021/2022 £000	2020/2021 £000
Balance at 1 April	83,000	0
Investments Made	895,200	398,100
Investments Repaid	(878,200)	(315,100)
Balance at 31 March	100,000	83,000

The balance of investments held at year-end can be analysed as follows:

Analysis of Investments	31 March 2022 £000	31 March 2021 £000
Temporary Investments - Cash	2,000	19,000
Temporary Investments - Deposits	77,000	64,000
Short-Term Investments	21,000	0
Total	100,000	83,000

Minimum Revenue Provision

The 2003 Capital Finance Regulations require amounts to be set aside from revenue for the repayment of external loans. This is known as the Minimum Revenue Provision (MRP) and in 2021/2022 the sum of £1.057m (2020/2021: £0.681m) has been set aside by the Authority based on statutory guidance, as disclosed in note 1.17 (*page 30*).

In November 2021, the Authority approved a revision to the MRP Policy, which reduces the expected MRP charge from 2022/2023 onwards. Under the previous policy the MRP charge for 2022/2023 was forecast to be £4.47m, this will reduce to £1.74m under the revised policy.

Interest on external loan debt of £3.550m has been charged to the Comprehensive Income & Expenditure Statement in 2021/2022 (2020/2021: £3.858m).

9. Pension Assets and Liabilities

The value of pension assets and liabilities disclosed in the accounting statements is:

Pension Assets and Liabilities	31 March 2022 £000	31 March 2021 £000
Assets	465,432	440,901
Liabilities	(759,012)	(790,582)
Net Liabilities	(293,580)	(349,681)

All Pension Assets held relate to the Greater Gwent Local Government Scheme. Total liabilities at 31 March 2022 include £32.585m related to the Teachers Pension Fund (31 March 2021: £35.761m), with the remainder being in respect of liabilities held with the Local Government Scheme.

10. Movement in Valuation of Non-Current Assets

For 2021/2022, the Authority implemented a new asset register. In doing so, the existence and carrying valuations of 1,800+ assets were assessed and this resulted in the modification of some valuation and depreciation balances as at 1 April 2021. These modifications were compensated by equal adjustments to the balances held in either the Revaluation Reserve or Capital Adjustment Account and have therefore had no bottom-line impact on the Council's expenditure or usable reserve balances. Summary adjustments are as follows:

Balance Adjustments	31 March 2021 £000	01 April 2021 £000	Adjustment £000
Gross Book Value - PPE Assets	344,839	342,354	(2,485)
Accumulated Depreciation	(61,942)	(59,915)	2,027
Net Book Value (PPE)	282,897	282,439	(458)
Net Book Value - Heritage Assets	600	650	50
Net Book Value - Assets Held for Sale	70	60	(10)
Total Net Book Value	283,567	283,149	(418)
Revaluation Reserve - Accumulated Gains	(26,799)	(25,186)	1,613
Capital Adjustment Account	(89,824)	(91,019)	(1,195)
Net Balance	166,944	166,944	0

During 2021/2022, the net cost or valuation of non-current assets (Property, Plant & Equipment) recorded on the Authority's Balance Sheet showed an increase of £15.5m, from £282.9m to £298.4m.

Movement in Property, Plant & Equipment Assets	2021/2022 £000
Balance at 31 March 2021	282,897
Adjustments to Balances Brought Forward	(458)
Adjusted Balance at 1 April 2021	282,439
Net Expenditure on Assets Under Construction	7,577
Additions/Enhancements	4,842
Disposals	(1,696)
Formal Revaluations	2,497
Indexation of Assets	2,230
Depreciation Written Back on Revaluation	8,930
In-Year Depreciation & Impairment	(8,437)
Balance at 31 March 2022	298,382

This movement was largely the result of £7.6m expenditure on Assets Under Construction, including £3.7m on the Ebbw Valley Railway Project, a further £4.8m of additions or enhancements to existing assets, disposals of £1.7m and asset revaluations of £4.7m, as summarised below:

Note 25 (pages 62-64) provides further detail of the additions, disposals, appropriations, depreciation and revaluation that comprise the overall net increase in value during the year.

As a consequence of recent increases in material and rebuild costs, it was considered necessary to revalue those assets that are normally valued using the DRC method to ensure that the Balance Sheet valuations were not materially understated. An indexation approach has been adopted to update the carrying values of the relevant asset categories, mainly in relation to schools, libraries, leisure centres, and car parks. The impact of this indexation exercise has been an increase in the gross value of the Authority's assets of £2.230 million (in addition to the £2.497 million increase resulting from the formal valuation process).

11. Significant Changes in Accounting Policies

11.1 CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2021/2022

The 2021/2022 Accounting Code of Practice includes the following new or revised accounting standards, none of which has impacted on the preparation of the Authority's Accounts:

- Amendments to *IFRS 3 Business Combinations* – Amendments to the definition of a business.
- Amendments to *IFRS 9 Financial Instruments*, *IAS 39 Financial Instruments: Recognition and Measurement*, *IFRS 7 Financial Instruments: Disclosures* – Amendments to standards as part of Phase 1 of 'Interest Rate Benchmark Reform' issued in September 2019.
- Amendments to *IFRS 9 Financial Instruments*, *IAS 39 Financial Instruments: Recognition and Measurement*, *IFRS 7 Financial Instruments: Disclosures*, *IFRS 4 Insurance Contracts*, *IFRS 16 Leases* – Further amendments to standards as part of Phase 2 of 'Interest Rate Benchmark Reform' issued in August 2020.

12. Main Financial Statements

The Code interprets the requirements of IAS1 *Presentation of Financial Statements* for the local government context and requires the following main financial statements to be included:

12.1 The Comprehensive Income and Expenditure Statement (CIES) (Pages 18-19)

The Income and Expenditure Account and Statement of Total Recognised Gains and Losses (STRGL) required by UK GAAP have been combined into one statement that records the full accounting cost of providing services during the financial year.

12.2 The Movement in Reserves Statement (MiRS) (Pages 20-21)

Equivalent to the IAS1 Statement of Changes in Equity, this records the movement in the year on the different reserves held by the Authority, analysed into usable (those that can be used to fund expenditure or reduce local taxation) and unusable reserves (those that typically arise from timing differences between the identification of liabilities and the funding or settlement of those liabilities, which could be over a long period). Whilst increases in usable reserves represent additional sums that can be utilised in the short term to provide funding for services, increases in unusable reserves represent an increasing burden on future taxpayers. In some cases, e.g. the Unequal Pay Back Pay Account, charges related to unusable reserves may arise within a relatively short period of time (2-3 years).

The MiRS includes adjustments that remove accounting entries made in accordance with proper accounting practice in order that the Council Taxpayer is charged only with amounts required by statute and regulations.

12.3 The Balance Sheet (Page 22)

Derived from the IAS1 requirement for a Statement of Financial Position, the Balance Sheet sets out the assets and liabilities of the Authority, and the usable and unusable reserves and balances that underlie those net assets. Much of the detail is presented within notes to the Balance Sheet, rather than in the Statement itself.

12.4 The Cash Flow Statement (Page 23)

The Cash Flow Statement summarises the cash and cash equivalents arising from transactions with third parties for revenue and capital purposes during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash inflows and (outflows) as operating, investing and financing activities.

13. Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax payers how the funding available to the Authority (i.e. government grants, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by the Authority in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

The following table summarises the transactions recorded in the EFA for 2021/2022 - more detail is included in the full EFA on page 36.

Expenditure & Funding Analysis - Summary	2021/2022					2020/2021 (Restated)†				
	Management Account Net Expenditure	Accounting Code Adjustments	Net Expenditure Chargeable to the Council Fund	Funding and Accounting Basis Adjustments	CIES Net Expenditure	Management Account Net Expenditure	Accounting Code Adjustments	Net Expenditure Chargeable to the Council Fund	Funding and Accounting Basis Adjustments	CIES Net Expenditure
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
(Surplus)/Deficit on the Provision of Services	145,601	(162,541)	(16,940)	12,270	(4,670)	145,824	(159,447)	(13,623)	(32,223)	(45,846)
Tax Expenses			22					(37)		
Transfers to/(from) earmarked reserves			11,404					12,506		
(Increase)/Decrease in year			(5,514)					(1,154)		
Opening council Fund Balance as at 1 April			(7,553)					(6,399)		
Closing Council Fund Balance as at 31 March			(13,067)					(7,553)		

†: The current value of the Ebbw Valley Railway Infrastructure loan has been re-appraised to correct an error in the 2020/2021 discounting calculation. This has reduced the element classified as 'capital grants unapplied' by £17.464m, with a corresponding increase in the amount accounted for as a loan.

14. Group Accounts

In May 2012, the Authority amended the structure and membership of the Board of Directors of Silent Valley Waste Services Limited, a wholly-owned subsidiary, in order to control the activities of the company. As a result of a change in these governance arrangements, the Authority is required to prepare Group Accounting Statements, consolidating the Accounts of the parent (Blaenau Gwent County Borough Council) and the subsidiary (Silent Valley Waste Services Ltd.).

The Authority's interest in the Education Achievement Service for South-East Wales has not been consolidated in the Group Accounts. Whilst the Authority holds a 20% interest in the company, which would normally trigger the requirements for inclusion as an associate company within group accounts, there are a number of factors that counter-indicate the Authority having significant influence over the EAS, including the level of control exercised by Welsh Government, and therefore the presumption for inclusion has been rebutted.

Group Accounts have been prepared in compliance with the Accounting Policies set out on pages 24-32 and 117-118 and are included in the Statement of Accounts on pages 113-132.

15. Future Developments

15.1 Budget-Setting Process

The Council recognises the challenges that it faces in the short, medium and long terms and has developed a programme of Strategic Business Reviews to deal with potential gaps between anticipated funding and expenditure that aims to build financial resilience. Based on strategic themes the 'Bridging the Gap' programme aims to identify savings opportunities, potential cost avoidance and new revenue streams. Designed to support a balanced budget it is also focussed on creating the conditions of a commercially-minded council.

15.2 Cardiff Capital Region City Deal (CCRC)

The Cardiff Capital Region City Deal between the UK Government, the Welsh Government and the 10 constituent Councils in South East Wales, including Blaenau Gwent, was formally ratified on 1 March 2017. The City Deal offers the opportunity to deliver an investment package of £1.2 billion into the City Region economy between now and 2036. Whilst much of this is already earmarked for certain activities, particularly investment in the South East Wales Metro, there are funds available as part of the £1.2 billion to leverage wider economic benefits. The City Deal has a small number of key targets. Notably, these include the creation of 25,000 new jobs by 2036, leveraging £4 billion of private sector investment and securing economic growth.

All ten Councils agreed the Joint Working Agreement Business Plan in 2018, which provides detail on the key themes or workstreams for future investment activity. The CCRC Investment Fund comprises two distinct elements:-

- The METRO scheme of £734 million. This will comprise £503m Welsh Government funding provided over the first seven years of the Investment Fund, from 2016/2017 to 2022/2023; £106 million from the European Development Fund, (which is committed and guaranteed by both UK and Welsh Governments); and £125m from UK Government. This element will be the direct responsibility of Welsh Government.
- The Investment Fund of £495m – comprising the ten Local Authorities' commitment to borrow £120 million over the 20 year period of the Fund, together with £375m from UK Government, for investment in infrastructure, housing, skills and training, innovation, business growth and "Metro

plus" transport proposals. This element will be the responsibility of the CCRC Regional Cabinet. Based on the agreed proportion of total population for the City Deal area, Blaenau Gwent's share of the financial contributions is 4.6%.

Since inception, City Deal has evolved from a single funding program to the multiple funding functions and accountabilities of a wider City Region, which would be best managed via a Corporate Joint Committee. The South East Wales Corporate Joint Committee Regulations 2021 established a Corporate Joint Committee (CJC) for the Cardiff City Region, which came into effect on 1 April 2021. It was anticipated that the CJC would assume full delivery of the City Deal programme during 2021/2022 and in order to provide business continuity during the transition period, a 'twin-track' approach was adopted. During this initial phase, the CJC operated at a 'bare minimum', ahead of setting its first statutory budget on 31 January 2022. However, a number of technical/legal issues have delayed the process of full delivery by the CJC, but these are expected to be resolved during the 2022/2023 financial year.

15.3 Impact of the United Kingdom's Exit From the European Union

On 31 January 2020 the United Kingdom formally left the European Union and entered into a transition period that ended on 31 December 2020. During and subsequent to the period of transition there have been no significant changes to the legal and financial environment in which the Authority operates and there has therefore been no direct material impact on the transactions and balances reported for the 2021/2022 financial year. There are still a range of areas across which exit from the EU has the potential to have a significant impact on the Authority in future years, including:

Replacement of European Structural and Other Transnational European Funding Streams;

Blaenau Gwent has continued to receive funding from various EU structural and other transnational European funding schemes. To some extent these funding streams will be replaced by the UK Community Renewal Fund and the UK Shared Prosperity Fund, but there remains uncertainty regarding the level and duration of this funding. The Authority will need to consider these issues when determining its future Revenue and Capital budgets.

The Shared Prosperity Fund (UKSPF) is the UK Government replacement for European funding (European Structural Investment Fund ESIF) following the withdrawal of the UK from the European Union in 2020. It is a key part of the UK's Levelling Up agenda, forming part of complementary funding, including the Levelling Up Fund and Community Ownership Fund. The primary aim of the fund is to build pride in place and increase life chances across the UK. Underpinning this aim are three investment priorities: communities and place; supporting local businesses; and people and skills. Rhondda Cynon Taff County Borough Council will act as lead Local Authority for the Cardiff Capital Region. Blaenau Gwent has been allocated £28m, which is allocated over three years starting 1 April 2022.

Pension Scheme Asset and Liability Valuations and Employer Contributions;

The long-term impact on the value of equities, bonds, gilts and other assets held by pension funds remains uncertain, but will be dependent on the interaction of the currency and equity markets and other factors, such as the level of domestic and international growth and the impact of the response and consequences of the Covid-19 pandemic and Russia's invasion of Ukraine.

The policy and legal framework affecting various activities, including Energy Efficiency, Waste Collection and Disposal, Trading Standards, Employees, Data Protection, Debt Recovery, State Aid and Public Procurement.

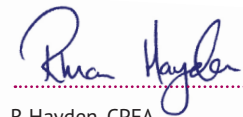
The legal framework regarding these areas is unlikely to change significantly in the short term, as much EU law is implemented by specific national law. In addition, the European Union (Withdrawal) Act 2018, the Withdrawal Agreement 2019 and subsequent legislation set out the 'retained EU legislation' which remained part of UK legislation after the transition period on 31 December 2020. After that point in time, in accordance with the European Union (Future Relationship) Act 2020 and subject to any further agreement, it may be possible for the UK to amend or repeal this body of retained legislation.

The impact of these issues will need to be considered by the Authority when planning its financial activities, including the preparation of budgets, the medium term financial strategy and statutory accounts.

16. Conclusion

The production of the IFRS-compliant annual Statement of Accounts continues to provide a considerable challenge. For 2021/2022 this was further complicated by the requirement to develop and implement a new asset register. Significant data cleansing has been required, the extent of which was underestimated, and as a consequence the completion of the Statement of Accounts has been delayed significantly.

In presenting this Statement of Accounts I am grateful to the Resources Team for their planning, professionalism, and unstinting commitment in order to produce a high quality publication. In addition, collaboration across departments is now more essential than ever in the production of this document and the support and assistance from colleagues in other departments requires recognition and thanks.



R Hayden, CPFA
Chief Officer - Resources





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Blaenau Gwent

County Borough Council



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Statement of Responsibilities

The Authority's Responsibilities

The Authority is required to:

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

The Responsibilities of the Chief Officer - Resources

The Chief Officer - Resources is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code). In preparing this Statement of Accounts, the Chief Officer - Resources has:

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

The Chief Officer - Resources has also:

- Kept proper accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certification of Accounts

In my opinion the Statement of Accounts gives a true and fair view of the financial position of Blaenau Gwent County Borough Council and the Blaenau Gwent County Borough Council Group as at 31 March 2022, and of their expenditure and income for the year then ended

18 October 2023

.....
Chief Officer - Resources

.....
Date

I confirm that these Accounts were approved at the Governance & Audit Committee Meeting on 18 October 2023. Signed on behalf of Blaenau Gwent County Borough Council:

18 October 2023

.....
Chair of Meeting

.....
Date



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Cyngor Bwrdeistref Sirol

Blaenau Gwent

County Borough Council

The independent auditor's report of the Auditor General for Wales to the Members of Blaenau Gwent County Borough Council

Opinion on financial statements

I have audited the financial statements of:

- Blaenau Gwent County Borough Council and
- Blaenau Gwent County Borough Council Group

for the year ended 31 March 2022 under the Public Audit (Wales) Act 2004.

Blaenau Gwent County Borough Council's financial statements comprise the Expenditure and Funding Analysis, the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, and the related notes, including a summary of significant accounting policies.

Blaenau Gwent County Borough Council's Group financial statements comprise the Group Expenditure and Funding Analysis, the Group Movement in Reserves Statement, the Group Comprehensive Income and Expenditure Statement, the Group Balance Sheet, the Group Cash Flow Statement and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

In my opinion, except for the possible effects of the matters described in the basis for qualified opinion on the financial statements section below, the financial statements:

- give a true and fair view of the financial position of Blaenau Gwent County Borough Council as at 31 March 2022 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the Code).

Basis for qualified opinion on the financial statements

The Code requires that useful economic lives (UEs) are reviewed, and if necessary, updated annually. Blaenau Gwent CBC have not undertaken these annual reviews, nor been able to estimate the possible effect of not undertaking them. Consequently, my audit team have been unable to obtain appropriate evidence that the annual and cumulative depreciation charges on surplus buildings and operational buildings have not been materially overstated.

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

Conclusions relating to going concern

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

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

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

Other Information

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

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

I have nothing to report in this regard.

Report on Other Requirements

Opinion on other matters

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

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22;
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Governance Statement has been prepared in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of Blaenau Gwent CBC and the Blaenau Gwent CBC Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Governance Statement.

Blaenau Gwent CBC has not maintained adequate accounting records to support depreciation charges in respect of surplus buildings and operational buildings.

With the exception of this issue, I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

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

Responsibilities

Responsibilities of the Responsible Financial Officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 14, the responsible financial officer is responsible for the preparation of the statement of accounts, including Blaenau Gwent CBC's Group financial statements, which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing Blaenau Gwent CBC and its Group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

My procedures included the following:

- Enquiring of management and those charged with governance, including obtaining and reviewing supporting documentation relating to Blaenau Gwent CBC and its Group's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud;
- Obtaining an understanding of Blaenau Gwent CBC and its Group's framework of authority as well as other legal and regulatory frameworks that the Council and its Group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Council.

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

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

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

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Blaenau Gwent CBC and its Group's controls, and the nature, timing and extent of the audit procedures performed.

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

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Blaenau Gwent County Borough Council and its Group in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton

Date

Auditor General for Wales

1 Capital Quarter

Tyndall Street

Cardiff

CF10 4BZ

...the Statement of Accounts comprise the financial statements and the notes to the accounts, including the summary of significant accounting policies...



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Blaenau Gwent

County Borough Council



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County Borough Council

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Authority raises taxation to cover expenditure in accordance with regulations; this differs from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

Comprehensive Income & Expenditure Statement	2021/2022			2020/2021 (Restated)†			Note:	Page:
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure		
	£000	£000	£000	£000	£000	£000		
Continuing Operations								
Corporate Services	50,308	(24,984)	25,324	48,440	(24,348)	24,092	17	49
Education	25,322	(9,557)	15,765	15,466	(9,015)	6,451		
Education - Schools	47,619	(7,166)	40,453	48,051	(6,133)	41,918	30	74
Environment	34,783	(11,364)	23,419	33,115	(12,916)	20,199		
Cardiff Capital Region City Deal	318	(396)	(78)	217	(336)	(119)	45	107
Regeneration & Economic Development	6,761	(4,360)	2,401	5,896	(3,680)	2,216		
Social Services	74,989	(30,655)	44,334	71,699	(29,000)	42,699	12	44
Licensing	226	(111)	115	201	(91)	110		
Planning	1,491	(729)	762	1,026	(311)	715		
Total Deficit on Continuing Services	241,817	(89,322)	152,495	224,111	(85,830)	138,281	7	36

Comprehensive Income & Expenditure Statement (Continued)	2021/2022			2020/2021 (Restated)†			Note:	Page:
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure		
	£000	£000	£000	£000	£000	£000		
Total Deficit on Continuing Services	241,817	(89,322)	152,495	224,111	(85,830)	138,281		
Other Operating Expenditure	11,770	(1,102)	10,668	10,705	(952)	9,753	9, 19, 20	42, 50, 51
Financing and Investment Income & Expenditure	20,578	(9,056)	11,522	18,348	(8,051)	10,297	10	42
Taxation & Non-Specific Grant Income	0	(179,355)	(179,355)	0	(204,177)	(204,177)	8, 18, 19, 21	41, 50, 52
(Surplus)/Deficit on Provision of Services	274,165	(278,835)	(4,670)	253,164	(299,010)	(45,846)	7	36
Tax Expenses			22			(37)	45	107
(Surplus)/Deficit on Provision of Services <i>less</i> Tax Expenses			(4,648)			(45,883)	MiRS	20-21
(Surplus)/Deficit Arising on the Revaluation of Non-Current Assets			(7,408)			(4,139)		
Remeasurement of the net defined benefit pension liability			(76,461)			72,759	40	91
Other Comprehensive Income & Expenditure			(83,869)			68,620	MiRS, 23	20-21, 58
Total Comprehensive Income & Expenditure			(88,517)			22,737	MiRS	20-21

Note: In the Comprehensive Income & Expenditure Statement, amounts relating to expenditure are disclosed as positive and amounts relating to income are disclosed as negative (i.e. enclosed in brackets). Consequently, total figures disclosed in brackets are surpluses, representing net income to the Authority, whilst those not in brackets are deficits, where expenditure exceeds income.

†: The current value of the Ebbw Valley Railway Infrastructure loan has been re-appraised to correct an error in the 2020/2021 discounting calculation. This has reduced the element classified as 'capital grants unapplied' by £17.464m, with a corresponding increase in the amount accounted for as a loan.

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and unusable reserves.

Movement in Reserves Statement 2020/2021 (Restated)†	Council Fund £000	Earmarked Council Fund Reserves £000	Capital Reserves		Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000	Note	Page
			Capital Receipts Reserve £000	Capital Grants Unapplied £000					
Balance at 31 March 2020	(6,399)	(8,275)	(6,800)	(549)	(22,023)	166,348	144,325		
Total Comprehensive Income and Expenditure	(45,883)	0	0	0	(45,883)	68,620	22,737	CIES	19
Adjustments between accounting basis & funding basis under statutory provisions	32,223	0	(849)	(31,295)	79	(79)	0	24	59-61
Net (Increase)/Decrease before transfers to Earmarked Reserves	(13,660)	0	(849)	(31,295)	(45,804)	68,541	22,737		
Transfers from Council Fund (to) Earmarked Reserves	12,506	(12,506)	0	0	0	0	0	41	100-101
(Increase)/Decrease in 2020/2021	(1,154)	(12,506)	(849)	(31,295)	(45,804)	68,541	22,737		
Balance at 31 March 2021	(7,553)	(20,781)	(7,649)	(31,844)	(67,827)	234,889	167,062	BS	22

The *(Surplus) or Deficit on the Provision of Services* line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. This cost is different from the statutory amount required to be charged to the Council Fund for Council Tax setting purposes. The *Net (Increase)/Decrease before Transfers to Earmarked Reserves* line shows the statutory Council Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Authority. Earmarked Reserves have been disclosed separately in the MiRS to provide users with information regarding the use of these balances in comparison to the use of the Council Fund.

†: The current value of the Ebbw Valley Railway Infrastructure loan has been re-appraised to correct an error in the 2020/2021 discounting calculation. This has reduced the element classified as 'capital grants unapplied' by £17.464m, with a corresponding increase in the amount accounted for as a loan.

Movement in Reserves Statement 2021/2022	Council Fund £000	Earmarked Council Fund Reserves £000	Capital Reserves		Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000	Note	Page
			Capital Receipts Reserve £000	Capital Grants Unapplied £000					
Balance at 31 March 2021	(7,553)	(20,781)	(7,649)	(31,844)	(67,827)	234,889	167,062	BS	22
Adjustments to brought forward balances	0	0	0	0	0	418 *	418		
Revised Balance at 1 April 2021	(7,553)	(20,781)	(7,649)	(31,844)	(67,827)	235,307	167,480		
Total Comprehensive Income and Expenditure	(4,648)	0	0	0	(4,648)	(83,869)	(88,517)	CIES	19
Adjustments between accounting basis & funding basis under statutory provisions	(12,270)	0	(549)	15	(12,804)	12,804	0	24	59-61
Net (Increase)/Decrease before transfers to Earmarked Reserves	(16,918)	0	(549)	15	(17,452)	(71,065)	(88,517)		
Transfers from Council Fund (to) Earmarked Reserves	11,404	(11,404)	0	0	0	0	0	41	99-101
(Increase)/Decrease in 2021/2022	(5,514)	(11,404)	(549)	15	(17,452)	(71,065)	(88,517)		
Balance at 31 March 2022	(13,067)	(32,185)	(8,198)	(31,829)	(85,279)	164,242	78,963	BS	22

*: Unusable Reserve balances at 1 April 2021 were amended on implementation of a new asset register which necessitated the review of all non-current asset valuations/existence and consequently required adjustments to the gains or losses carried in the Revaluation Reserve and Capital Adjustment Account.

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by reserves held, reported in two categories:

- Usable reserves are those reserves that the Authority may use to provide services, subject to any statutory limitations on their use (*for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt*) and the need to maintain a prudent level of reserves.
- Unusable reserves are those that the Authority is not able to use to provide services. This category includes reserves that hold unrealised gains and losses (*for example the Revaluation Reserve*), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line '*Adjustments between accounting basis and funding basis under statutory provisions*' (e.g. the Capital Adjustment Account, Pensions Reserve and Accumulated Absences Account).

†: The current value of the Ebbw Valley Railway Infrastructure loan has been re-appraised to correct an error in the 2020/2021 discounting calculation. This has reduced the element classified as 'capital grants unapplied' by £17.464m, with a corresponding increase in the amount accounted for as a loan.

Balance Sheet	31 March 2022		31 March 2021 (<i>Restated</i>)†		Note:	Page:
	£000	£000	£000	£000		
Property, Plant & Equipment	298,382		282,900		25, 27, 30	62-69, 71, 74
Investment Properties	1,337		1,340		45	107
Heritage Assets	726		600		26	69-70
Non-Current Investments	342		342		28	72
Non-Current Debtors	4,072		3,192		29	73
Sub Total: Long-Term Assets		304,859		288,374		
Assets Held for Sale	60		70		25	65-66
Current Investments	21,000		0		31	75
Inventories	2,425		1,217		32	76
Current Debtors	34,358		33,934		33	76-78
Deferred Tax Asset	62		66		45	107
Cash and Cash Equivalents	87,912		90,919		44	106
Sub Total: Current Assets		145,817		126,206		
Current Borrowing	(73,683)		(71,233)		37-38	83-87
Current Creditors	(22,318)		(15,044)		34	79
Current Grants Receipts in Advance	(6,333)		(2,722)		21	52
Current Donated Assets	(2,112)		(864)		32	76
Current Provisions	(1,291)		(1,464)		35	80-82
Sub Total: Current Liabilities		(105,737)		(91,327)		
Non-Current Borrowing	(126,923)		(136,649)		37-38	83-87
Non-Current Provisions	(1,696)		(1,882)		35	80-82
Other Long-Term Liabilities	(295,283)		(351,784)		36, 40	83, 89-97
Sub Total: Long-Term Liabilities		(423,902)		(490,315)		
Total Net Assets/(Liabilities)		(78,963)		(167,062)		
Usable Reserves	(85,279)		(67,827)		41.1	97-101
Unusable Reserves	164,242		234,889		41.2	102-104
Total Reserves		78,963		167,062		

Cash Flow Statement

The Cash Flow Statement summarises the cash and cash equivalent transactions of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash inflows and (outflows) as operating, investing and financing activities.

Cash Flow Statement	2021/2022		2020/2021 (Restated)†		Note:	Page:
	£000	£000	£000	£000		
Net surplus/(deficit) on the provision of services less tax expenses	4,648		45,883		CIES	19
Adjustments to the provision of services for non-cash movements	28,310		10,530		42.1	105
Adjustments for items included in the provision of services that are investing and financing activities	(12,462)		(14,256)		42.2	105
Net Cash Inflows/(Outflows) from Operating Activities		20,496		42,157		
Investing activities		(15,356)		(6,294)	43.1	105
Financing activities		(8,147)		49,483	43.2	106
Net increase or (decrease) in cash and cash equivalents		(3,007)		85,346		
Cash and cash equivalents at the beginning of the reporting period		90,919		5,573	BS, 44	22, 106
Cash and cash equivalents at the end of the reporting period		87,912		90,919	BS, 44	22, 106

- The amount of net cashflows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of services provided.
- Investing activities represent cashflows relating to the acquisition, disposal and funding via capital grant of resources which are intended to contribute to the Authority's future service delivery, i.e. non-current assets.
- Cashflows arising from financing activities represent the extent to which borrowing and similar charges have increased/decreased during the year and are useful in predicting claims on future cash flows by providers of capital to the Authority.

†: The current value of the Ebbw Valley Railway Infrastructure loan has been re-appraised to correct an error in the 2020/2021 discounting calculation. This has reduced the element classified as 'capital grants unapplied' by £17.464m, with a corresponding increase in the amount accounted for as a loan.



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Cyngor Bwrdeistref Siro

Blaenau Gwent

County Borough Council

1. Accounting Policies

1.1 General Principles

The Statement of Accounts summarises the Authority’s transactions for the 2021/2022 financial year and its position at the year-end of 31 March 2022. The Authority is required to prepare an annual Statement of Accounts in accordance with proper accounting practices by the Accounts and Audit (Wales) Regulations 2014.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2021/2022 and the Service Reporting Code of Practice 2021/2022, supported by International Financial Reporting Standards (IFRS). Where there is no relevant IFRS or International Accounting Standard (IAS), reference is made to International Public Sector Accounting Standards (IPSASs); if there is no relevant IPSAS, domestic Financial Reporting Standards (FRSs) are applied.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

1.2 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that are held in call accounts and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority’s cash management.

1.3 Employee Benefits

1.3.1 Post Employment Benefits

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Greater Gwent (Torfaen) Pension Fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of earnings for current employees.
- The assets of Greater Gwent (Torfaen) Pension Fund attributable to the Authority are included in the Balance Sheet at their fair value.

- Liabilities are discounted to their value at current prices, with the default accounting assumptions used by Hymans Robertson being:

Duration Category	31 March 2022			31 March 2021		
	Discount Rate	RPI	CPI	Discount Rate	RPI	CPI
	%	%	%	%	%	%
Short <i>(Less than 17 years)</i>	2.70	3.85	3.30	1.95	3.35	2.85
Medium <i>(between 17 and 23 years)</i>	2.70	3.65	3.20	2.00	3.30	2.85
Long <i>(over 23 years)</i>	2.75	3.55	3.15	2.05	3.20	2.80

Discount rates have been derived for each duration profile at which payments may be due, based on a ‘Hymans Robertson’ corporate bond yield curve, constructed on the basis of the constituents of the iBoxx AA-rated corporate bond index.

Remeasurements of the net defined benefit liability

- Actuarial gains and losses – changes in the present value of the defined obligation resulting from changes in actuarial assumptions or the effects of differences between actuarial assumptions and actual events - debited or credited to the Remeasurement of the net defined benefit liability line in the CIES.
- Return on plan assets, excluding amounts included in Net Interest on the net defined benefit liability - the sum of any interest, dividends and other income derived from plan assets, together with realised and unrealised gains or losses, less any costs of managing plan assets and tax payable by the plan. Interest on plan assets is determined by multiplying the fair value of plan assets by the rate used to discount liabilities - credited to the Remeasurement of the net defined benefit liability line in the CIES.

In relation to retirement benefits, statutory provisions require the Council Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the Council Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

1.3.2 Discretionary Benefits

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

1.4 Contingent Liabilities

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

1.5 Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Authority settles the obligation.

1.6 Financial Instruments

Valuation of Assets and Liabilities Carried at Amortised Cost

Financial liabilities and financial assets represented by loans and receivables are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the net present value (NPV) of the cash flows that will take place over the remaining terms of the instruments, using the following assumptions:

- The discount rate used in the NPV calculation is equal to the current rate in relation to the same instrument from a comparable lender. This is the rate applicable in the market on the date of valuation (31 March 2022) for an instrument with the same duration, i.e. equal to the outstanding period from valuation date to maturity. For Public Works Loan Board (PWLB) borrowing the new PWLB borrowing rate has been used.

- Interest is calculated using the most common market convention (actual number of days/365).
- For fixed term deposits it is assumed that interest is received on maturity.

Fair value disclosures have not been calculated for short term financial assets including receivables (debtors), or short term financial liabilities including payables (creditors), since the carrying amounts represent a reasonable approximation of fair value.

Premiums/Discounts

1. Where premiums/discounts arising before April 2006 could be attributed to the replacement debt, then they were amortised using an effective interest basis and were included as part of the replacement loan carrying amount as at 31 March 2007. The additional interest resulting from the effective interest method is charged to the Comprehensive Income & Expenditure Statement.

2. Where premiums/discounts arising before 1 April 2006 could not be attributed to identifiable loan debt on the closing 2006/2007 Balance Sheet, then they were derecognised by writing off the balance as at 31 March 2007 to the Council Fund/HRA balance and then reversing out through the Financial Instruments Adjustment Account. The premium/discount write down for future years is charged/ (credited) to the Movement in Reserves Statement.

3. Where premiums/discounts have arisen after 1 April 2006, then the accounting treatment depends upon whether it can be classified as a modification or an extinguishment. In order to be classified as a modification, then the repayment and replacement must be on the same day and must meet the 10% test. If the modification test cannot be met then it is treated as an extinguishment. All post April 2006 premiums/discounts do not meet the modification test and therefore have been accounted for as extinguishments, with the accounting treatment being the same as for (2) above.

Interest

The interest expense & income disclosed in the Comprehensive Income & Expenditure Statement is calculated as follows:

- PWLB debt – on a nominal basis, with the exception of loans where premiums/discounts are included as part of the carrying amount, where interest is calculated using an effective interest basis.
- LOBO debt – on an amortised cost basis using an effective interest basis.
- Market loans - on a nominal basis.
- Temporary Loans & Investments – on a nominal basis.

1.7 Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Authority's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the Council Fund Balance. The gains and losses are therefore reversed out of the Council Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

1.8 Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using last known cost.

1.9 Leases

Leases held by the Authority are defined as being finance leases or operating leases in accordance with the requirements of the Code and IAS17.

A Finance Lease is a lease that transfers substantially all the risks and rewards incidental to ownership to the lessee. The Code does not provide definitive guidance as to the meaning of 'substantially all' and the Authority has therefore exercised judgement in determining the status of each lease according to context.

The following accounting treatment applies to each type of lease:

Finance Lease

Where the Authority is lessee, the asset is recognised in the Authority's Balance Sheet, together with matching liabilities in respect of rentals. The asset is then accounted for in accordance with the capital accounting process:

- Depreciation is charged to the service revenue account over the useful life of the asset (or the lease term of the lease if shorter);
- The principal element of the lease rental writes down the liability;
- The interest element of the lease rental is charged to the revenue account;
- MRP equal to the principal element of the finance lease rental is charged to the revenue account; and
- Adjusting entries are made to ensure that the revenue accounts are only charged with the annual lease rentals.

Where the Authority is lessor, the asset is not on the Authority's Balance Sheet, as substantially all the risks & rewards of ownership have been transferred to the third party. The accounting process is as follows:

- A long term lease debtor is set up for the principal amount outstanding (the net investment in the lease)
- Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, the Deferred Capital Receipts Reserve is credited with the total value of the lease asset due.
- Lease income received from the third party is split into principal and interest. The principal element is treated as a capital receipt and will write down the long term lease debtor.
- The interest element is credited to the Comprehensive Income & Expenditure Statement as financing and investment income.
- For leases entered into prior to 31 March 2010, the capital accounting regulations allow mitigating accounting entries that enable the principal element to continue to be treated as revenue income.

Operating Lease

Where the Authority is lessee, operating lease payments are charged to revenue as they become payable. No asset is created in the Authority's Balance Sheet.

Where the Authority is lessor, the asset is recognised in the Authority's Balance Sheet, depreciation is charged to the service revenue account over the useful life of the asset and lease income received from the third party is credited to the revenue account.

Service Concessions and Arrangements Containing Leases

The Authority currently has no such arrangements.

1.10 Fair Value Measurement

The Authority measures some of its non-financial assets such as Surplus Assets and Assets Held for Sale at fair value at each reporting date in accordance with the measurement requirements of IFRS13 *Fair Value Measurement*.

Surplus assets are defined as Property, Plant & Equipment (PPE) assets that do not provide service potential for the Authority and are therefore not measured for their service potential but for the economic benefits inherent in the assets. They are revalued at fair value at the point of being declared surplus and then in accordance with the usual 5 year rolling programme of revaluations.

Assets Held for Sale are assets where it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use. They are held at the lower of carrying amount (before reclassification) or Fair Value.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset takes place either:

- a) in the principal market for the asset; or
- b) in the absence of a principal market, in the most advantageous market for the asset.

The Authority measures the fair value of an asset using the assumptions that market participants would use when pricing the asset, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Authority takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. In considering alternative higher and best uses for the asset being valued, consideration has been given to value for the asset that may not necessarily be reflected in the existing configuration or use of the asset. In the consideration of alternatives the physical, legal and financial feasibility of that alternative has been taken into account.

The Authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of non-financial assets for which fair value is measured or disclosed in the Authority's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – unobservable inputs for the asset or liability.

All valuations for surplus assets and assets held for sale fall into the level 3 category, due to the nature of the valuation technique. The valuation technique maximises the use of relevant observable inputs and minimises the use of unobservable inputs.

Information about the valuation techniques and inputs used in determining the fair value of the Authority's surplus assets are disclosed in the note 25.2 to the Balance Sheet (pages 65-66).

1.11 Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to surplus assets under PPE and valued at fair value in accordance with the fair value measurement requirements of IFRS13 (see *Accounting Policy 1.10*).

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale, but are treated as surplus assets within Property, Plant & Equipment.

The following criteria have to be satisfied in order to classify an asset as held for sale:

- The asset must be available for immediate sale;
- The sale must be highly probable & there must be an active programme to locate a buyer;
- The asset must be marketed for sale at a price that is reasonable in relation to its fair value; and
- The sale should be anticipated to be completed within one year from the date of classification.

All Assets Held for Sale are included in the Balance Sheet as Current Assets.

1.12 Surplus Non-Current Assets Under PPE

Assets that have been declared surplus that do not meet the criteria above are reclassified as surplus assets under PPE and valued at fair value at the point they are declared surplus. This will be its highest and best use in accordance with the fair value measurement requirements of IFRS13 (see *Accounting Policy 1.10*).

1.13 Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice 2021/2022 (SeRCoP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core – costs relating to the Authority's status as a multifunctional, democratic organisation.
- Non Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and impairment losses chargeable on Assets Held for Sale.

These two cost categories are defined in SeRCoP and accounted for within the Corporate Services Portfolio in the Expenditure & Funding Analysis (EFA), as part of Net Expenditure on Continuing Services.

The total actual costs of central departments are recharged as central support charges to services on the basis of estimated staff time. Office accommodation charges are pooled and allocated on the basis of floor area. I.T. recharges are made on the basis of hardware and software usage.

The Authority's Management Accounts, included in the EFA, reflect the proper allocation of overhead and support costs to services. Where recharges are made between accounting segments (i.e. Portfolios), these have been removed by adjustment in the EFA and are not included in the Comprehensive Income & Expenditure Statement.

1.14 Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

1.14.1 Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Only expenditure in excess of £50,000 has been capitalised, with amounts below this threshold being charged directly to revenue. The exceptions to this are highways and health & safety assets that individually fall below this de-minimis level but are capitalised because they are treated as one single item of expenditure in the year and expenditure that has a capital grant approval.

Measurement

Assets are initially measured at cost, comprising:

- The purchase price;
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Authority does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure assets – depreciated historical cost. Not all roads and infrastructure assets are included in the Balance Sheet as the asset valuation reflects historic expenditure incurred on such assets from a point in time. Any roads provided by private developers that are adopted by the Authority are not individually recognised on the Balance Sheet and are effectively recorded at nil value. From 2021/2022, only the Net Book Value of Infrastructure Assets has been reported in the Accounts, as allowed by CIPFA's temporary adjustment to the Accounting Code of Practice. In accordance with provision 24L of The Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2022), where works have been undertaken to existing Infrastructure Assets, the carrying amount of any component that has been replaced has been determined as being nil.
- Community assets and assets under construction – depreciated historical cost;
- All other operational PPE assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV). Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value. Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value; and
- Surplus Assets under PPE – fair value in accordance with the definitions and measurement requirements in IFRS13.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end; as a minimum, all assets are revalued every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, the accounting treatment is:

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

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

1.14.2 Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

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

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

1.14.3 Depreciation

Depreciation is provided for on all Property, Plant and Equipment by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer;

- Vehicles, plant, furniture and equipment – straight-line allocation over the useful life of the asset, as advised by a suitably qualified officer; and
- Infrastructure – straight-line allocation over 40 years.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Where qualifying assets have been acquired or disposed of part way through the year, depreciation has been charged on a daily basis.

For buildings, a technical assessment of the useful life of the asset is made by the Authority's Property Services Manager.

For other asset-types, the following standard lives have been used to calculate depreciation amounts:

Asset Type	Standard Life (Years)
Vehicles	5
Equipment [†]	10
I.T. Equipment [†]	5
Infrastructure Assets	40
Street Lighting	40

[†]: In some cases the relevant technical officer may provide a different assessment of the useful life.

1.14.4 Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. These are credited to the Capital Receipts Reserve and can then only be used for new capital investment, or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the Council Fund Balance in the Movement in Reserves Statement.

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

1.14.5 Componentisation

The following policy has been adopted for the componentisation of assets and applied to assets as acquired, enhanced and revalued:

- A material component is defined as one that has a gross replacement cost in excess of 25% or the total gross replacement cost for the asset;
- Where material components have been identified the current carrying amount of that component is reflected as a separate asset and depreciated over the life of that component.

1.15 Investments and Investment Properties

1.15.1 Investments - Silent Valley Waste Services

Where a reliable fair value cannot be established for an unquoted equity instrument then the investment has been measured at cost. In order to calculate a fair value for the investment in Silent Valley Waste Services, all future dividends receivable would need to be discounted to the value as at the Balance Sheet date. The time period for which such dividends would be receivable is undeterminable and therefore the asset has been measured at cost.

1.15.2 Investment Properties - Pharmatelligence Ltd.

Investment properties are those held solely to earn rentals and/or for capital appreciation such as; ground leases, land held for future development as strategic sites and other land and buildings that meet investment property criteria. Investment properties are measured at fair value, based on the market value that would be received to sell an asset in an orderly transaction between market participants at the measurement date, reflecting the asset's highest and best use.

A full valuation is undertaken periodically with the most recent valuation having taken place during the preparation of the 2019/20 City Deal accounts. The Investment Property included in the City Deal Joint Committee's Group Accounts has been valued by Monmouthshire County Council as part of its role as the host Authority for the CSC Foundry Ltd. project.

Investment properties are not depreciated. Gains and losses on revaluation and disposal are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

1.16 Heritage Assets

Tangible heritage assets are defined as having historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. Intangible heritage assets are defined as having cultural, environmental, or historical significance.

The Authority has identified two monuments meeting the definition of heritage assets, which have been valued on the basis of annually updated insurance replacement cost. Where significant physical deterioration or damage has occurred to the assets, this has been recognised as an impairment charge. The useful lives of these assets have been assessed as 'indefinite' and therefore no depreciation is charged.

The acquisition of heritage assets is a rare occurrence; in the event a new asset is acquired or identified it will be valued using an appropriate basis (where the expected value is estimated to be significant). Given the nature of heritage assets identified for inclusion in the accounts, disposal is also a rare occurrence. On disposal, proceeds would be accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts as outlined in section 1.14.4.

An Heritage Assets Register is maintained by the Authority which details qualifying assets within the boundaries of the County Borough, including those assets identified as heritage assets for the purposes of the Statement of Accounts.

Both monuments identified as heritage assets are located in areas with free and open public access.

1.17 Minimum Revenue Provision

Local Authorities are normally required each year to set aside some of their revenues as provision for capital expenditure financed by borrowing or credit arrangements. This is referred to as Minimum Revenue Provision (MRP).

The Welsh Government issued regulations for the making of MRP with effect from the 2008/2009 financial year, requiring Local Authorities to make a prudent provision for MRP. Local Authorities are legally obliged to "have regard" to such guidance (i.e. set a prudent MRP). The legislation does not define what constitutes a "prudent provision", however the MRP guidance issued by the Secretary of State interprets the term and provides some examples.

The MRP for 2021/2022 has been calculated in accordance with the amended MRP policy that was approved by full Council in December 2021, using the following method:

- Supported Borrowing – MRP is calculated on an annuity basis over 50 years.
- Unsupported Borrowing – 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.
- Finance Leases – The MRP for finance leases is equal to the principal element of the rental payable each year.

As existing Council Taxpayers have been charged in previous years for MRP that has subsequently been reduced as a result of the retrospective policy changes introduced in 2018/2019, the level of MRP made in year has been reduced in order to provide those Taxpayers with the policy benefits arising within a reasonable time-frame. In 2021/2022 MRP has therefore been reduced by £3.2m, with further reduction of £3.2m planned for the 2022/2023 financial year.

1.18 Tax Income (Council Tax and National Non-Domestic Rates (NNDR))

The Authority follows the principles in IPSAS23 *Revenue from Non-Exchange transactions (Taxes and Transfers)* in respect of accounting for tax income collected, except where interpretations or adaptations to fit the public sector are detailed in the Code.

Council Tax

The Authority collects and distributes Council Tax on behalf of Gwent Police and four town or community councils. The precept for each of these bodies is paid in full during the financial year and is not affected by the level of Council Tax actually collected. As payment is made in full, there are no debtor or creditor balances recognised for precepting bodies on the Balance Sheet.

The Comprehensive Income & Expenditure Statement recognises the amount due to the Authority for the year. Any surplus or deficit arising on collection is also included in Taxation and Non-Specific Grant Income.

Council Tax Reduction Scheme (CTRS)

Costs relating to the Council Tax Reduction Scheme are included as expenses paid through the tax system and in accordance with IPSAS 23 are recognised as a service cost and not a reduction of Council Tax income through foregone revenues.

National Non-Domestic Rates (NNDR)

The Authority collects National Non-Domestic Rates (NNDR) under an agency arrangement with the Welsh Government. Cash collected from non-domestic ratepayers is not the income of the Authority and is therefore not included in its Accounting Statements. Debtor and creditor balances with taxpayers and the impairment allowance for doubtful debts are not the assets and liabilities of the Authority and are therefore not recognised in the Balance Sheet.

A debtor or creditor is included for cash collected on an agency basis that has been under or overpaid to the Welsh Government at the Balance Sheet date. The Comprehensive Income and Expenditure Statement includes the Authority's contribution due from the NNDR Pool, the cost of collection allowance for the year and accrued amounts billed in pursuit of unpaid NNDR debts.

1.19 Joint Arrangements

Joint Arrangements involve the provision of services by two or more parties that have joint control over the activity, bound by contract. These arrangements can be classed as Joint Ventures or Joint Operations, depending on the status of the arrangement as an entity in its own right, the degree to which the owning parties have control over the entity and the governance arrangements in place.

In assessing the joint arrangements in which Blaenau Gwent participates, it has been concluded in each case that no separate legal entity exists and that the Authority does not have control (as defined by the Accounting Code and IFRS10). Consequently, the accounts of these arrangements have not been consolidated in the group accounting statements and in each case the Comprehensive Income and Expenditure Account reflects the transactions occurring between the Authority and the joint arrangement.

The Cardiff Capital Region City Deal (CCRC) is a joint arrangement classed as a joint operation involving 10 local authority partners in South-East Wales. In accordance with the Code requirements, the Authority has included its share of income, expenditure, assets, liabilities, reserves and cash flows relating to the arrangement within the single entity accounting statements and disclosures.

1.20 Accounting for Schools

The Accounting Code includes a prescribed treatment for the inclusion of schools in the Statement of Accounts. CIPFA/LASAAC is of the view that local authority maintained schools are capable of being treated as separate entities for control purposes, and that based on the indicators of control identified under the requirements of the Code's adoption of IFRS10 *Consolidated Financial Statements*, the balance of control lies with local authorities. Consequently, schools should be included in group accounts. However, the Code also includes an adaptation to the definition of single entity financial statements to include the income, expenditure, assets, liabilities, reserves and cash flows of local authority maintained schools.

All maintained schools in the County Borough are now therefore considered to be entities controlled by the Authority, with the income, expenditure, assets, liabilities, reserves and cash flows of each school recognised in the single entity accounts on the basis outlined below. The Authority has the following types of maintained schools under its control:

- Community
- Voluntary Aided
- Voluntary Controlled
- Foundation

Schools Non-Current Assets are recognised on the Balance Sheet where the Authority directly owns the assets, holds the balance of control of the assets or where the school or the school Governing Body own the assets or have had rights to use the assets transferred to them. Land and buildings used by schools are recognised in accordance with the recognition tests relevant to the arrangements that prevail for the property.

Community schools are owned by the Authority and are, therefore, recognised on the Balance Sheet.

The four Voluntary Aided and Controlled schools within the County Borough are owned by the respective Diocese with no formal rights to use the assets through licence arrangements passed to the school or Governing Bodies. The assets are used under "mere" licences that pass no interest to the school and which are terminable by the trustees at any time without causal action. As a result these schools are not recognised on the Balance Sheet.

Ownership and control of the Foundation school lies with the school or the school's Governing Body and therefore the assets have been recognised on the Balance Sheet with effect from 1 April 2013.

For those maintained schools not controlled by the Authority, any transactions made on their behalf have been included in the Comprehensive Income & Expenditure Statement and related notes under the appropriate Service Code of Practice standard subjective grouping, or exceptionally as third party payments.

1.21 Group Accounts

In addition to the preparation of single entity financial statements, the Authority is required to prepare Group Accounts where it has interests in subsidiaries, associates and joint ventures, unless those interests are considered not material. The 2014/2015 Code included revisions resulting from the introduction or amendment in May 2011 of five accounting standards (IFRS10 *Consolidated Financial Statements*, IFRS11 *Joint Ventures*, IFRS12 *Disclosure of Interests in Other Entities*, IAS27 *Separate Financial Statements* and IAS28 *Investments in Associates*) relating to the preparation of group or consolidated accounts. These standards included amendments to the definition of the group boundary that could have impacted on the entities to be consolidated with the Authority in preparing group accounts.

The relevant standards and the CIPFA publication *Accounting for Collaboration in Local Government* have been used to determine the correct treatment of collaborative working arrangements in which the Authority is involved. As a result, the group boundary has been determined as including the Authority and Silent Valley Waste Services Ltd., a wholly owned subsidiary over which it has control through the appointment of the majority of the company's board of directors.

The Authority's interest in the Education Achievement Service for South-East Wales has not been consolidated in the Group Accounts. Whilst the Authority holds a 20% interest in the company, which would normally trigger the requirements for inclusion as an associate company within group accounts, there are a number of factors that counter-indicate the Authority having significant influence over the EAS, including the level of control exercised by Welsh Government, and therefore the presumption for inclusion has been rebutted.

1.22 Determination of Operating Segments

For the purpose of classifying expenditure and income in the Comprehensive Income and Expenditure Statement (CIES) and Expenditure and Funding Analysis (EFA), operating segments disclosed have been aligned with the Authority's Portfolio structure. All Portfolios and Committees have been disclosed, regardless of size in monetary terms, and there has been no aggregation of segments in these Accounts.

2. Impact of changes in Accounting Policies, Accounting Estimates and Errors.

In preparing the 2021/2022 Accounts, an error was identified in relation to the current value (discounting) calculation of the Ebbw Valley Railway Infrastructure loan included in the 2020/2021 Accounts. The correction of this mathematical error has reduced the element classified as 'capital grants unapplied' by £17.464m, with a corresponding increase in the amount accounted for as a loan. The total value of the loan remains unchanged at £70m.

The Single Entity and Group Account and disclosures have been amended for this prior period correction and have been marked as 'restated' where appropriate. The following tables summarise the impact of the correction in the core financial statements.

Prior Period Adjustments	2020/2021 Original Disclosure £000	Restated 2020/2021 Disclosure £000	Variance £000
Comprehensive Income & Expenditure Statement (p.19)			
Total Deficit on Continuing Services	138,281	138,281	0
Other Operating Expenditure	9,753	9,753	0
Financing and Investment Income & Expenditure	10,297	10,297	0
Taxation & Non-Specific Grant Income	(221,641)	(204,177)	17,464
Tax Expenses	(37)	(37)	0
(Surplus)/Deficit on Provision of Services less Tax Expenses	(63,347)	(45,883)	17,464
Other Comprehensive Income & Expenditure	68,620	68,620	0
Total Comprehensive Income & Expenditure	5,273	22,737	17,464
Movement in Reserves Statement (p.21)			
Comprehensive Income and Expenditure			
Council Fund	(63,347)	(45,883)	17,464
Unusable Reserves	68,620	68,620	0
Total Comprehensive Income and Expenditure	5,273	22,737	17,464
Adjustments between accounting basis & funding basis under statutory provisions			
Council Fund	49,687	32,223	(17,464)
Capital Receipts Reserve	(849)	(849)	0
Capital Grants Unapplied	(48,759)	(31,295)	17,464
Unusable Reserves	(79)	(79)	0
Total Adjustments	0	0	0
Balances at 31 March 2021			
Usable Reserves	(85,291)	(67,827)	17,464
Unusable Reserves	234,889	234,889	0
Total Reserves	149,598	167,062	17,464

Prior Period Adjustments	2020/2021 Original Disclosure £000	Restated 2020/2021 Disclosure £000	Variance £000
Balance Sheet (p.22)			
Non-Current Borrowing	(119,185)	(136,649)	(17,464)
Usable Reserves	(85,291)	(67,827)	17,464
Net Adjustment	(204,476)	(204,476)	0
Cash Flow (p.23)			
Surplus/(Deficit) on provision of services <i>less</i> tax expenses	63,347	45,883	(17,464)
Financing Activities	32,019	49,483	17,464
Net Adjustment	95,366	95,366	0

A further correction has been made to the Related Parties Disclosure for 2020/2021 on the basis that this adjustment is material by nature:

Prior Period Adjustments	2020/2021 Original Disclosure £	Restated 2020/2021 Disclosure £	Variance £
Members Related Parties (p.55)			
<i>Correction to Amounts Paid by Authority to include expenditure incurred in 2020/2021.</i>			
JP Print & Signs	0	1,798	1,798

There are no significant changes to accounting policies or accounting estimates adopted for the 2021/2022 Accounts.

3. Accounting Standards Issued but not yet Adopted

The 2022/2023 Accounting Code of Practice includes the following new or revised accounting standards that have effect from 1 April 2022.

Source, Requirement and Potential Impact
<p><i>Annual Improvements to IFRS Standards 2018-2020</i></p> <p>IFRS 1 First-time Adoption of International Financial Reporting Standards - amendments to subsidiary as a first-time adopter. No anticipated impact on the Authority's accounts. IFRS 9 Financial Instruments - amendment to fees in the 10% test for derecognition of financial liabilities. No anticipated impact on the Authority's accounts. IFRS 16 Leases - amendment to lease incentives. No anticipated impact on the Authority's accounts.</p>
<p><i>IAS 16 Property, Plant and Equipment</i></p> <p>Amendments to the treatment of amounts received from the sale of items produced while preparing an asset for its intended use. No significant impact anticipated on the Authority's Accounts.</p>

Having previously deferred implementation of IFRS 16 *Leases* to 1 April 2021, CIPFA/LASAAC has agreed to a further deferral until the 2023/2024 financial year.

IFRS16 removes the current operating and financing lease classifications and requires local authorities that are lessees to recognise all leases on their balance sheets as right-of-use assets (with exemptions for short-term and low value leases) together with a corresponding liability representing the obligation to make lease payments for the asset.

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

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Authority's Balance Sheet at 31 March 2022 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Local Government Scheme Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. The Greater Gwent Local Government Pension Scheme has engaged Hymans Robertson LLP as its consulting actuary to provide expert advice concerning the appropriate assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. The fund actuary has advised that a 0.5% decrease in the discount rate assumption would result in an increase in the pension liability of £74.840m (<i>see pages 94-95 for further sensitivity analysis</i>). However, the assumptions interact in complex ways. During 2021/2022, the Authority's actuaries advised that the net pensions liability had decreased by £74.411m as a result of remeasurements of pension assets and liabilities. This increase comprised a £17.615m gains on assets (representing the difference between actual and expected asset return for the year) and net decreases in liabilities of £56.796m (arising from changes in demographic/ financial assumptions and other experience gains (<i>see page 91</i>)).
Revaluation of Property, Plant and Equipment	Specific categories of Property, Plant and Equipment assets are revalued on a sufficiently regular basis to ensure their carrying amount is not materially different from their fair value. As a minimum, all assets are revalued every five years. In addition, all assets are assessed annually for impairment. The value of the asset portfolio is based upon calculations and estimation techniques following the Royal Institute of Chartered Surveyors (RICS) guidance.	The appointed valuers have applied professional judgement and assumptions in determining the value of assets and the extent of any impairment. A 1% variation arising from these judgements and assumptions would result in the over or understatement of the Gross Book Value of PPE of £1.818m. These variances could result in the Statement of Accounts being materially mis-stated and, subject to proper capital accounting practice, their adjustment could have an impact on the Balance Sheet, CIES and the level of the Authority's Reserves.
Indexation of Property Assets valued at Depreciated Replacement Cost (DRC)	As a consequence of recent increases in material and rebuild costs, it was considered necessary to revalue those assets that are normally valued using the DRC method to ensure that the Balance Sheet valuations were not materially understated.	An indexation approach has been adopted to update the carrying values of the relevant asset categories, mainly in relation to schools, libraries, leisure centres, and car parks. The impact of this indexation exercise has been an increase in the gross value of the Authority's assets of £2.230 million.
Fair Value Estimations	When the fair values of Investment Properties, Surplus Assets and Assets Held for Sale cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using the following valuation techniques: - For Level 2 inputs, quoted prices for similar assets or liabilities in active markets at the balance sheet date; - For level 3 inputs, valuations based on a combination of available market data derived from a mixture of transactions on both Council and 3rd party assets which are then analysed to take into account yields, rates per sq. m, build costs etc.. Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible, judgment is required in establishing fair values. These judgments typically include considerations such as uncertainty and risk. Changes in assumptions used could affect the fair value of the Authority's assets and liabilities.	The Authority uses a combination of available market data derived from a mixture of transactions on both Council and 3 rd party assets which are then analysed to take into account yields, rates per sq. m, build costs etc. to measure the fair value of its Surplus Assets and Assets Held for Sale under IFRS13, depending on which technique it considers most appropriate. The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, occupancy levels, floor area repairs backlogs, and others. Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for these assets.
Depreciation of Property, Plant and Equipment	Assets are depreciated based on useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to maintain the required level of expenditure on repairs and maintenance, resulting in uncertainty regarding the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation charged to the CIES increases and the carrying amount of assets on the Balance Sheet falls.
Impairment of Debtors	As at 31 March 2022, the Authority has an outstanding debtors balance of £42.891m. In accordance with proper accounting practice, impairment allowances totalling £5.161m have been calculated for the various classifications of debt outstanding. However, these allowances are based on estimates and judgements, including past experience of collecting similar debts, which may not accurately reflect future levels of debt recovery.	An understatement of debtor impairment allowances would result in an overstatement of income recovered that would require adjustment in the Accounting Statements. At 31 March 2022, impairment allowances represent 12.03% of debt outstanding. A 5% understatement in impairment would therefore represent a potential reduction in revenues of £2.143m.

5. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- i. These accounts have been prepared on a going concern basis, which assumes that the functions and services provided by the Authority will continue in operational existence for the foreseeable future, although there will be significant financial challenges to be met (*see also note 15 to the Narrative Report, page 12*).
- ii. The Authority has reviewed all property assets in accordance with the relevant accounting policies and has made appropriate reclassifications for assets that are held for sale.
- iii. All maintained schools in the County Borough are considered to be entities controlled by the Authority, with the income, expenditure, assets, liabilities, reserves and cash flows of each school recognised in the single entity accounts on the basis outlined in the Authority's Accounting Policies (*1.20, pages 31-32*).
- iv. The Authority has determined that assets used for economic development purposes, e.g. industrial estates, are not held solely for the purpose of income generation or capital appreciation and therefore do not meet the definition of investment properties. These assets have been treated as Property, Plant and Equipment in the Balance Sheet.
- v. The Authority has classified its leases as finance or operating in accordance with IFRS. Finance leases are not precisely defined and therefore an element of judgement has been required in assessing each lease arrangement.
- vi. Capital and revenue grants and contributions continue to be reviewed to determine the existence of any conditions requiring repayment of sums involved to the awarding body, and the extent to which any conditions have been fulfilled. There has been a consequential impact on sums retained on the Balance Sheet and credited to the Comprehensive Income and Expenditure Statement.
- vii. Where disclosure notes required by the Accounting Code are insignificant or immaterial in value and their omission has been determined not to have a detrimental impact on the presentation of the financial position or performance of the Authority, these disclosures have not been presented.
- viii. Further to the United Kingdom leaving the European Union, there remains a high degree of uncertainty regarding the continuation of previous funding streams for local government. However, a judgement has been taken that there remains insufficient indication that this funding uncertainty will result in reduction of service provision with a consequent impairment of assets held by the Authority.

6. Events After the Reporting Period

The Statement of Accounts was authorised for issue by Ms R. Hayden CPFA, Chief Officer - Resources, on 09 October 2023.

Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2022, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Greater Gwent Local Government Pension Scheme

In March 2023, the Actuary to the Greater Gwent Local Government Pension Fund notified admitted bodies that they may require additional actuarial advice in respect of the accounting position as at 31 March 2022, in those authorities where the conclusion of the 2022 triennial actuarial valuation occurred prior to the completion of the financial audit of Accounts.

The Council requested additional information from the Fund Actuary to test the impact of the triennial valuation on attributable fund balances at 31 March 2022. The following changes were indicated:

Event After the Reporting Period: Pension Scheme Balances	31 March 2022		Variance	
	Original	Revised		
	£000	£000	£000	%
Attributable LGPS Fund Assets	465,516	458,982	(6,534)	(1.40)
Attributable LGPS Fund Obligations	(759,017)	(749,570)	9,447	(1.24)
Attributable Net Asset/(Liability)	(293,501)	(290,588)	2,913	(0.99)

The Accounting treatment of pension transactions requires that changes to the Net Pension Asset/Liability are reversed by entries to the Pensions Reserve, such that there is no overall impact to either the Council's Balance Sheet or the bottom line of the Revenue Account.

The potential impact in percentage terms is no greater than 1.4% of attributable LGPS assets and the net liability figure recorded on the Balance Sheet is impacted by less than 1%. Given the minimal impact of the potential adjustment and the absence of any overall impact on the Balance Sheet and Revenue Account, the Council does not consider that the absence of the entries required would mislead users of the Accounts. As a result, these adjustments have not been made to the 2021/2022 Accounts.

Comprehensive Income and Expenditure Statement Notes

7. Expenditure and Funding Analysis

The Expenditure & Funding Analysis shows how annual expenditure is used and funded from resources (i.e. government grants, council tax and business rates) by the Authority in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and Expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Expenditure & Funding Analysis	2021/2022					2020/2021 (Restated)†				
	Management Account Net Expenditure	Accounting Code Adjustments (Note 7.1)	Net Expenditure Chargeable to the Council Fund (Note 7.2)	Funding & Accounting Basis Adjustments (Note 7.3)	CIES Net Expenditure	Management Account Net Expenditure	Accounting Code Adjustments (Note 7.1)	Net Expenditure Chargeable to the Council Fund (Note 7.2)	Funding & Accounting Basis Adjustments (Note 7.3)	CIES Net Expenditure
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Corporate Services	16,140	6,711	22,851	2,473	25,324	15,408	7,432	22,840	1,252	24,092
Education	63,818	(50,749)	13,069	2,696	15,765	61,765	(49,954)	11,811	(5,360)	6,451
Education - School Spending	(6,228)	49,534	43,306	(2,853)	40,453	(3,682)	45,814	42,132	(214)	41,918
Environment	26,710	(11,278)	15,432	7,987	23,419	25,644	(12,560)	13,084	7,115	20,199
Cardiff Capital Region City Deal	0	107	107	(185)	(78)	0	87	87	(206)	(119)
Regeneration & Economic Development	1,519	(498)	1,021	1,380	2,401	1,195	(447)	748	1,468	2,216
Social Services	42,749	(3,378)	39,371	4,963	44,334	44,231	(3,663)	40,568	2,131	42,699
Licensing	95	(13)	82	33	115	93	1	94	16	110
Planning	798	(218)	580	182	762	1,170	(539)	631	84	715
Capital Adjustments*	0	(4)	(4)	4	0	0	(1)	(1)	1	0
Pension Adjustments**	0	396	396	(396)	0	0	520	520	(520)	0
Net Expenditure on Continuing Operations	145,601	(9,390)	136,211	16,284	152,495	145,824	(13,310)	132,514	5,767	138,281
Other Operating Expenditure	0	8,941	8,941	1,727	10,668	0	9,693	9,693	60	9,753
Financing & Investment Income & Expenditure	0	4,653	4,653	6,869	11,522	0	4,901	4,901	5,396	10,297
Taxation & Non-Specific Grant Income	0	(166,745)	(166,745)	(12,610)	(179,355)	0	(160,731)	(160,731)	(43,446)†	(204,177)
(Surplus)/Deficit on the Provision of Services	145,601	(162,541)	(16,940)	12,270	(4,670)	145,824	(159,447)	(13,623)	(32,223)	(45,846)
Tax Expenses			22					(37)		
Transfers to/(from) earmarked reserves			11,404					12,506		
(Increase)/Decrease in year			(5,514)					(1,154)		
Opening Council Fund Balance as at 1 April			(7,553)					(6,399)		
Closing Council Fund Balance as at 31 March			(13,067)					(7,553)		

*: Capital Adjustments includes Deferred Charges and Minimum Revenue Provision.

** : Pension Adjustments represents corporate amounts for Past Service Cost/Curtailment payments to the Local Government Pension Scheme.

†: The current value of the Ebbw Valley Railway Infrastructure loan has been re-appraised to correct an error in the 2020/2021 discounting calculation. This has reduced the element classified as 'capital grants unapplied' by £17.464m, with a corresponding increase in the amount accounted for as a loan.

7.1 Code-Compliant Adjustments to Management Accounts

This table shows the adjustments made to the 2021/2022 management accounts to arrive at 'Net Expenditure Chargeable to the Council Fund' on an Accounting Code of Practice-compliant basis:

Expenditure and Funding Analysis: Accounting Code Adjustments to Management Accounts	2021/2022							Total £000
	Capital Charges (Note 7.1.1)	Elimination of Internal Recharges (Note 7.1.2)	Pension Liabilities (Note 7.1.3)	Precepts & Levies (Note 7.1.4)	Provisions (Note 7.1.5)	Reserves (Note 7.1.6)	Other (Note 7.1.7)	
	£000	£000	£000	£000	£000	£000	£000	
Corporate Services	(11)	7,624	0	0	(31)	(338)	(533)	6,711
Education	(3,231)	(47,472)	0	0	(202)	157	(1)	(50,749)
Education - School Spending	0	45,838	0	0	23	3,681	(8)	49,534
Environment	(4,127)	(3,207)	0	(3,630)	(93)	(261)	40	(11,278)
Cardiff Capital Region City Deal	0	0	0	0	0	0	107	107
Regeneration & Economic Development	(425)	24	0	0	(4)	(27)	(66)	(498)
Social Services	(163)	(2,461)	0	0	(65)	(858)	169	(3,378)
Licensing	0	(11)	0	0	0	0	(2)	(13)
Planning	0	(248)	0	0	(7)	37	0	(218)
Capital Adjustments	0	0	0	0	0	0	(4)	(4)
Pension Adjustments	0	0	(394)	0	0	0	790	396
Net Expenditure on Continuing Operations	(7,957)	87	(394)	(3,630)	(379)	2,391	492	(9,390)
Other Operating Expenditure	0	0	0	3,630	0	0	5,311	8,941
Financing & Investment Income & Expenditure	0	0	7,116	0	0	0	(2,463)	4,653
Taxation & Non-Specific Grant Income	0	0	0	0	0	0	(166,745)	(166,745)
(Surplus)/Deficit on the Provision of Services	(7,957)	87	6,722	0	(379)	2,391	(163,405)	(162,541)

This table shows the adjustments made to the 2020/2021 management accounts to arrive at 'Net Expenditure Chargeable to the Council Fund' on an Accounting Code of Practice-compliant basis:

Expenditure and Funding Analysis: Accounting Code Adjustments to Management Accounts	2020/2021							Total £000
	Capital Charges (Note 7.1.1)	Elimination of Internal Recharges (Note 7.1.2)	Pension Liabilities (Note 7.1.3)	Precepts & Levies (Note 7.1.4)	Provisions (Note 7.1.5)	Reserves (Note 7.1.6)	Other (Note 7.1.7)	
	£000	£000	£000	£000	£000	£000	£000	
Corporate Services	(11)	6,973	0	0	(166)	(684)	1,320	7,432
Education	(3,231)	(45,767)	0	0	(64)	(892)	0	(49,954)
Education - School Spending	0	44,489	0	0	0	1,325	0	45,814
Environment	(4,139)	(2,896)	0	(3,548)	(114)	(1,870)	7	(12,560)
Cardiff Capital Region City Deal	0	0	0	0	0	0	87	87
Regeneration & Economic Development	(425)	(41)	0	0	(2)	64	(43)	(447)
Social Services	(163)	(2,397)	0	0	(38)	(946)	(119)	(3,663)
Licensing	0	(12)	0	0	0	0	13	1
Planning	0	(197)	0	0	(342)	0	0	(539)
Capital Adjustments	0	0	0	0	0	0	(1)	(1)
Pension Adjustments	0	0	(520)	0	0	0	1,040	520
Net Expenditure on Continuing Operations	(7,969)	152	(520)	(3,548)	(726)	(3,003)	2,304	(13,310)
Other Operating Expenditure	0	0	0	3,548	0	0	6,145	9,693
Financing & Investment Income & Expenditure	0	0	6,180	0	0	0	(1,279)	4,901
Taxation & Non-Specific Grant Income	0	0	0	0	0	0	(160,731)	(160,731)
(Surplus)/Deficit on the Provision of Services	(7,969)	152	5,660	0	(726)	(3,003)	(153,561)	(159,447)

The following notes provide additional detail for each of the adjustments made to management accounts:

7.1.1 Capital Charges

Capital charges reported to management are on the basis of estimates calculated prior to the commencement of the financial year during the budget-setting process. These are removed and replaced with actual capital charges for depreciation, impairment and leasing. The 'Capital Adjustments' line includes the calculated MRP for the year.

7.1.2 Elimination of Internal Recharges

The Accounting Code confirms that the EFA fulfils the Authority's requirements for segmental analysis in compliance with IFRS 8 *Operating Segments* and also stipulates that transactions between segments are not permitted in the service analysis section of the CIES. Management reports include expenses and revenues arising from recharges for a range of internally provided support services and services reported on a corporate basis (such as Centralised IT and Corporate Landlord functions). These entries are eliminated to avoid the overstatement of segment income and expenditure as reported in the CIES. Transactions relating to specific services provided to Schools have not been eliminated as these are not material in value but would distort the figures reported in relation to Schools Balances and the Council Fund General Reserve in a way that is not considered to be useful to the users of the Accounts.

7.1.3 Pension Liabilities

Current Service Costs included in management reports are on the basis of an estimated level of liabilities, with adjustment to the equivalent cash cost for grant funded schemes. Past Service and Curtailment Costs are also included on an estimate basis. These amounts are adjusted to the actuarially-calculated amounts for inclusion in the statutory accounts.

Accruals for short-term accumulating compensated absences are not included in management accounts; these are added for code-compliance.

7.1.4 Precepts & Levies

Precepts and levies are reported in the Environment Portfolio, but are reclassified as 'Other Operating Expenditure' in the CIES.

7.1.5 Provisions

Amounts are included in management accounts for early termination provision costs, on a case-by-case basis. No other entries relating to provisions are included. Adjustment is made to match the statutory accounts that include provisions on the basis required by IAS37 *Provisions, Contingent Liabilities and Contingent Assets*.

7.1.6 Reserves

Management accounts include transfers to or from earmarked reserves as income or expenditure against services. Amounts may also be included for revenue contributions to capital expenditure. These are adjusted to match the treatment in the statutory accounts, where transfers to/from reserves are recorded in the Movement in Reserves Statement and revenue contributions to capital expenditure are included as adjustments under statutory provisions.

7.1.7 Other Adjustments

This includes:

- Reclassification of the Council Tax Surplus on Collection, which is included as a credit against services in the management accounts and within 'Taxation and Non-Specific Grant Income' in the CIES;
- Adjustment for Impairment Charges for Debtors, which are not reported to management but included in the statutory accounts on the basis of type and age of debt;
- Inclusion of unhypothecated funding sources, such as Revenue Support Grant, NNDR and Council Tax, which are not included in reports to management;
- Correction of entries in relation to Housing Benefit overpayments and associated impairment; and
- Addition of Blaenau Gwent's share of the Cardiff Capital Region City Deal operating income and expenditure.

7.2 Expenditure and Income Charged to the Council Fund

Net Expenditure charged by Portfolios to the Council Fund can be analysed as follows:

Expenditure & Income Charged to Council Fund	2021/2022 £000	2020/2021 £000
External Fees, Charges & Other Service Income	(19,256)	(17,687)
Government Grants	(68,801)	(66,689)
Total Income	(88,057)	(84,376)
Employee Expenses	108,813	103,458
Other Service Expenses	115,455	113,432
Total Expenditure	224,268	216,890
Net Expenditure	136,211	132,514

7.3 Adjustments Between Funding and Accounting Basis

This table shows the adjustments between the management accounts (restated to an Accounting Code of Practice-compliant basis) and the net expenditure reported in the Comprehensive Income and Expenditure Statement:

Expenditure & Funding Analysis: Adjustments between 'Code-Compliant' Management Accounts and the CIES	2021/2022				2020/2021 (Restated)†			
	Adjustments for Capital Purposes (Note 7.3.1)	Net Change for Pensions Adjustments (Note 7.3.2)	Other Adjustments (Note 7.3.3)	Total Adjustments	Adjustments for Capital Purposes (Note 7.3.1)	Net Change for Pensions Adjustments (Note 7.3.2)	Other Adjustments (Note 7.3.3)	Total Adjustments
	£000	£000	£000	£000	£000	£000	£000	£000
Corporate Services	(111)	2,584	0	2,473	30	1,114	108	1,252
Education	555	2,116	25	2,696	(4,916)	(481)	37	(5,360)
Education - School Spending	(3,040)	0	187	(2,853)	(23)	0	(191)	(214)
Environment	4,604	3,350	33	7,987	5,604	1,168	343	7,115
Cardiff Capital Region City Deal	(186)	0	1	(185)	(207)	0	1	(206)
Regeneration & Economic Development	875	505	0	1,380	1,236	160	72	1,468
Social Services	401	4,560	2	4,963	144	1,678	309	2,131
Licensing	0	33	0	33	0	12	4	16
Planning	0	187	(5)	182	(16)	75	25	84
Capital Adjustments	4	0	0	4	1	0	0	1
Pension Adjustments	0	(396)	0	(396)	0	(520)	0	(520)
Net Expenditure on Continuing Operations	3,102	12,939	243	16,284	1,853	3,206	708	5,767
Other Operating Expenditure	1,727	0	0	1,727	60	0	0	60
Financing & Investment Income & Expenditure	(143)	7,116	(104)	6,869	(680)	6,180	(104)	5,396
Taxation & Non-Specific Grant Income	(12,610)	0	0	(12,610)	(43,446)†	0	0	(43,446)
(Surplus)/Deficit on the Provision of Services	(7,924)	20,055	139	12,270	(42,213)	9,386	604	(32,223)

†: The current value of the Ebbw Valley Railway Infrastructure loan has been re-appraised to correct an error in the 2020/2021 discounting calculation. This has reduced the element classified as 'capital grants unapplied' by £17.464m, with a corresponding increase in the amount accounted for as a loan.

7.3.1 Adjustments for Capital Purposes

This column adds in depreciation, impairment and revaluation gains & losses in the service lines, and for:

- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Financing and investment income and expenditure – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

7.3.2 Net Change for Pensions Adjustments

This column shows the net change for the removal of pension contributions and the addition of IAS19 *Employee Benefits* pension related expenditure and income:

- For services this represents the removal of the employer pension contributions made by the Authority as allowed by statute and the replacement with current service costs and past service costs.
- For financing and investment income and expenditure, the net interest on the defined benefit liability is charged to the CIES.

7.3.3 Other Adjustments

This column includes differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- For service lines, the adjustment for short-term accumulating compensated absences.
- For financing and investment income and expenditure the other differences column recognises adjustments to the Council Fund for the timing differences for premiums and discounts.

8. Taxation and Non-Specific Grant Income

This disclosure includes:

- Local taxation income, such as Council Tax receipts;
- Grants and contributions that are not attributable to specific services and are applied as general revenue funding; and
- Capital grants and contributions from a variety of funding bodies to cover expenditure on capital schemes.

Taxation & Non Specific Grant Income	2021/2022	2020/2021 (Restated)†
	£000	£000
Taxation & Non-Specific Revenue Grants		
Council Tax Income	(44,272)	(42,894)
Non-Domestic Rates	(23,334)	(22,010)
Revenue Support Grant	(98,387)	(94,054)
Unhypothecated Grants	(493)	(1,659)
Total Taxation and Non-Specific Revenue Grants	(166,486)	(160,617)
Capital grants and contributions	(12,869)	(43,560)†
Total	(179,355)	(204,177)

In 2021/2022, the Authority received £0.493m (2020/2021: £1.659m) of grants from Welsh Government that were not related to specific services and these have been included as 'Unhypothecated Grants'.

†: The current value of the Ebbw Valley Railway Infrastructure loan has been re-appraised to correct an error in the 2020/2021 discounting calculation. This has reduced the element classified as 'capital grants unapplied' by £17.464m, with a corresponding increase in the amount accounted for as a loan.

9. Other Operating Expenditure

Other operating expenditure in the Comprehensive Income and Expenditure Statement consists of the following:

Other Operating Expenditure	2021/2022			2020/2021		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£000	£000	£000	£000	£000	£000
(Gains)/losses on the Disposal of Non-Current Assets	1,696	(1,102)	594	1,011	(952)	59
Precepts & Levies:						
Gwent Police Authority Precept	5,988	0	5,988	5,640	0	5,640
South Wales Fire Authority Levy	3,482	0	3,482	3,406	0	3,406
Community Council Precepts	456	0	456	506	0	506
Coroners' Courts	116	0	116	113	0	113
National Park Levy	32	0	32	29	0	29
Total	11,770	(1,102)	10,668	10,705	(952)	9,753

10. Financing and Investment Income and Expenditure

Financing and investment income and expenditure in the Comprehensive Income and Expenditure Statement consists of the following:

Financing and Investment Income and Expenditure	2021/2022			2020/2021		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£000	£000	£000	£000	£000	£000
Change in Fair Value of Investment Property *	5	0	5	321	0	321
Impairment **	190	0	190	204	0	204
Interest payable and similar charges - Financial Instruments	4,464	0	4,464	3,856	0	3,856
Interest payable and similar charges - Other ***	5	0	5	2	0	2
Interest receivable and similar income - Financial Instruments	0	(77)	(77)	0	(13)	(13)
Interest receivable and similar income - Other ****	0	(181)	(181)	0	(253)	(253)
Net Pensions Interest Cost	15,914	(8,798)	7,116	13,965	(7,785)	6,180
Total	20,578	(9,056)	11,522	18,348	(8,051)	10,297

*: Authority proportion of Cardiff Capital Region City Deal investment properties.

***: Interest on finance leases and school balances.

** : Movement in allowances for expected credit losses on financial assets.

****: Interest on (lessor) finance leases, car loans and contractor bonds.

11. Agency Income and Expenditure

During the Covid-19 pandemic, the Authority acted as an agent on behalf of Welsh Government in the distribution of a range of grants and reliefs.

The following table summarises the purpose of each grant or relief scheme, and the number of individuals or businesses supported.

	2021/2022	2020/2021
	Number of Businesses/ Individuals Supported	Number of Businesses/ Individuals Supported
Funding Administered on Behalf of Welsh Government: Purpose		
Business Support Grants	734	2,047
<i>Grants were payable to business of specific types (including retail, hospitality and leisure) that were liable for non-domestic rates, and also for businesses that were forced to close or were materially impacted by the restrictions in place during lockdowns.</i>		
Self Isolation Payments	3,924	929
<i>Payments of £500 were issued to people required to self isolate as a result of either contracting Covid-19 themselves or coming into contact with a person identified as carrying Covid-19.</i>		
SSP Enhancement Payments	255	280
<i>The statutory sick payment enhancement scheme provides funding to allow employers to pay eligible social care workers at full pay if they cannot work due to Covid-19.</i>		
Care Workers Payments	2,309	1,799
<i>Payments to Carers of £500, announced by Welsh Government during the year as part of a nationwide scheme.</i>		
Freelancer Grants	43	130
<i>Grant provided to support freelance workers in cultural and creative sectors.</i>		
Start-Up Grants	0	30
<i>This grant was aimed at new small businesses who were not eligible for any other Covid-19 support.</i>		
Retail, Leisure and Hospitality Rate Relief	317	328
<i>To provide support for eligible properties by offering a discount of 100% on the non-domestic rates bill for 2020/2021 and 2021/2022.</i>		
Winter Fuel Support Scheme	5,511	0
<i>To provide support to eligible households towards paying winter fuel costs.</i>		

The following tables summarise the transactions and balances related to the various grants and reliefs administered during 2021/2022.

Funding Administered on Behalf of Welsh Government: Transactions	2021/2022		2020/2021	
	Funding Allocation £000	Payments Made or Reliefs Applied £000	Funding Allocation £000	Payments Made or Reliefs Applied £000
Business Support Grants	(2,240)	1,577	(25,903)	25,903
Self Isolation Payments	(2,743)	2,743	(464)	464
SSP Enhancement Payments	(83)	83	(106)	106
Care Workers Payments	(2,000)	1,998	(1,025)	1,025
Freelancer Grants	(108)	108	(325)	325
Start-Up Grants	0	0	(75)	75
Retail, Leisure and Hospitality Rate Relief	(3,607)	2,055	(3,530)	3,263
Winter Fuel Payments	(1,102)	1,102	0	0
Total	(11,883)	9,666	(31,428)	31,161

Funding Administered on Behalf of Welsh Government: Balances	Balance at 31 March 2022	Balance at 31 March 2021
	£000	£000
Business Support Grants	(663)	0
Care Workers Payments	(2)	0
Retail, Leisure and Hospitality Rate Relief	(1,552)	(267)
Winter Fuel	0	0
Total	(2,217)	(267)

Transactions relating to these schemes have not been included in the Authority's Accounts.

12. Partnership Schemes Under Section 33 of the NHS (Wales) Act 2006

12.1 The Gwent Wide Integrated Community Equipment Service (GWICES)

The Gwent Wide Integrated Community Equipment Service is an agreement for the provision of an efficient and effective integrated community equipment service to users who are resident in the partner localities. This agreement came into effect on 1 October 2008.

12.2 The Gwent Frailty Programme

The Gwent Frailty Programme is an agreement for the delivery of a range of services to avoid hospital admissions, facilitate early discharge and help individuals remain "happily independent". The Community Resource Teams provide integrated urgent response, re-ablement and falls services within each locality in line with agreed Locality Annual Commissioning Plans. This agreement came into effect on 4 April 2011.

12.3 The Gwent Care Home Accommodation Functions Pooled Fund

The Gwent Care Home Accommodation Functions Pooled Fund is an agreement for the provision of efficient and effective Care Home functions reflecting locally agreed priorities for older people who are assessed as in need of such care. The arrangement came into effect on 1 April 2018.

The Authority's transactions in relation to these partnership schemes are included in the Social Services Portfolio line of the CIES. Summarised transactions for the financial year ending 31 March 2022 were as follows.

Partnership Schemes:	2021/2022				2020/2021			
	GWICES £000	Gwent Frailty £000	Care Homes £000	Total £000	GWICES £000	Gwent Frailty £000	Care Homes £000	Total £000
Total Expenditure	4,991	16,109	99,844	120,944	4,106	16,623	95,842	116,571
Funding								
Blaenau Gwent County Borough Council	(480)	(610)	(6,953)	(8,043)	(311)	(614)	(7,020)	(7,945)
Caerphilly County Borough Council	(534)	(2,101)	(22,762)	(25,397)	(462)	(2,230)	(22,289)	(24,981)
Monmouthshire County Borough Council	(419)	(1,456)	(9,420)	(11,295)	(382)	(1,411)	(8,870)	(10,663)
Newport City Council	(414)	(1,824)	(18,629)	(20,867)	(388)	(1,846)	(16,072)	(18,306)
Torfaen County Borough Council	(1,700)	(783)	(10,670)	(13,153)	(1,400)	(806)	(10,474)	(12,680)
Aneurin Bevan University Health Board	(1,040)	(9,213)	(31,410)	(41,663)	(874)	(9,730)	(31,117)	(41,721)
Other	(404)	0	0	(404)	(289)	0	0	(289)
Total Funding	(4,991)	(15,987)	(99,844)	(120,822)	(4,106)	(16,637)	(95,842)	(116,585)
Net In-Year (Under)/Overspend	0	122	0	122	0	(14)	0	(14)
Balance Brought Forward	0	(504)	0	(504)	0	(490)	0	(490)
Balance Carried Forward	0	(382)	0	(382)	0	(504)	0	(504)

13. Members' Allowances

The total amount of allowances and expenses paid to Members during the year was £760,761 (2020/2021: £752,438), analysed as follows:

Members' Allowances	2021/2022 £000	2020/2021 £000
Allowances	761	752
Expenses	0	0
Total:	761	752

Within the allowances above are payments in 2021/2022 of £18,345 (£19,801 in 2020/2021) made to Members nominated to serve as Directors on the Board of Silent Valley Waste Services Ltd.. These costs are reimbursed by the Company.

14. Officers' Remuneration

14.1 The number of employees whose remuneration, including termination benefits but excluding employer pension contributions, was £60,000 or more, was:

Officers Emoluments	2021/2022					2020/2021				
	Teaching	Other	Total	Left During Year	Total excluding leavers	Teaching	Other	Total	Left During Year	Total excluding leavers
Remuneration Band										
£60,000 - £64,999	13	2	15	0	15	6	3	9	0	9
£65,000 - £69,999	5	3	8	1	7	11	3	14	0	14
£70,000 - £74,999	6	3	9	0	9	3	3	6	0	6
£75,000 - £79,999	2	0	2	0	2	2	0	2	0	2
£80,000 - £84,999	0	2	2	0	2	1	4	5	0	5
£85,000 - £89,999	2	1	3	0	3	1	0	1	0	1
£90,000 - £94,999	0	0	0	0	0	1	0	1	0	1
£95,000 - £99,999	0	0	0	0	0	0	0	0	0	0
£100,000 - £104,999	1	0	1	0	1	2	0	2	0	2
£105,000 - £109,999	2	0	2	0	2	0	0	0	0	0
Total	31	11	42	1	41	27	13	40	0	40

- Notes:
- 1) Employees that are included in the Senior Officers Remuneration disclosure have been excluded from the above table.
 - 2) Voluntary Aided School employees have been included in the above disclosure.
 - 3) In 2021/2022 an employee has been included who would otherwise have been excluded if it were not for one-off severance payments.

Further details of termination benefits can be found in notes 15-16 (pages 48-49).

14.2 Remuneration Ratio

For 2021/2022, the ratio of the Chief Executive's remuneration in comparison to the median remuneration of all the Authority's employees was as follows:

	2021/2022	2020/2021
Ratio of Managing Director pay to median pay of all staff	1:3.89	1:4.38

14.3 Senior Officers' Remuneration

The following table sets out the remuneration in 2021/2022 for senior officers (as defined by statute) whose salary for the year was between £60,000 and £150,000. There were no senior officers whose salary exceeded £150,000.

2021/2022 Post Title	Notes	Salary (including fees & allowances) £	Expense Allowances £	Compensation for Loss of Office £	Benefits in Kind £	Total Remuneration (excluding Pension Contributions) £	Employers Pension Contributions £	Total Remuneration (including Pension Contributions) £
Managing Director	Notes 1 & 2	111,055	0	0	0	111,055	26,098	137,153
Chief Executive (from 9 March 2022)	Note 1	6,367	0	0	0	6,367	1,496	7,863
Corporate Director of Education		87,658	0	0	0	87,658	20,600	108,258
Corporate Director of Regeneration & Community Services		91,826	0	0	0	91,826	21,579	113,405
Corporate Director of Social Services (to 8 March 2022)	Note 1	86,884	0	0	0	86,884	20,417	107,301
Chief Officer (Resources)	Note 2	79,799	0	0	0	79,799	18,753	98,552
Chief Officer (Commercial)	Note 2	77,557	0	0	0	77,557	18,226	95,783
Head of Governance & Partnerships (from 1 January 2022)	Notes 3 & 4	16,985	0	0	0	16,985	3,991	20,976
Head of Legal & Corporate Compliance	Note 4	71,167	0	0	0	71,167	16,724	87,891
Total		629,298	0	0	0	629,298	147,884	777,182

Note 1: The employment of the Managing Director terminated on 31 March 2022. Further to the departure of the Managing Director, a temporary arrangement was established prior to a formal recruitment process to fill the post on a permanent basis, with the post redesignated as Chief Executive. The Corporate Director of Social Services was therefore 'acting up' as the Chief Executive with effect from the 9 March 2022.

Note 2: The following post holders also received total payments in their roles as Returning Officer: Managing Director £10,840, Head of Legal & Corporate Compliance £4,240 and Chief Officer (Resources) £3,160.

Note 3: The Head of Governance & Partnerships post remained vacant until 1 January 2022.

Note 4: The Head of Governance & Partnerships and Head of Legal & Corporate Compliance report directly to the Managing Director and are included in this disclosure on that basis.

The following table sets out the remuneration in 2020/2021 for senior officers (as defined by statute) whose salary for the year was between £60,000 and £150,000. There were no senior officers whose salary exceeded £150,000.

2020/2021 Post Title	Notes	Salary (including fees & allowances) £	Expense Allowances £	Compensation for Loss of Office £	Benefits in Kind £	Total Remuneration (excluding Pension Contributions) £	Employers Pension Contributions £	Total Remuneration (including Pension Contributions) £
Managing Director		109,414	0	0	0	109,414	25,712	135,126
Corporate Director of Education (to 15 April 2020)	Note 1	4,238	0	2,195	0	6,433	996	7,429
Corporate Director of Education (from 30 March 2020)	Note 2	83,713	0	0	0	83,713	19,673	103,386
Corporate Director of Regeneration & Community Services		90,469	0	0	0	90,469	21,260	111,729
Corporate Director of Social Services		90,469	0	0	0	90,469	21,260	111,729
Chief Officer (Resources)		76,799	0	0	0	76,799	18,048	94,847
Chief Officer (Commercial) (to 14 February 2021)	Note 3	70,394	0	0	0	70,394	16,543	86,937
Chief Officer (Commercial) (from 8 February 2021)	Note 3	10,666	0	0	0	10,666	2,506	13,172
Head of Governance & Partnerships (to 7 February 2021)	Notes 3 & 4	61,570	0	0	0	61,570	14,469	76,039
Head of Legal & Corporate Compliance	Note 4	70,115	0	0	0	70,115	16,477	86,592
Total		667,847	0	2,195	0	670,042	156,944	826,986

Note 1: The employment of the (former) Corporate Director of Education terminated on the 15th of April 2020, with outstanding annual leave being taken prior to that date.

Note 2: Further to the departure of the (former) Corporate Director of Education, a temporary arrangement was established prior to a formal recruitment process to fill the post on a permanent basis. The Head of Education Transformation was therefore 'acting up' as the Corporate Director of Education with effect from the 30th March 2020 and was subsequently confirmed in the role.

Note 3: The (former) Chief Officer (Commercial) left the employment of the Authority on 14 February 2021. In order to provide continuity, the Head of Governance & Partnerships was appointed to the role on an interim basis pending a formal recruitment process to fill the role permanently. The Head of Governance & Partnerships left that post on the 7 February 2021 and commenced 'acting up' as Chief Officer (Commercial) on 8 February 2021. The Head of Governance & Partnerships post was not appointed to in the 2020/2021 financial year and remained vacant.

Note 4: The Head of Governance & Partnerships and Head of Legal & Corporate Compliance report directly to the Managing Director and are included in this disclosure on that basis.

15. Termination Benefits and Exit Packages - Costs to Authority

The number and value of exit packages agreed by the Authority during the year were as follows:

Exit Package Cost Band	2021/2022				2020/2021			
	Compulsory Redundancies	Other Departures	Exit Packages	Total Cost of Exit Packages	Compulsory Redundancies	Other Departures	Exit Packages	Total Cost of Exit Packages
	Nº	Nº	Nº	£000	Nº	Nº	Nº	£000
£0-£19,999	3	39	42	292	0	20	20	80
£20,000-£39,999	0	3	3	67	0	3	3	94
£40,000-£139,999	0	2	2	165	0	3	3	161
Total	3	44	47	524	0	26	26	335

Note: Value bands have been combined in order to ensure that individual exit packages cannot be identified. Of the 335 terminations in 2020/2021, 4 employees received no exit package remuneration.

Employment contracts may be terminated for a variety of reasons, including redundancy and retirement. On termination, the Authority incurs a range of liabilities including redundancy payments, pension lump sum payments and enhancements (e.g. added years). In 2021/2022, the contracts of 47 employees were terminated, incurring total liabilities of £0.524m (2020/2021: 26 employees, incurring liabilities of £0.335m). These payments can be disaggregated as follows:

Termination Benefits & Exit Packages	2021/2022	2020/2021
	£000	£000
Pay in Lieu of Notice	170	57
Pension Costs	98	47
Redundancy Costs	166	133
Other Payments	90	98
Total	524	335

Included in the Authority's Early Terminations Provision for 2020/2021 are sums totalling £0.049m payable to 2 staff that have not been included in the exit packages disclosure, but for which the Authority has a legal or constructive obligation at the balance sheet date. There are none included in 2021/2022. Details of the Early Terminations Provision can be found in notes 35.1-35.2 (pages 80-81).

16. Termination Benefits and Exit Packages - Causes

The following were the significant causes of the termination benefits and exit packages:

Termination Benefits	2021/2022		2020/2021	
	No	£000	No	£000
Closure of Facilities / Cessation of Services	3	15	0	0
Early Retirements/Efficiency/Flexible Retirements	0	0	4	6
Financial Efficiency Project	10	109	3	103
School Downsizing Restructuring & Reorganisation - Crossmatching	3	147	4	71
Termination benefits arising for other reasons	31	253	15	155
Total	47	524	26	335

17. External Audit Fees

The Authority's appointed external auditors for the 2021/2022 financial year were Audit Wales (AW). The following fees were incurred in relation to external audit and inspection:

External Audit Fees	2021/2022	2020/2021	CIES Service Line
	£000	£000	
Fees payable in respect of:			
External audit services relating to audit of the accounts	198	191	<i>Corporate Services Portfolio</i>
External audit services relating to Local Government Measures	108	105	<i>Corporate Services Portfolio</i>
Certification of grant claims and returns	50	45	<i>Portfolio responsible for the specific grant claim or return</i>
Total Audit Fees	356	341	

18. National Non-Domestic Rates

Non-Domestic Rates are collected by the Authority based on local rateable values multiplied by a uniform rate. The total amount collected, less certain reliefs and deductions, is paid to a central pool (the NNDR pool) managed by the Welsh Government, which in turn pays back to authorities their share of the pool based on a statutory formula. NNDR is accounted for on an agency basis, i.e. Blaenau Gwent as a billing Authority acts as an agent of the Welsh Government in collecting non-domestic rates. Transactions with non-domestic ratepayers are typically not revenue activities of the agent and have therefore been excluded from the accounting statements.

Summary information for the year is as follows:

- The total non-domestic rateable value at 31 March 2022 was £31,699,309 (31 March 2021: £31,940,334).
- The national non-domestic rate multiplier for the year 2021/2022 was 0.535 (2020/2021: 0.535).
- The contribution received from the NNDR pool in 2021/2022 was £23,334,402 (2020/2021: £22,009,930).

19. Council Tax

The Council Tax is a local tax based upon 'banded' property values. The Council Tax requirement for the Authority is calculated by taking the budget requirement and dividing by the tax base expressed as a number of equivalent Band D properties. To this amount is added the elements precepted by Gwent Constabulary and Community Councils.

19.1 The following transactions occurred during the financial year related to Council Tax:

Council Tax Transactions	2021/2022		2020/2021	
	£000	£000	£000	£000
Council Tax Collected	(45,004)		(43,524)	
Less: Impairment of bad & doubtful debts	732		630	
Net Total Proceeds from Council Tax		(44,272)		(42,894)
Less: Gwent Police Authority Precept	5,988		5,640	
Community Council Precepts:				
Abertillery & Llanhilleth Community Council	190		240	
Brynmawr Town Council	43		43	
Nantyglo & Blaina Town Council	85		85	
Tredegar Town Council	138		138	
		6,444		6,146
Council Tax attributable to this Authority:		(37,828)		(36,748)

19.2 Council Tax Base

The Council Tax base is calculated with reference to the number of effective properties (i.e. properties net of specific exemptions, reliefs and discounts) in each of 10 property valuation bands, multiplied by a ratio related to that valuation band. For 2021/2022 the tax base, expressed as equivalent band D properties, has been calculated as follows:

	Band										Total
	A*	A	B	C	D	E	F	G	H	I	
Properties	57.00	18,663.00	7,890.00	2,594.00	1,628.00	835.00	319.00	58.00	15.00	5.00	32,064.00
Exemptions, Reliefs & Discounts	(7.25)	(2,129.25)	(652.00)	(186.75)	(93.00)	(41.75)	(10.75)	(2.25)	(6.50)	(1.00)	(3,130.50)
Effective Properties	49.75	16,533.75	7,238.00	2,407.25	1,535.00	793.25	308.25	55.75	8.50	4.00	28,933.50
Ratio	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	21/9	-
Band D Equivalents	27.64	11,022.51	5,629.56	2,139.78	1,535.00	969.53	445.25	92.92	17.00	9.33	21,888.52
Impairment											(1,094.43)
Council Tax Base											20,794.09

20. Precepts & Demands

20.1 Precepting Authorities

Details of precepting bodies and amounts are included in note 19.1 (page 50).

20.2 Levies & Demands by Joint Committees and Other Bodies

A number of services are operated by joint committees or organisations that operate across the boundaries of individual councils, to which this Authority makes a contribution. The following levies and demands have been made of the Authority:

Levies & Demands	2021/2022 £000	2020/2021 £000
Brecon Beacons National Park Authority	32	29
Coroners' Courts	116	113
South Wales Fire Authority	3,482	3,406
Total:	3,630	3,548

21. Grants and Contributions

Capital grants and contributions from the following awarding bodies were credited by the Authority to the Comprehensive Income and Expenditure Statement:

Capital Grants Credited to Services	2021/2022 £000	2020/2021 £000
Welsh Government	(1,062)	(1,324)
Other Grants & Contributions	(69)	(105)
Total:	(1,131)	(1,429)

Capital Grants Credited to taxation and non-specific grant income	2021/2022 £000	2020/2021 (Restated)† £000
Welsh European Funding Office	(69)	(2,294)
Welsh Government	(11,883)	(40,768) †
Other Grants & Contributions	(647)	(384)
Total:	(12,599)	(43,446)

Revenue grants and contributions from the following awarding bodies were credited by the Authority to the Comprehensive Income and Expenditure Statement:

Revenue Grants Credited to Services	2021/2022 £000	2020/2021 £000
Welsh Government	(44,870)	(41,534)
Department for Work and Pensions	(19,831)	(21,335)
Other Central Government	(671)	(569)
Local Authorities	(2,408)	(2,367)
NHS	(919)	(762)
Other Grants & Contributions	(102)	(122)
Total:	(68,801)	(66,689)

†: The current value of the Ebbw Valley Railway Infrastructure loan has been re-appraised to correct an error in the 2020/2021 discounting calculation. This has reduced the element classified as 'capital grants unapplied' by £17.464m, with a corresponding increase in the amount accounted for as a loan.

The Authority has received a number of grants and contributions that have yet to be recognised as income as they have conditions attached to them that may require the monies or property to be returned to the provider. The balances at the year-end, analysed by awarding body, are as follows:

Receipts in Advance - Capital	2021/2022 £000	2020/2021 £000
Welsh European Funding Office	0	0
Welsh Government	(2,348)	(1,501)
Other Central Government	(17)	(17)
Local Authorities	0	0
NHS	0	0
Other Grants & Contributions	0	0
Total	(2,365)	(1,518)

Receipts in Advance - Revenue	2021/2022 £000	2020/2021 £000
Welsh European Funding Office	(143)	(134)
Welsh Government	(1,952)	(998)
Other Central Government	(56)	(8)
Local Authorities	(1,728)	(7)
NHS	(3)	(3)
Other Grants & Contributions	(86)	(54)
Total	(3,968)	(1,204)

In 2021/2022 the Authority received grant funding from Welsh Government in relation to the Covid-19 pandemic. The following table summarises the purpose of each grant and the amount received or due.

Welsh Government Funding	2021/2022 £000	2020/2021 £000
Emergency Hardship Funding - Additional Costs	5,467	7,484
<i>To fund additional costs incurred in responding to the pandemic.</i>		
Emergency Hardship Funding - Loss of Income	915	2,933
<i>To compensate for a loss/reduction in income as a result of pandemic restrictions e.g. from closure of services.</i>		
Council Tax Income Collection - Compensation	493	524
<i>To compensate for reduction in collection of Council Tax income as a result of the pandemic.</i>		
Council Tax Reduction Scheme - increased demand	0	312
<i>To fund the increase in demand for Council Tax support during the pandemic.</i>		
Digital Transformation Funding	0	567
<i>Unhypothecated grant to support the financial stability of the Council: relating to transformation required to deliver services by means of on-line/digital platforms.</i>		
Savings Unachieved Funding	0	567
<i>Unhypothecated grant to support the financial stability of the Council: relating to savings that have not been achieved as a result of the pandemic.</i>		
Business and Community Grants Administration Costs	378	245
<i>Financial support to provide capacity in delivering Covid-19 grants to businesses and the community.</i>		
Schools Cleaning	0	13
<i>Financial support the need for additional cleaning and cleaning materials in schools as a result of Covid-19.</i>		
Total	7,253	12,645

Grants due from Welsh Government have been credited to the appropriate service line in the Comprehensive Income & Expenditure Statement. Unhypothecated grants, i.e. those that do not relate to specific services, have been included in 'Taxation & Non-Specific Grant Income'.

Welsh Government Covid-19 Related Funding Applied to the Comprehensive Income & Expenditure Statement	2021/2022 £000	2020/2021 £000
Corporate Services	(460)	(814)
Education	(1,197)	(1,474)
Education - School Spending	(119)	(177)
Environment	(2,530)	(4,085)
Regeneration & Economic Development	0	(217)
Social Services	(2,454)	(3,861)
Net Expenditure on Continuing Operations	(6,760)	(10,628)
Taxation & Non-Specific Grant Income	(493)	(1,658)
(Surplus)/Deficit on the Provision of Services	(7,253)	(12,286)

In 2020/2021, of the £12.645m grant received or due, £0.359m of grant has been included in the Balance Sheet as Current Creditors and not applied to the Income & Expenditure Account.

22. Related Parties

22.1 Central Government

Central Government has effective control over the general operations of the Authority and provides the statutory framework within which the Authority operates, the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties. Details of the general and specific grants received in 2021/2022 can be found in note 21 (page 52); details of the amounts owed to or from central government are included in notes 34 (page 79) and 33 (pages 76-78) respectively.

22.2 Members

The following transactions related to elected members took place during the year, with associated balances due to or from the Authority at the year end:

Related Party & Relationship	Transaction Details	Year Ended 31 March 2022				Year Ended 31 March 2021			
		Transactions		Balances		Transactions		Balances	
		Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority
		£	£	£	£	£	£	£	£
Blaenau Gwent & Caerphilly Care & Repair: A number of Members are trustees.	Payments for support for independent living, home adaptations and voluntary sector grants.	190,734	(16,078)	33,325	(332)	145,053	(14,159)	15,379	0
Brynmawr Museum: A Member of the Council is a Director.	Member grants. Income for ground rent, insurance and works carried out at museum. Includes £10,000 Covid-19 NDR Grants in 2020/2021.	682	(271)	0	0	10,681	(195)	0	(10)
Hodge Municipal Services: A Member of the Council is the proprietor.	Maintenance of public toilets in Brynmawr and other supplies. Includes £20,000 Covid-19 NDR Grants in 2020/2021.	6,973	(180)	0	0	23,030	(140)	100	0
Jim Davies Civil Engineering Ltd.: A member of the Council is the brother-in-law of one of the Directors.	Capital works including: Carriageway resurfacing, remedial works, footpaths & cycleways; & household waste recycling centre.	428,215	0	176,562	0	2,202,998	0	65,072	0
Total:		626,604	(16,529)	209,887	(332)	2,381,762	(14,494)	80,551	(10)

The Authority also had related party relationships with the following members, for which there were no associated transactions during the year or balances at the year end:

Related Party	Related Party Relationship	Year Ended 31 March 2022				Year Ended 31 March 2021			
		Transactions		Balances		Transactions		Balances	
		Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority
		£	£	£	£	£	£	£	£
Glen Willis Ltd. Plumbing & Heating	The son of a Member of the Council is proprietor of this business.	0	0	0	0	0	0	0	0
Malcolm Cross Building Services	A Member of the Council is proprietor of this business.	0	0	0	0	0	0	0	0
Total:		0	0	0	0	0	0	0	0

The following transactions related to elected members took place during the year, for which there were no associated balances due to or from the Authority at the year end:

Related Party	Related Party Relationship	Year Ended 31 March 2022		Year Ended 31 March 2021 (Restated)†		Notes
		Amounts Paid by Authority	Amounts Received by Authority	Amounts Paid by Authority	Amounts Received by Authority	
		£	£	£	£	
Blaina Community Centre	A Member of the Council is a Director of the organisation.	16,598	(859)	24,150	(1,349)	Grants, room hire and reimbursement of maintenance costs. Includes Covid Recovery Grant (2021/2022: £13,338) and Covid-19 NDR Grant (2021/2022: £2,000; 2020/2021: £24,000).
Blaina Post Office	A Member of the Council is Post Master of this business.	0	(78)	0	(25)	Waste transfer.
Circle of Beauty	A Member of the Council is joint proprietor of the business.	2,139	0	10,726	0	Town Centre Loan and Heritage Grant towards the development of the property.
A Member	A Member of the Council has received a Freelancer Grant.	0	0	5,000	0	Covid-19 Freelancer Grant.
Highfield Properties (Tredegar)	A Member of the Council is a Director of the organisation.	12,005	0	12,000	0	Tenants' Rent Allowances.
JP Print & Signs	A Member of the Council is the proprietor of this business.	1,429	0	1,798†	0	Leaflets, booklets, flyers and window stickers.
Pins & Things	A Member of the Council is the partner of the proprietor of the business.	2,000	0	24,000	0	Covid-19 NDR Grant.
Sirhowy Community Centre	A Member of the Council is a Director of the organisation.	10,510	0	250	0	Grants.
Wilkins Foot Clinic	A Member of the Council is the partner of the proprietor of the business.	2,000	0	24,000	0	Covid-19 NDR Grant.
Total:		46,681	(937)	101,924	(1,374)	

†: Correction of amount paid by the Authority in 2020/2021.

In summary, transactions and balances related to elected members were as follows:

	Year Ended 31 March 2022				Year Ended 31 March 2021 <i>(Restated)</i> [†]			
	Transactions		Balances		Transactions		Balances	
	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority
	£	£	£	£	£	£	£	£
Summary - Related Party Transactions and Balances								
Related Parties (with year end balances)	626,604	(16,529)	209,887	(332)	2,381,762	(14,494)	80,551	(10)
Related Parties (with no year end balances)	46,681	(937)	0	0	101,924 [†]	(1,374)	0	0
Total:	673,285	(17,466)	209,887	(332)	2,483,686	(15,868)	80,551	(10)

[†]: Correction of amount paid by the Authority in 2020/2021.

22.3 Silent Valley Waste Services Limited

The Authority is the sole shareholder of the waste disposal company Silent Valley Waste Services Limited (SVWS Ltd.). Two of the Authority's Elected Members are non-executive directors of the company. These Members are each receiving a 'senior salary' allowance, as the responsibility involved has been assessed to be of an equivalent level to a committee/scrutiny Chair.

The Authority's former Chief Executive was a director for the full year. As at 31 March 2022, the Authority effectively holds 67% of the board membership. The following related party transactions took place with SVWS Ltd. during the year:

	Year Ended 31 March 2022				Year Ended 31 March 2021			
	Transactions		Balances		Transactions		Balances	
	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority
	£	£	£	£	£	£	£	£
Related Party Transactions								
Silent Valley Waste Services Ltd.:								
Collection of waste; management of civic amenity sites; haulage charges:								
Payments relating to current year	1,035,104	0	99,057	0	822,511	0	78,978	0
Payments relating to previous year	78,948	0	0	0	73,467	0	0	0
Equipment, Materials, Cleaning & Hire Costs	2,978	0	0	0	0	0	0	0
Reimbursement of payments made to directors of SVWS Ltd.:								
Payments in respect of Nominated Representatives	0	(18,345)	0	(1,668)	0	(21,451)	0	0
Leachate	0	(110,000)	0	(110,000)	0	(110,000)	0	(110,000)
Supply and erect vehicle barrier and ancillary works at HWRC Ebbw Vale	0	(24,816)	0	0	0	0	0	(24,816)
Total (Silent Valley Waste Services Ltd.):	1,117,030	(153,161)	99,057	(111,668)	895,978	(131,451)	78,978	(134,816)

22.4 Education Achievement Service for South East Wales

The five local authorities of Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen have formed an Education Achievement Service (EAS) which is designed to raise education standards in South East Wales. The EAS is a separate legal entity, established as a company limited by guarantee, which is wholly owned by the five local authorities and operates on a not for profit basis. There is no lead authority, each being represented equally with a 20% interest and possessing equal voting rights. Services are commissioned from the EAS on behalf of the five local authorities.

The company board comprises the Director of the EAS and Elected Member representatives from the participating authorities.

In 2021/2022 total summarised transactions of the Service were as follows:

Education Achievement Service	2021/2022 £000	2020/2021 £000
Expenditure	6,286	6,764
Income	(6,294)	(6,762)
Net Expenditure	(8)	2

Related party transactions between the Authority and the EAS were:

Related Party Transactions	Year Ended 31 March 2022				Year Ended 31 March 2021			
	Transactions		Balances		Transactions		Balances	
	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority
	£	£	£	£	£	£	£	£
Education Achievement Service:								
Partner contribution	351,805	0	0	0	358,985	0	0	0
Reimbursement of Clerks to Governors Fees	0	(23,210)	0	0	0	(10,457)	0	(8,640)
Total (Education Achievement Service):	351,805	(23,210)	0	0	358,985	(10,457)	0	(8,640)

22.5 Cardiff Capital Region City Deal

The Cardiff Capital Region City Deal is a joint arrangement involving the UK Government, the Welsh Government and the 10 constituent Councils in South East Wales, including Blaenau Gwent. The Authority's share of assets, liabilities, reserves, income, expenditure and cashflows relating to the Cardiff Capital Region City Deal Group have been included as a joint arrangement in the single entity accounting statements and disclosures. Related party transactions between the Authority and the City Deal are as follows:

Related Party Transactions	Year Ended 31 March 2022				Year Ended 31 March 2021			
	Transactions		Balances		Transactions		Balances	
	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority
	£	£	£	£	£	£	£	£
Cardiff Capital Region City Deal:								
Partner contribution to support the work of the Joint Cabinet	104,631	0	0	0	0	0	51,040	0
Contributions towards Capital Expenditure	0	0	0	0	92,395	0	0	0
Reimbursement of Seconded Post	0	(27,952)	0	0	0	(20,570)	0	(27,952)
Total (Cardiff Capital Region City Deal):	104,631	(27,952)	0	0	92,395	(20,570)	51,040	(27,952)

Movements in Reserves Notes

23. Other Comprehensive Income & Expenditure

The following unrealised gains or losses and pension remeasurement gains or losses arose during the year:

Other Comprehensive Income & Expenditure	2021/2022	2020/2021
	£000	£000
(Surplus)/Deficit arising on the revaluation of non-current assets	(7,408)	(4,139)
Remeasurement of the net defined benefit pension liability	(76,461)	72,759
Other Comprehensive Income & Expenditure	(83,869)	68,620

24. Adjustments Between Accounting Basis and Funding Basis Under Statutory Provisions

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure. These adjustments include transactions relating to depreciation and impairment, pensions provision, employee accruals, unequal pay and capital grants. The following transactions were made in 2021/2022:

	2021/2022			2020/2021 (Restated)†		
	Council Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Council Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000
Adjustments between Accounting Basis and Funding Basis under Statutory Provisions						
Transactions between Funds & Usable Reserves:						
Capital grants & contributions unapplied credited to the Comprehensive Income & Expenditure Statement	4,424	0	(4,424)	33,860†	0	(33,860)†
Transfer of cash sale proceeds credited as part of the loss on disposal to the Comprehensive Income & Expenditure Statement	606	(606)	0	951	(951)	0
Contribution from the Capital Receipts Reserve towards funding of prudential borrowing schemes	(67)	67	0	(64)	64	0
Total: Transactions between Funds & Usable Reserves:	4,963	(539)	(4,424)	34,747	(887)	(33,860)

	2021/2022		2020/2021	
	Council Fund Balance £000	Movement in Unusable Reserves £000	Council Fund Balance £000	Movement in Unusable Reserves £000
Adjustments between Accounting Basis and Funding Basis under Statutory Provisions				
Transactions involving Unusable Reserves:				
Adjustments to/from the Financial Instruments Adjustment Account:				
Amount by which finance costs charged to the Comprehensive Income & Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	105	(105)	105	(105)
Adjustments to/from the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income & Expenditure Statement	(34,213)	34,213	(23,192)	23,192
Employer's pensions contributions and direct payments to pensioners payable in the year	14,155	(14,155)	13,806	(13,806)

†: The current value of the Ebbw Valley Railway Infrastructure loan has been re-appraised to correct an error in the 2020/2021 discounting calculation. This has reduced the element classified as 'capital grants unapplied' by £17.464m, with a corresponding increase in the amount accounted for as a loan.

	2021/2022		2020/2021	
	Council Fund Balance £000	Movement in Unusable Reserves £000	Council Fund Balance £000	Movement in Unusable Reserves £000
Adjustments between Accounting Basis and Funding Basis under Statutory Provisions				
Adjustments to/from Capital Adjustment Account:				
Reversal of items debited or credited to the Comprehensive Income & Expenditure Statement:				
Charges for depreciation & impairment of non-current assets	(5,355)	5,355	(11,630)	11,630
Revaluation losses on Property, Plant & Equipment	2,092	(2,092)	9,533	(9,533)
Capital grants & contributions applied	9,129	(9,129)	11,129	(11,129)
Revenue expenditure funded from capital under statute	(2,308)	2,308	(1,842)	1,842
Write Out of Infrastructure Loan Discount	(913)	913	0	0
Amounts of non-current assets written off on disposal or sale as part of the gain on disposal to the Comprehensive Income & Expenditure Statement	(1,696)	1,696	(1,012)	1,012
Adjustments to/from Deferred Capital Receipts Account:				
Adjustment to Deferred Capital Receipts on Revaluation of Assets Leased to Third Parties	496	(496)	0	0
Items not debited or credited to the Comprehensive Income & Expenditure Statement:				
Statutory provision for the financing of capital investment	1,057	(1,057)	681	(681)
Capital expenditure charged against the Council Fund	458	(458)	607	(607)
Adjustment to/from the Unequal Pay Back Pay Account				
Decrease in provision for back pay in relation to Equal Pay cases	0	0	146	(146)
Adjustment to/from the Accumulated Absences Account:				
Amount by which officer remuneration charged to the Comprehensive Income & Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(241)	241	(855)	855
Total: Transactions between Funds & Unusable Reserves:	(17,234)	17,234	(2,524)	2,524

	2021/2022			2020/2021		
	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments between Accounting Basis and Funding Basis under Statutory Provisions						
Transactions involving Other Capital Reserves:						
Adjustments to/from the Deferred Capital Receipts Reserve:						
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	(135)	0	135	(64)	0	64
Items involving Usable Capital Reserves:						
Application of grants to capital financing transferred to the Capital Adjustment Account	0	4,439	(4,439)	0	2,565	(2,565)
Use of the Capital Receipts Reserve to finance new capital expenditure	125	0	(125)	102	0	(102)
Total: Other Capital Reserve Transactions:	(10)	4,439	(4,429)	38	2,565	(2,603)

	2021/2022				2020/2021 (Restated)†			
	Council Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000	Council Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments between Accounting Basis and Funding Basis under Statutory Provisions								
Total: Transactions between Funds & Usable Reserves:	4,963	(539)	(4,424)	0	34,747†	(887)	(33,860)†	0
Total: Transactions involving Unusable Reserves:	(17,234)	0	0	17,234	(2,524)	0	0	2,524
Total: Other Capital Reserve Transactions:	0	(10)	4,439	(4,429)	0	38	2,565	(2,603)
Total Adjustments:	(12,271)	(549)	15	12,805	32,223	(849)	(31,295)	(79)

†: The current value of the Ebbw Valley Railway Infrastructure loan has been re-appraised to correct an error in the 2020/2021 discounting calculation. This has reduced the element classified as 'capital grants unapplied' by £17.464m, with a corresponding increase in the amount accounted for as a loan.

Balance Sheet Notes

25. Property Plant & Equipment

25.1 Carrying Amount of Non-Current Assets

The Carrying Amount of Non-Current Assets in the Balance Sheet can be divided between Infrastructure and 'Other PPE' Assets as follows:

Property, Plant & Equipment	31 March 2022 £000	31 March 2021 £000
Infrastructure Assets	92,312	92,700
Other PPE Assets	206,070	190,200
Net Book Value	298,382	282,900

25.2 Carrying Amount of Infrastructure Assets

CIPFA has issued a temporary adjustment to the Accounting Code of Practice in relation to the disclosure of Infrastructure Assets. This requires that, for the financial years 2010/2011 to 2022/2023, local authorities are not required to report gross book value and accumulated depreciation for Infrastructure Assets.

The movement in the Net Book Value of Infrastructure Assets is as follows:

Infrastructure Assets	2021/2022 £000	2020/2021 £000
Net Book Value at 1 April	92,700	93,822
Adjustment to Balances Brought Forward	785	0
Revised Net Book Value at 1 April	93,485	93,822
Additions	2,196	1,854
Capital expenditure written off	(98)	(190)
Other movements in cost or valuation	203*	628**
Depreciation Charge & Appropriations	(3,474)	(3,414)
Net Book Value at 31 March	92,312	92,700

In accordance with provision 24L of The Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2022), where works have been undertaken to existing Infrastructure Assets, the carrying amount of any component that has been replaced has been determined as being nil.

25.3 Carrying Amount of 'Other' Property, Plant & Equipment Assets

The gross carrying amount and accumulated depreciation relating to Property, Plant and Equipment (excluding Infrastructure Assets) was:

Property, Plant & Equipment (Excluding Infrastructure)	31 March 2022 £000	31 March 2021 £000
Gross Carrying Amount	221,153	211,371
Accumulated Depreciation	(15,083)	(21,171)
Net Book Value	206,070	190,200

Details of the transactions relating to the carrying amounts and depreciation of non-current assets (excluding Infrastructure Assets) are set out on pages 63-64.

Movements in 2021/2022:

Property, Plant & Equipment (Excluding Infrastructure)						Total
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Property, Plant & Equipment £000
Cost or Valuation as at 1 April 2021	174,338	17,929	344	4,231	14,529	211,371
Adjustment to Balances Brought Forward	(785)	(1,098)	(293)	30	(1,221)	(3,367)
Revised Cost or Valuation as at 1 April 2021	173,553	16,831	51	4,261	13,308	208,004
Appropriations	0	0	0	0	0	0
Assets reclassified to/from held for sale	0	(496)	0	(1,200)	0	(1,696)
Additions	0	1,735	0	0	4,158	5,893
Revaluation increases/(decreases) recognised in the Revaluation Reserve	2,051	0	0	0	0	2,051
Revaluation increases/(decreases) recognised in the Provision of Services	2,676	0	0	0	0	2,676
Capital expenditure written off	(971)	(55)	(26)	0	0	(1,052)
Derecognition - disposals	0	0	0	0	0	0
Other movements in cost or valuation *	1,363	414	81	0	3,419	5,277
Cost or Valuation as at 31 March 2022	178,672	18,429	106	3,061	20,885	221,153

Property, Plant & Equipment (Excluding Infrastructure): Depreciation & Impairment						Total
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Property, Plant & Equipment £000
Accumulated Depreciation & Impairment as at 1 April 2021	(8,988)	(12,156)	(14)	(13)	0	(21,171)
Adjustment to Balances Brought Forward	(200)	2,319	0	1	0	2,120
Revised Accumulated Depreciation & Impairment as at 1 April 2021	(9,188)	(9,837)	(14)	(12)	0	(19,051)
Depreciation Charge & Appropriations	(3,658)	(1,302)	0	(3)	0	(4,963)
Depreciation written out to the Revaluation Reserve	4,777	0	0	0	0	4,777
Depreciation written out to the Surplus/Deficit on the Provision of Services	4,154	0	0	0	0	4,154
Derecognition - disposals	0	0	0	0	0	0
Accumulated Depreciation & Impairment as at 31 March 2022	(3,915)	(11,139)	(14)	(15)	0	(15,083)

Movements in 2020/2021:

Property, Plant & Equipment (Excluding Infrastructure)	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant & Equipment £000
Cost or Valuation as at 1 April 2020	170,631	15,437	120	4,696	7,966	198,850
Appropriations	820	0	0	0	(2,451)	(1,631)
Assets reclassified to/from held for sale	(87)	0	0	(467)	0	(554)
Additions	0	1,407	0	0	485	1,892
Revaluation increases/(decreases) recognised in the Revaluation Reserve	3,231	0	0	83	0	3,314
Revaluation increases/(decreases) recognised in the Provision of Services	(257)	0	224	(81)	0	(114)
Capital expenditure written off	(1,666)	(131)	(7)	0	0	(1,804)
Derecognition - disposals	0	0	0	0	0	0
Other movements in cost or valuation **	1,666	1,216	7	0	8,529	11,418
Cost or Valuation as at 31 March 2021	174,338	17,929	344	4,231	14,529	211,371

Property, Plant & Equipment (Excluding Infrastructure): Depreciation & Impairment	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant & Equipment £000
Accumulated Depreciation & Impairment as at 1 April 2020	(14,241)	(11,125)	(13)	(35)	0	(25,414)
Depreciation Charge & Appropriations	(5,330)	(1,031)	(1)	(7)	0	(6,369)
Depreciation written out to the Revaluation Reserve	898	0	0	7	0	905
Depreciation written out to the Surplus/Deficit on the Provision of Services	9,685	0	0	22	0	9,707
Derecognition - disposals	0	0	0	0	0	0
Accumulated Depreciation & Impairment as at 31 March 2021	(8,988)	(12,156)	(14)	(13)	0	(21,171)

Notes * & **: Amounts included in 'Other movements in cost or valuation' relates to capital expenditure incurred during the year, £4.330 million of which has been added to the asset base and £1.150 million of which has been written off as there has been no increase to the asset value in 2021/2022(*); £10.052 million of which has been added to the asset base and £1.994 million of which has been written off as no increase to the asset value resulted in 2020/2021(**).

25.4 Fair Value Measurement of Surplus and Assets Held for Sale

Fair Value Hierarchy

Details of the Authority's surplus assets and assets held for sale and information about the fair value hierarchy are as follows:

	31 March 2022			31 March 2021		
	Surplus Assets £000	Assets Held for Sale £000	Total £000	Surplus Assets £000	Assets Held for Sale £000	Total £000
Recurring fair value measurements:						
Using significant unobservable inputs (Level 3)	3,016	60	3,076	4,188	70	4,258
Fair Value	3,016	60	3,076	4,188	70	4,258

Transfers between Levels of the Fair Value Hierarchy

There were no transfers between levels of the fair value hierarchy during the year.

Valuation Techniques used to Determine Level 3 Fair Values for Surplus Assets

Significant Unobservable Inputs – Level 3

A combination of available market data derived from a mixture of transactions on both Authority-owned and third party assets is analysed to take into account yields, rates per square metre, build costs, etc. in order to measure the fair value of its Surplus Assets and Assets Held for Sale under IFRS13 *Fair Value Measurement*, depending on which technique is considered most appropriate.

There has been no change in the valuation techniques used during the year.

Highest and Best Use

In estimating the fair value of the Authority's surplus assets, the highest and best use of some of the assets is their current use. However for some assets, in considering alternative highest and best uses for the asset being valued, consideration has been given to value for the asset that may not necessarily be reflected in the existing configuration or use of the asset. In the consideration of alternatives the physical, legal and financial feasibility of that alternative has been taken into account.

Valuation Process

The Authority employs an in house registered valuer, being the Team Manager Estates and Strategic Asset Management, L. Horner BSc., MRICS, who in agreement with the Chief Finance Officer identifies the most appropriate valuation techniques to determine fair value.

All valuations are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The Authority's valuation experts work closely with finance officers reporting directly to the Chief Finance Officer on a regular basis regarding all valuation matters.

Reconciliation of Fair Value Measurements (using Significant Unobservable Inputs) Categorised with Level 3 of the Fair Value Hierarchy

Reconciliation of Fair Value Measurements (using Significant Unobservable Inputs) Categorised with Level 3 of the Fair Value Hierarchy	2021/2022			2020/2021		
	Surplus	Assets	Total	Surplus	Assets	Total
	Assets	Held for		Assets	Held for	
	£000	Sale	£000	£000	Sale	£000
Balance at 1 April:	4,188	70	4,258	4,661	90	4,751
Adjustment to Balances Brought Forward	31	(10)	21			
Revised Balance at 1 April:	4,219	60	4,279			
Appropriations (to)/from Property, Plant & Equipment Operational Assets	0	496	496	0	87	87
Appropriations (to)/from Assets Held for Sale	(1,200)	0	(1,200)	(467)	0	(467)
Appropriations (to)/from Surplus Assets	0	1,200	1,200	0	467	467
Total Gains/(Losses) for the period included in the Surplus or Deficit on the Provision of Services, resulting from changes in the fair value	0	(200)	(200)	(82)	(62)	(144)
Total Gains/(Losses) for the period included in the Revaluation Reserve resulting from changes in the fair value	0	0	0	83	0	83
Disposals	0	(1,496)	(1,496)	0	(512)	(512)
In-Year Depreciation	(3)	0	(3)	(7)	0	(7)
Balance at 31 March:	3,016	60	3,076	4,188	70	4,258

Reconciliation of Assets measured at Fair Value to the Balance Sheet

The carrying value of a number of assets held for sale is lower than (or equal to) the fair value of those assets. These have therefore been included on the Balance Sheet at carrying amount in accordance with the requirements of the Accounting Code of Practice and consequently are not included in the disclosures for assets held at fair value. The following table reconciles those assets held at fair value with those carried on the Balance Sheet:

Reconciliation of Assets measured at Fair Value	31 March 2022			31 March 2021		
	Surplus	Assets	Total	Surplus	Assets	Total
	Assets	Held		Assets	Held	
	£000	for Sale	£000	£000	for Sale	£000
Assets measured at Fair Value	3,016	60	3,076	4,188	70	4,258
Assets measured at carrying amount	30	0	30	30	0	30
Assets carried on Balance Sheet	3,046	60	3,106	4,218	70	4,288

25.5 Capital Commitments

Within the Authority's 2021/2022 capital programme, £4.750m relates to schemes that were contractually committed as at 31 March 2022 (£3.023m contractually committed as at 31 March 2021):

Capital Commitments	Commitment Value 2021/2022 £000	Estimated Timescale for Completion No of Years	Commitment Value 2020/2021 £000	Estimated Timescale for Completion No of Years
LTF Metro Plus	1,411	1	227	1
Remedial Works at Newtown Bridge, Ebbw Vale	756	1	0	0
Highways Improvement Works	551	1	644	1
Augusta House - Enablement Pods	491	1	0	0
Lime Avenue Development	187	1	356	1
Innovation for Decarbonisation - WBRID	159	1	0	0
Household Waste Recycling Centre	158	1	376	1
Flying Start Projects	129	1	3	1
Hive - Hi Value Engineering Centre	103	2	0	0
21st Century Schools - Band B Projects	93	4	0	0
Flood Damage 2020	90	1	35	0
Schools Maintenance	80	1	104	1
Social Services	37	1	117	1
Regain 2	27	2	0	0
Valleys Regional Park	7	1	169	1
RE:FIT	4	1	64	1
Other*	467	1	928	1
Total	4,750		3,023	

Other:* Includes outstanding retentions on infrastructure & regeneration projects and various other scheme commitments.

25.6 Revaluations

The Authority has adopted a rolling programme of revaluations to ensure that all assets are revalued at intervals of not more than 5 years. In 2021/2022, the range of assets were revalued by the Authority's Head of Estates and Strategic Asset Management, L. Horner BSc., MRICS.

Valuations were carried out using the bases outlined in the Accounting Policies (pages 28-29), in accordance with the Statements of Asset Valuation Practice and Guidance Notes of the Royal Institute of Chartered Surveyors and resulted in an increase in the gross value of the Authority's non-current assets of £2.497 million.

All items of Property, Plant and Equipment that are operational and provide service potential to the Authority are measured for their service potential either at Existing Use Value (EUV) or Depreciated replacement Cost (DRC). These measurement bases are described in the Code as Current Value. Current Value is to be interpreted as the amount that would be paid for the asset in its existing use. This requirement is met by providing a valuation on the basis of EUV in accordance with UKVS 1.3 or by adopting the DRC approach in accordance with UKVS 1.15 and UKGN 2 of the "Red Book".

Property, Plant and Equipment that does not provide service potential for the Authority (that is those assets classified as surplus assets) are not measured for their service potential but for the economic benefits inherent in the assets. Therefore the current value measurement base for these assets is at Fair Value in accordance with the definitions and measurement requirements in IFRS13.

All assets subject to revaluation during 2021/2022, along with an asset from each different class of asset, have been assessed for material components. The revaluations of those components, where considered to be material, are included in the figures below.

The effective date of revaluation is 30 November 2021. The Authority does not consider the difference in valuations between this date and 31 March 2022 to be material.

As a consequence of recent increases in material and rebuild costs, it was considered necessary to revalue those assets that are normally valued using the DRC method to ensure that the Balance Sheet valuations were not materially understated. An indexation approach has been adopted to update the carrying values of the relevant asset categories, mainly in relation to schools, libraries, leisure centres, and car parks. The impact of this indexation exercise has been an increase in the gross value of the Authority's assets of £2.2 million (in addition to the £2.497 million increase resulting from the formal valuation process).

The following statement shows the total gross value of assets during each financial year which were re-valued using historical cost and current valuation methods, or against which expenditure was incurred. This provides an indication of the progress of the Authority's 5-year rolling programme for the revaluation of fixed assets.

	31 March 2022 £000	31 March 2021 £000	31 March 2020 £000	31 March 2019 £000	31 March 2018 £000	Total £000
Non-Current Asset Valuations						
Current Value:						
Heritage Assets	727	600	532	0	0	1,859
Other Land & Buildings	136,441	118,626	79,326	29,836	21,626	385,855
Community Assets	0	256	0	0	10	266
	137,168	119,482	79,858	29,836	21,636	387,980
Historic Cost:						
Vehicles Plant & Equipment	0	0	5	86	0	91
	0	0	5	86	0	91
Total cost or valuation:	137,168	119,482	79,863	29,922	21,636	388,071

25.7 Capital Expenditure and Financing

Of the £15.261m capital investment made in 2021/2022, £14.260m was financed in-year through revenue contributions, the application of capital receipts and government grants. The remaining £1.001m capital financing requirement has been funded through borrowing, as indicated below:

Capital Expenditure & Financing	2021/2022 £000	2020/2021 £000
Capital Investment: Property, Plant & Equipment	12,953	15,670
REFCUS	2,308	1,934
	15,261	17,604
Sources of Finance:		
Revenue Provision	(458)	(607)
Capital Receipts	(57)	(102)
Government Grants & Other Contributions	(13,745)	(13,580)
	(14,260)	(14,289)
Increase in capital financing requirement:	1,001	3,315
Explanation of in-year movements:		
Borrowing Supported by Government Financial Assistance	972	1,129
Borrowing Unsupported by Government Financial Assistance	29	2,186
Total Borrowing:	1,001	3,315

26. Heritage Assets

The Authority owns the following heritage assets, preserved principally for their contribution to knowledge and culture:

Heritage Assets (On Balance Sheet)	Estimated Cost/Valuation £000
<i>The Guardian, Six Bells</i>	379
'Guardian' is the largest mining memorial in Wales and commemorates the 1960 Six Bells mining disaster in which 45 men and boys lost their lives in an underground gas and coal dust explosion. The memorial is a 12.6 meter high statue of a miner, constructed from over 20,000 individual slices of 10mm thick steel and stands on a 7.4 meter high sandstone plinth.	
<i>Ebbw Vale War Memorial</i>	225
Unveiled September 24th 1924 by Sir Frederick Mills. Listed as an unusually elaborate war memorial, in a prominent setting.	
<i>Civic Regalia</i>	122
Comprising the Mayoral Chain, Mayoress Chain and Civic Mace.	
Total Value:	726

These monuments have been valued on an insurance replacement cost basis and are not depreciated as their useful life is deemed to be indefinite. Revaluations in 2021/2022 decreased the carrying amount of The Guardian by £0.011m and increased the carrying amount of Civic Regalia by £0.122m and the Ebbw Vale War Memorial by £0.015m.

The following assets meet the definition of 'heritage assets', but have not been included on the Authority's Balance Sheet:

Heritage Assets (Not Reported on Balance Sheet)	Description	Valuation
Aneurin Bevan Stones	This monument commemorates Aneurin Bevan, born in Tredegar in 1897 and elected M.P. for the area in 1929. The central monolith represents Aneurin Bevan himself, whilst three satellite stones represents his constituents in Ebbw Vale, Tredegar and Rhymney.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Clydach Coal Level	A pair of well preserved and dated coal levels with a tramroad connection to the Clydach Railroad.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Ebbw Vale Furnace Bank (aka 45 Yard)	Listed as an extremely scarce survival of a vast furnace bank, begun in the late 18th century, preserved largely intact. In size, only the furnace bank at Cyfarthfa may be a larger contemporary survival nationally and internationally.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Gorsedd Stones, Ebbw Vale	Originally erected at Ebbw Vale Park in June 1957 for the National Eisteddfod of 1958, the stone circle was later moved to its present location opposite the Civic Centre.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Llandafal Colliery Ventilation Furnace	This ventilation furnace probably dates from mining developments in the 1840s or 1850s. Listed as an early air furnace colliery chimney, the only one of this typical form known to survive in South Wales.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Marine Colliery Pumping Engine	A steam pumping engine built by Hathorn Davey of Leeds in 1893 and formerly used at Marine Colliery. Regarded as of national importance as a rare colliery pumping engine surviving intact from the late 19th century.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Sirhowy Ironworks	The impressive remains at Sirhowy Ironworks is the only 18th century ironworking complex still visible in the County Borough.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Sirhowy Ironworks Boundary Stone	Dated 1818 and erected as boundary stone for Sirhowy Ironworks. Listed as a rare survival of an early 19th century industrial boundary stone with unusual history.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Ty Mawr, Nantyglo House	Only the foundations remain of the Ty Mawr mansion house built by the Bailey family in 1816, close to the Roundhouse Towers in Nantyglo.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.

A number of other assets, including the Ebbw Vale Works General Offices, St. Illtyd's Church, Llanhilleth Miners' Institute and Newtown Bridge, are regarded as being operational in nature and have therefore not been included as heritage assets, but are included within appropriate Balance Sheet asset classifications.

27. Leases

27.1 Authority as Lessee - Finance Leases

The Council has acquired a number of assets under finance leases, the net value of which total £0.139m (2020/2021: £0.213m). The assets acquired under these leases are carried as Property, Plant and Equipment in the Balance Sheet. The Authority is committed to making minimum payments under these leases comprising settlement of the non-current liability for the asset acquired by the Authority and finance costs that will be payable by the Authority in future years while the liability remains outstanding. The minimum lease payments required over a period of not more than 5 years total £0.474m (2020/2021: £0.090m).

27.2 Authority as Lessee - Operating Leases

The Authority has acquired various vehicles and equipment by entering into operating leases, with typical lives of 5 years. The minimum lease payments at 31 March 2022 due under non-cancellable leases in future years are:

Operating Lease Minimum Payments	31 March 2022		31 March 2021	
	Vehicles, plant & equipment	Other land & buildings	Vehicles, plant & equipment	Other land & buildings
	£000	£000	£000	£000
Not later than one year	106	248	105	248
Later than 1 year and not later than 5 years	71	476	159	704
Later than 5 years	12	840	12	860
Total Minimum Lease Payments	189	1,564	276	1,812

Charges to service revenue accounts in the Comprehensive Income and Expenditure Statement during the year in relation to these leases totalled £0.362m (2020/2021: £0.404m).

No balances are held on the Balance Sheet in relation to Operating Leases

27.3 Authority as Lessor - Finance Leases

The Authority has 2 finance lease arrangements as a lessor:

- In 2011/2012, the Authority entered into a 50 year arrangement to lease part of the General Offices building in Ebbw Vale to the Gwent Joint Records Committee hosted by Torfaen CBC, for housing of the Gwent County Archives facility.

- In 2021/2022, the Authority entered into a 7 year lease arrangement with Aneurin Leisure Trust in relation to equipment.

The Authority has a gross investment in the leases, made up of the minimum lease payments expected to be received over the remaining lease term.

The gross investment in the leases relating to these assets is made up as follows:

Finance Lease Debtor	31 March 2022		31 March 2021	
	Vehicles, plant & equipment	Other land & buildings	Vehicles, plant & equipment	Other land & buildings
	£000	£000	£000	£000
Current	69	70	0	67
Non-Current	358	2,714	0	2,784
Unguaranteed Residual Value of Property	0	(450)	0	(450)
Total	427	2,334	0	2,401

Finance Leases - Lessor	Gross Investment in Lease			
	31 March 2022		31 March 2021	
	Vehicles, plant & equipment	Other land & buildings	Vehicles, plant & equipment	Other land & buildings
	£000	£000	£000	£000
Not later than one year	69	70	0	67
Later than 1 year and not later than 5 years	285	321	0	305
Later than 5 years	73	1,943	0	2,029
Total	427	2,334	0	2,401

The gross investment in the leases and the minimum lease payments will be received over the following periods:

	Minimum Lease Payments			
	31 March 2022		31 March 2021	
	Vehicles, plant & equipment £000	Other land & buildings £000	Vehicles, plant & equipment £000	Other land & buildings £000
Finance Leases - Lessor				
Not later than one year	74	216	0	216
Later than 1 year and not later than 5 years	297	866	0	865
Later than 5 years	74	4,220	0	4,437
Total	445	5,302	0	5,518

27.4 Authority as Lessor - Operating Leases

The Authority leases out land and buildings under operating leases. The minimum lease payments receivable under non-cancellable leases in future years are £3.112m (2020/2021: £3.206m).

	31 March 2022	31 March 2021
	Other land & buildings £000	Other land & buildings £000
Operating Lease Minimum Payments Receivable		
Not later than one year	745	613
Later than 1 year and not later than 5 years	1,638	1,782
Later than 5 years	729	811
Total Minimum Lease Payments Receivable	3,112	3,206

28. Non-Current Investments

Non-current investments consist of the Authority's 100% shareholding in Silent Valley Waste Services Ltd. and a proportion of the equity shareholding made by the Cardiff Capital Region City Deal in Pharmatelligence Ltd.. The value of these shareholdings included in the Authority's Balance Sheet at 31 March 2022 was £0.342m (31 March 2021: £0.342m).

28.1 Silent Valley Waste Services Ltd. (SVWS)

The Authority is the owner of the Local Authority waste disposal company - Silent Valley Waste Services Ltd.. The Authority is the sole shareholder, providing £250,000 share capital of 1,000 ordinary shares and 249,000 redeemable shares of £1 each. The latter are redeemable at the sole option of the Authority. The company was established in 1994 in accordance with Part V of the Local Government and Housing Act 1989.

In 2011 the Environment Agency (Wales) issued a closure notice for the landfill site at Cwm, Ebbw Vale. On 22 August 2011 the site stopped accepting waste to landfill. Silent Valley Waste Service Ltd. continues to manage the Waste Transfer Station and the associated bulking and transportation of the Authority's waste at this facility, the Authority's Civic Amenity Site and the operations at the Leachate Lagoon.

At 31 March 2022 the company had three registered directors. Two Elected Members of Blaenau Gwent CBC were appointed as non-executive directors, one with effect from 19 March 2018 and one with effect from 1 June 2019; one of these resigned on 2 April 2020 and was replaced with another Elected Member with effect from that date.

One of the stated purposes of a board restructure in 2012 was for the Authority to take control of activities at Silent Valley Waste Services, and consequently the Authority is required to prepare Group Accounting statements. These have been included on pages 113-132, based on the company's 2021/2022 Accounts as approved by the Silent Valley Board on 22 June 2022.

In December 2017, the Council made the decision to transfer the assets and liabilities of Silent Valley Waste Services Limited back to the Council in order that the service would be delivered in-house. Following extensive due diligence the transfer process has commenced with a target date of 31 January 2023.

The Company's Accounts and further information can be obtained from:

D. Waggett, Beechwood House, Cwm, Ebbw Vale, Gwent NP23 6PZ.

28.2 City Deal - Investment in Pharmatelligence Ltd.

During 2020/2021, the Cardiff Capital Region City Deal made a £2million equity investment in Pharmatelligence, a healthcare data consultancy providing expert, independent, real-world evidence for healthcare services and the pharmaceutical industry. The investment represented a stake in the company of approximately 16.6% and Blaenau Gwent's proportion, equating to £92,395, has been included on the Balance Sheet at cost.

29. **Non-Current Debtors**

Non-current debtors in the balance sheet consist of the following:

Non-Current Debtors	31 March 2022				31 March 2021			
	Gross Debtors £000	Impairment £000	Prepayments £000	Total Net Non-Current Debtors £000	Gross Debtors £000	Impairment £000	Prepayments £000	Total Net Non-Current Debtors £000
Local Authorities	2,714	0	0	2,714	2,785	0	0	2,785
Other Entities & Individuals	1,414	(88)	32	1,358	586	(219)	40	407
Total	4,128	(88)	32	4,072	3,371	(219)	40	3,192

Impairment of Non-Current Debtors

Non-current debtor balances have been reduced to reflect sums that have not been written off but are considered to be potentially irrecoverable. Impairment allowance accounts have been established for the following debtors.

Impairment of Non-Current Debtors	31 March 2022			31 March 2021		
	Gross Debtor £000	Impairment £000	Net Debtor £000	Gross Debtor £000	Impairment £000	Net Debtor £000
Land & Property Charges	121	(88)	33	299	(219)	80
Total	121	(88)	33	299	(219)	80

30. Consolidation of Schools in Single Entity Accounts

The income, expenditure, assets, liabilities, reserves and cash flows of schools are accounted for in accordance with the prescribed treatment in the Accounting Code of Practice as set out in the Authority's accounting policies (*see policy 1.20, page 31*). The value of school assets included in the Balance Sheet is as follows:

Value of School Assets	31 March 2022				31 March 2021			
	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Land & Buildings	86,817	0	3,724	90,541	83,264	0	1,565	84,829

The net valuation of school non-current assets increased by £5.712m during 2021/2022, largely due to the indexation of all school revaluations which was undertaken during the year to ensure that the carrying value of assets was not materially misstated.

The Authority has the following types of maintained schools under its control:

Analysis of School by Type	31 March 2022				31 March 2021			
	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total
Primary Schools	15	4	0	19	15	4	0	19
Middle Schools	2	0	0	2	2	0	0	2
Secondary Schools	1	0	1	2	1	0	1	2
Special Schools	2	0	0	2	2	0	0	2
Total	20	4	1	25	20	4	1	25

For those maintained schools not controlled by the Authority, any transactions made on their behalf have been included in the Comprehensive Income & Expenditure Statement and related notes under the appropriate Portfolio, or exceptionally as third party payments.

During the year, transactions in relation to school entities resulted in the following surpluses or deficits:

School Transactions - In-Year (Surplus)/Deficit	2021/2022				2020/2021			
	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Primary Schools	(1,060)	(167)	0	(1,227)	(1,020)	(193)	0	(1,213)
Middle Schools	(1,112)	0	0	(1,112)	(569)	0	0	(569)
Secondary Schools	29	0	(184)	(155)	(88)	0	(385)	(473)
Special Schools	(53)	0	0	(53)	(101)	0	0	(101)
Total In-Year (Surplus)/Deficit	(2,196)	(167)	(184)	(2,547)	(1,778)	(193)	(385)	(2,356)

The following balances were held by schools at the end of the financial year:

School Balances	31 March 2022				31 March 2021			
	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Primary Schools	(3,305)	(666)	0	(3,971)	(2,245)	(499)	0	(2,744)
Middle Schools	(852)	0	0	(852)	260	0	0	260
Secondary Schools	(353)	0	(612)	(965)	(382)	0	(428)	(810)
Special Schools	(440)	0	0	(440)	(387)	0	0	(387)
Total	(4,950)	(666)	(612)	(6,228)	(2,754)	(499)	(428)	(3,681)

31. Current Investments

At 31 March 2022, the Authority had placed £21m of investments with other local authorities that were not due to be repaid within 90 days. These have therefore been classified as current investments. No equivalent investments were held at 31 March 2021.

32. Inventories

The Authority held stock balances valued at £2.425m at 31 March 2022, largely comprised of donated Lateral Flow Tests and other Personal Protective Equipment:

Inventories	Balance at 1 April 2020 £000	Donations & Purchases £000	Recognised as an expense in the year £000	Written Off £000	Balance at 31 March 2021 £000	Donations & Purchases £000	Recognised as an expense in the year £000	Written Off £000	Balance at 31 March 2022 £000
General Stock	396	365	(394)	(14)	353	672	(712)	0	313
Donated Stock: Lateral Flow Tests	0	0	0	0	0	1,421	(111)	0	1,310
Donated Stock: Personal Protective Equipment	0	1,374	(510)	0	864	370	(432)	0	802
Total	396	1,739	(904)	(14)	1,217	2,463	(1,255)	0	2,425

33. Current Debtors

Amounts owing to the Authority, net of impairment, were as follows:

Current Debtors	31 March 2022				31 March 2021			
	Gross Debtors £000	Impairment £000	Prepayments £000	Total Net Current Debtors £000	Gross Debtors £000	Impairment £000	Prepayments £000	Total Net Current Debtors £000
Welsh Government	17,000	0	0	17,000	16,242	0	0	16,242
Other Central Government	4,300	0	0	4,300	3,818	0	0	3,818
Local Authorities	2,653	(55)	0	2,598	3,239	(9)	0	3,230
NHS	1,700	(50)	0	1,650	1,624	(17)	0	1,607
Council Tax Arrears	7,677	(3,068)	0	4,609	7,069	(2,712)	0	4,357
Other Entities and Individuals	4,163	(1,437)	414	3,140	4,809	(1,498)	366	3,677
Trade	1,270	(463)	254	1,061	1,041	(240)	202	1,003
Total	38,763	(5,073)	668	34,358	37,842	(4,476)	568	33,934

Impairment of Current Debtors

Current debtor balances have been reduced to account for sums that have not been written off but are potentially irrecoverable. For those debtors falling within the scope of IFRS9, the 'Simplified Approach' has been applied under which impairment losses are automatically based on lifetime expected credit losses.

The Authority has also established impairment allowances for debtors falling outside of the scope of IFRS9, notably council tax arrears and housing benefit overpayments.

	31 March 2022			31 March 2021		
	Gross Debtor £000	Impairment £000	Net Debtor £000	Gross Debtor £000	Impairment £000	Net Debtor £000
<i>Impairment of Current Debtors</i>						
<i>Impairment of Debtors within the scope of IFRS 9:</i>						
Land & Property Charges	313	(229)	84	302	(221)	81
Trade Debtors	723	(463)	260	678	(240)	438
Debtors related to Sales, Fees & charges	628	(314)	314	833	(660)	173
<i>Impairment of Debtors outside of the scope of IFRS 9:</i>						
Council Tax	7,677	(3,068)	4,609	7,069	(2,712)	4,357
Housing Benefits	1,183	(512)	671	1,358	(593)	765
Public Sector Bodies	2,315	(104)	2,211	2,985	(27)	2,958
Other Debtors	520	(383)	137	688	(23)	665
Total	13,359	(5,073)	8,286	13,913	(4,476)	9,437

Basis of Impairment of Current Debtors outside of the scope of IFRS9:

Council Tax

All Council Tax debts are considered to have fallen due by the 31 March in the financial year to which they relate. In determining whether these debts should be impaired, the Authority has taken into account any known specific circumstance in relation to individual debtors that would have a bearing on the ability or potential for settlement of the debt, e.g. bankruptcy, insolvency or absconding. In these specific cases, the debt is considered as unlikely to be recovered at that point in time and is impaired at 100% of the amount outstanding. For all other cases, the age of the debt is used to determine the level of impairment, ranging from 5% for those amounts less than 1 year overdue to 100% for amounts over 5 years overdue.

Housing Benefits

The simplified approach has been adopted to impairment of Housing Benefit Overpayments, with expected lifetime losses calculated using a probability matrix based on the age of debt outstanding and an assessment of the possibility of default occurring.

Public Sector Bodies

Where identified, debtors in relation to other public sector bodies are not impaired on the assumption that recovery will be made in full. Exceptionally, impairment is provided in cases where specific information indicates that the debt may not be fully settled.

Other Debtors

The simplified approach has been adopted to impairment of Other Debtors, with expected lifetime losses calculated using a probability matrix based on the age of debt outstanding and an assessment of the possibility of default occurring.

Impact of Covid-19

Where impairment has been calculated using a probability matrix, the assessment of the possibility of debtor default has been assumed to be higher in 2020/2021 and 2021/2022 than in 2019/2020, as a result of Covid-19 related impacts on individuals and businesses. This has increased the level of impairment included in the accounts.

Impairment of Debtors Outside of the Scope of IFRS9	31 March 2022						31 March 2021						
	Council Tax	Housing Benefit	Public Sector Bodies	Other Debtors	Total Debtors Outside Scope	Impairment	Council Tax	Housing Benefit	Public Sector Bodies	Other Debtors	Total Debtors Outside Scope	Impairment	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
<i>Category of debtor:</i>													
General Arrears < 1 year old	2,767	72	665	111	3,615	(243)	3,042	74	3,124	29	6,269	(187)	
General Arrears > 1 year <5 years old	3,836	689	67	264	4,856	(2,366)	2,865	885	(9)	49	3,790	(1,808)	
General Arrears > 5 years old	652	440	5	184	1,281	(1,087)	591	422	(1)	41	1,053	(864)	
Absconders	216	0	0	0	216	(216)	385	0	0	0	385	(385)	
Bankruptcy/Liquidation/Insolvency	71	0	0	0	71	(71)	10	0	0	0	10	(10)	
Other	73	0	0	7	80	(80)	141	0	0	0	141	(141)	
Arrears not impaired	62	(18)	1,578	(46)	1,576	(4)	35	(23)	(129)	569	452	40	
Total	7,677	1,183	2,315	520	11,695	(4,067)	7,069	1,358	2,985	688	12,100	(3,355)	

34. Current Creditors

Amounts owed by the Authority were as follows:

Current Creditors	31 March 2022			31 March 2021		
	Creditors £000	Receipts in Advance £000	Total Current Creditors £000	Creditors £000	Receipts in Advance £000	Total Current Creditors £000
Welsh Government	(88)	0	(88)	(436)	0	(436)
Other Central Government	(1,429)	0	(1,429)	(1,762)	0	(1,762)
Local Authorities	(1,152)	(72)	(1,224)	(1,084)	0	(1,084)
NHS	(395)	0	(395)	(89)	0	(89)
Capital Creditors	(4,527)	0	(4,527)	(696)	0	(696)
Council Tax Credits	(946)	0	(946)	(975)	0	(975)
Other Entities and Individuals	(9,691)	(339)	(10,030)	(7,541)	(297)	(7,838)
Trade	(3,679)	0	(3,679)	(2,164)	0	(2,164)
Total	(21,907)	(411)	(22,318)	(14,747)	(297)	(15,044)

35. Provisions, Contingent Liabilities and Contingent Assets

35.1 Provisions - Purpose

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. The purpose of each provision, categorised as 'Employee-related' or 'Other', is as follows:

Employee-Related Provisions:

Provision	Purpose	Timescale for Utilisation	Uncertainties, Assumptions and Potential Reimbursement
Early Terminations	To provide for known sums in relation to early terminations where these had been approved prior to the end of the financial year.	Redundancy payments expected to be settled in 2022/2023.	The provision for early terminations comprises the known value of redundancy payments occurring after 31 March 2022 for which a legal or constructive obligation existed at that date. This obligation may have been through approval of the individual redundancies or through a decision that has a material impact on the structure or functions of the Authority. It is assumed that all employees included within the provision will have left during the next financial year.

Other Provisions:

Provision	Purpose	Timescale for Utilisation	Uncertainties, Assumptions and Potential Reimbursement
Insurance	To provide for known insurance liabilities, including sums relating to the Municipal Mutual Insurance Scheme of Arrangement originally established in 1994 under section 425 of the Companies Act 1985 (now section 899 of the Companies Act 2006).	To be utilised from 2022/2023 on settlement of claims.	The amount and timing of settlement of insurance claims are inherently uncertain. It has been assumed that the timing and value of the settlement of future claims will be similar to known claims history. As the majority of known claims fall below the Authority's excess level(s) there is not expected to be any significant reimbursement by the Authority's insurers. In November 2012 the Directors and Board of Municipal Mutual Insurance agreed to the irrevocable triggering of the Scheme of Arrangement in order to avoid insolvent liquidation. As a result, the Authority has included £0.001m in the Insurance Provision, set at 25% of total outstanding claims. In addition, £0.027m has been included in respect of MMI claims for the former Gwent County Council.

Other Provisions (Continued):

Provision	Purpose	Timescale for Utilisation	Uncertainties, Assumptions and Potential Reimbursement
Lease Dilapidation	To provide for works to three leased assets (Anvil Court, Ebbw Vale Multi-Storey Car Park, and 20 Church Street) to return the assets to their condition as at the inception of the respective lease agreements.	Ebbw Vale Multi-Storey Car Park: ending in 2070. Anvil Court: ending in 2026. 20 Church Street: 2022/2023.	Sums provided are for estimated costs to restore leased assets to original condition. No allowance has been made for improvement works undertaken that may be retained by the lessor.
Part 1 Land Compensation Claims	To provide for claims under Part 1 of the Land Compensation Act 1973 in relation to depreciation of the value of an interest in land by physical factors caused by the use of public works.	There is uncertainty with regards to the timescale for agreement.	The sum provided is an estimate based on total proposed settlements, but is subject to change. Additional claims could become payable in respect of a number of other public works in the County Borough. It is assumed that all settlements will be as offered and no reimbursements will be expected. This provision has been reversed as the Authority is no longer exposed to liabilities in relation to the majority of schemes that were originally included.

35.2 Provisions - Movements

Movements in employee-related and other provisions during 2021/2022 were as follows:

	Balance at 1 April 2021 £000	Amounts Used in 2021/2022 £000	Unused Amounts Reversed in 2021/2022 £000	Additional Provisions made in 2021/2022 £000	Balance at 31 March 2022 £000
Provision Movements					
Current Provisions					
Employee Provisions:					
Early Terminations	(58)	58	0	(55)	(55)
<i>Total Current Employee Provisions:</i>	(58)	58	0	(55)	(55)

Provision Movements	Balance at 1 April 2021 £000	Amounts Used in 2021/2022 £000	Unused Amounts Reversed in 2021/2022 £000	Additional Provisions made in 2021/2022 £000	Balance at 31 March 2022 £000
Other Provisions (Current):					
Insurance	(1,396)	125	363	(328)	(1,236)
Part 1 Land Compensation Claims	(10)	5	7	(2)	0
Total Other Current Provisions:	(1,406)	130	370	(330)	(1,236)
Total Current Provisions:	(1,464)	188	370	(385)	(1,291)
Other Provisions (Non-Current):					
Insurance	(1,735)	145	339	(296)	(1,547)
Lease Dilapidation - Anvil Court	(133)	0	0	0	(133)
Lease Dilapidation - Ebbw Vale Multi Storey Car Park	(13)	0	0	(1)	(14)
Lease Dilapidation - 20 Church Street	(1)	0	0	(1)	(2)
Total Non-Current Provisions:	(1,882)	145	339	(298)	(1,696)
Total Provisions:	(3,346)	333	709	(683)	(2,987)

35.3 Contingent Liabilities

- As part of the legal agreements associated with the transfer of the Authority's Housing Stock to Tai Calon, a number of warranties and indemnities have been provided for a period of 32 years from the transfer date (July 2010), covering areas including environmental, asbestos and redevelopment issues. The limit to claims made against these warranties is £15,000 for each property (uprated annually by RPI), with the exception of warranties for environmental pollution and asbestos, where the limits are £125m (environmental pollution and asbestos – works indemnity) and without limit (asbestos – personal injury and death). Claims are subject to an excess level below which the Authority is not liable to reimburse Tai Calon, these being £5,000 generally and £4.7625m for Asbestos works. Potential liabilities that could arise in respect of environmental pollution have been mitigated by means of insurance policies, providing aggregate cover of £30m. At this stage, there have been no definite claims associated with the warranties provided and it is not possible to determine the extent and value of claims that may arise in the future.
- On creation of Aneurin Leisure Trust in October 2014, pension assets and liabilities assessed on an actuarial basis were transferred from Blaenau Gwent CBC, such that the Trust's pension obligations were deemed to be fully funded. The funding deficit accruing to 30 September 2014 in respect of employees relocating to Aneurin Leisure Trust was not transferred, but was retained by Blaenau Gwent CBC. The Trust is therefore only responsible for any increase in liabilities (on an actuarial valuation basis) occurring after the transfer date, with the Authority acting as a guarantor for the previously accrued net deficit. In addition, the Authority agreed to act as guarantor of last resort in order that the Leisure Trust could enter the Greater Gwent (Torfaen) Pension Fund as an admitted body and has therefore agreed to underwrite any costs arising in the event that the admitted body defaults on any or all of its payments in relation to its pension obligations. Further details of the liability on transfer are included in note 38 (page 95). However it is not possible to place an estimate on the level of other potential liabilities for which the Authority is acting as guarantor which are dependent on the occurrence of future events.
- On 1 April 2021 the Metropole, Abertillery transferred from Aneurin Leisure Trust to Awen Cultural Trust. Awen Cultural Trust is only responsible for any increase in liabilities (on an actuarial valuation basis) occurring after the transfer date with the Authority acting as a guarantor for the previously accrued net deficit. In addition, the Authority agreed to act as guarantor of last resort in order that Anwen Cultural Trust could enter the Greater Gwent (Torfaen) Pension Fund as an admitted body and has therefore agreed to underwrite any costs arising in the event that the admitted body defaults on any or all of its payments in relation to its pension obligations.

- Under the terms of the Municipal Mutual Insurance Scheme of Arrangement, the Authority is responsible for the payment of a percentage towards future claims, potentially for many years due to the inherent long-tail nature of the insured risks. Due to the nature of these claims it is not practicable to disclose an estimate of the potential sums payable.
- The Authority has received a number of Part 1 claims arising under the 1973 Land Compensation Act in relation to a number of public works projects. While it is not yet possible to determine the final number and value of these claims in compliance with the Act and the full extent to which settlement will be made, a provision has been included for those claims where offers have been made.
- As a result of decisions of the courts allowing the release of documentation in relation to specific past actions of the Authority, it is possible that obligations may arise to settle specific liabilities. However, no such obligations have presented to date and the possibility of any doing so is judged to be decreasing over time. Given the inherent complexity of these liabilities, none of which is yet to materialise, it has not been possible to provide an estimate of the settlement costs, if any.
- The Council has agreed to enter into a Deed of Priority with Wells Fargo in respect of amounts loaned to the developer of the NMC site in Brynmawr, such that Wells Fargo would have unlimited first call on the site developer's assets in the event of a loan default situation. The Council have therefore agreed to secure the loan funding provided to the project developer by Welsh Government, being the sum of £0.750m. In mitigation, the developer is a reputable well-established financial services company and further legal agreements are in place such that, on disposal of the development, the Deed of Priority will cease. As the developer intends to dispose of the property as soon as possible after practical completion is achieved this should limit the duration of the risk to the Council.

36. Other Long-Term Liabilities

The Authority holds the following balances as long-term liabilities.

Other Long-Term Liabilities	31 March 2022	31 March 2021
	£000	£000
Cardiff Capital Region City Deal Non-Current Creditor	(1,282)	(2,079)
Deferred Liabilities	(421)	(24)
Net Pensions Liability	(293,580)	(349,681)
Total	(295,283)	(351,784)

- Long-Term Liabilities for Cardiff Capital Region City Deal represent the Authority's share of HMT grant received by the joint arrangement but not yet utilised.
- Deferred Liabilities represent amounts outstanding for finance leases in relation to vehicles, plant and equipment leased by the Authority.
- The Net Pensions Liability represents the amount by which pension liabilities attributable to the Authority exceed pension assets held in order to settle current and future obligations.

37. Financial Instruments

Fair Value of Assets and Liabilities carried at Amortised Cost

Financial liabilities and financial assets represented by loans and receivables are carried in the Balance Sheet at amortised cost. Their fair value has been assessed by calculating the present value of the cash flows that take place over the remaining term of the instruments as at the balance sheet date.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g. interest rates or yields for similar instruments
- Level 3 – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness

Financial Liabilities	Fair Value Level	31 March 2022		31 March 2021 (Restated)†	
		Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Public Works Loan Board	2	(73,584)	(95,784)	(76,235)	(95,872)
Lenders Option Borrowers Option	2	(4,042)	(6,929)	(4,043)	(6,282)
Market Loans	2	(14,000)	(14,198)	(17,000)	(17,311)
Temporary Loans	n/a	(62,365)	(62,365)	(65,315)	(65,436)
Rail Infrastructure Loan	n/a	(40,312)	(32,855)	(39,440)†	(39,440)†
Town Centre Loan	n/a	(1,890)	(2,042)	(1,849)	(1,849)
Salix Loan	n/a	(3,780)	(3,780)	(4,000)	(4,000)
Transforming Towns Loan	n/a	(633)	(711)	0	0
Total		(200,606)	(218,664)	(207,882)	(230,190)

The fair value of liabilities is more than the carrying amount because the Authority's portfolio of loans includes a number of fixed rate loans, namely PWLB annuity and Lender's Option Borrower's Option (LOBO), where the interest rate payable is higher than the rates available for similar loans at the Balance Sheet date. The commitment to pay interest above current market rates increases the amount the Authority would have to pay if the lender requested or agreed to early repayment of loans.

Fair value disclosures have not been calculated for short term financial liabilities or short term financial assets, including payables (creditors), receivables (debtors) and temporary investments as the carrying amount is a reasonable approximation of fair value.

†: The current value of the Ebbw Valley Railway Infrastructure loan has been re-appraised to correct an error in the 2020/2021 discounting calculation. This has reduced the element classified as 'capital grants unapplied' by £17.464m, with a corresponding increase in the amount accounted for as a loan.

Financial Instrument Balances

The borrowings and investments disclosed in the Balance Sheet are made up of the following categories of financial instruments:

Financial Instruments	31 March 2022			31 March 2021 (Restated)†		
	Non-Current £000	Current £000	Total £000	Non-Current £000	Current £000	Total £000
Financial Liabilities						
Financial liabilities at amortised cost	(126,923)	(73,683)	(200,606)	(136,649)†	(71,233)	(207,882)†
Total Borrowings	(126,923)	(73,683)	(200,606)	(136,649)	(71,233)	(207,882)
Financial Assets						
Available for Sale - Unquoted equity investment at cost	342	0	342	342	0	342
Total Investments	342	0	342	342	0	342

†: The current value of the Ebbw Valley Railway Infrastructure loan has been re-appraised to correct an error in the 2020/2021 discounting calculation. This has reduced the element classified as 'capital grants unapplied' by £17.464m, with a corresponding increase in the amount accounted for as a loan.

Financial Instrument Gains/Losses

The gains and losses recognised in the Comprehensive Income & Expenditure Statement (note 10, page 42) in relation to financial instruments are made up as follows:

Financial Instrument Gains/Losses	2021/2022			2020/2021		
	Financial Liabilities measured at amortised cost £000	Financial Assets: Loans & Receivables £000	Total 2021/2022 £000	Financial Liabilities measured at amortised cost £000	Financial Assets: Loans & Receivables £000	Total 2020/2021 £000
Interest payable and similar charges:						
Interest expense	4,464	0	4,464	3,856	0	3,856
Interest and investment income:						
Interest income	0	(77)	(77)	0	(13)	(13)
Net (gain)/loss for the year:	4,464	(77)	4,387	3,856	(13)	3,843

Soft Loans

Car loans are classified as soft loans and should be included in the Balance Sheet at fair value. However, car loans have been included at their carrying amount, as the difference between the fair value and carrying amount is considered to be immaterial. As at 31 March 2022, 72 car loans were outstanding with a total value of £0.331m (31 March 2021: 83 loans with a value of £0.360m).

During 2020/2021 a single in-arrears payroll was implemented for all staff. To assist with cashflow issues caused by this change, interest-free bridging loans were offered. £0.460m was advanced, of which £0.455m has been repaid to 31 March 2022. As the difference between fair value and carrying amount is considered to be immaterial, the outstanding balance of £0.005m has been included in the Balance Sheet at cost.

In 2020/2021 the Authority received two interest free loans from Welsh Government: £70.000m in relation to the Ebbw Valley Railway Infrastructure project and £2.570m as a Town Centre loan for Local Authority use. A further loan was received in 2021/2022 amounting to £0.825m as a Transforming Towns Loan. As these loans have interest rates below market rate, each has been treated as a soft loan in the Authority's accounts and have been included in the Balance Sheet at Fair Value.

38. Disclosure of Nature and Extent of Risks Arising from Financial Instruments

The Authority's activities expose it to a variety of financial risks:

- Credit Risk – the possibility that other parties might fail to pay amounts due to the Authority;
- Liquidity Risk – the possibility that the Authority might not have funds available to meet its commitments to make payments; and
- Market Risk – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates and stock market movements.

Overall Procedures for Managing Risk

The economic impact of the Covid-19 pandemic continues to present challenges to the financial services industry and its institutions. The main issues for the Council are credit risk; its ability to raise finance; and to a limited degree the interest rate payable and receivable on new loans and investments. However, these risks are mitigated as described below.

The Authority's overall risk management procedures focus on the unpredictability of financial markets, and are structured to implement suitable controls to minimise these risks. The procedures for risk management are defined through a legal framework set out in the Local Government Act 2003 and associated regulations and are managed by the Authority's Accountancy Division. These require compliance with the CIPFA Prudential Code of Practice, the CIPFA Treasury Management Code of Practice and investment guidance issued under the Local Government Act 2003. Overall, these procedures require the Authority to manage risk in the following ways:

- by formally adopting the requirements of the CIPFA Treasury Management Code of Practice;
- by the adoption of a Treasury Policy Statement and treasury management clauses within its financial regulations/standing orders/constitution;

- by approving an Investment Strategy for the forthcoming year, setting out its criteria for both investing and selecting investment counterparties in compliance with government guidance; and
- by approving annually in advance Prudential and Treasury Indicators for the following three years limiting:
 - the Authority's overall borrowing;
 - its maximum and minimum exposures to fixed and variable rates;
 - its maximum and minimum exposures to the maturity structure of its debt; and
 - its maximum annual exposures to investments maturing beyond a year.

The above are required to be reported and approved at or before the Authority's annual Council Tax setting meeting or before the start of the year to which they relate. These items are reported with the annual Treasury Management Strategy which outlines the detailed approach to managing risk in relation to the Authority's financial instrument exposure. Actual performance is also reported after each year, as is a mid-year update.

The annual Treasury Management Strategy, Investment Strategy and MRP Policy statement, which incorporates the Prudential Indicators, were approved by Council on 25 March 2021 and are available on the Authority's website:

[Ordinary Meeting of the Council - 25 Mar 2021](#)

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Authority's customers.

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch and Moody's Credit Rating Services. The Annual Investment Strategy also considers maximum amounts and time limits in respect of each financial institution. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above. Additional selection criteria are also applied after this initial criteria is applied by using Credit Default Swap (CDS) spread data and credit rating alerts.

The full Investment Strategy for 2021/2022 was approved by Council on 25 March 2021.

The Authority's maximum exposure to credit risk in relation to its investments cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments.

However, all investments held by the Authority during the period are considered to be of low risk. No breaches of the Authority's counterparty criteria occurred during the reporting period and the Authority does not expect any losses from non-performance of any of its counterparties in relation to deposits.

Liquidity Risk

The Authority manages its liquidity position through the risk management procedures outlined above (*the setting and approval of Prudential Indicators and the approval of the Treasury and Investment Strategy reports*), as well as through a comprehensive cash flow management system. This seeks to ensure that cash is available when needed.

The Authority has ready access to borrowings from the money markets to cover any day to day cash flow need, and the Public Works Loan Board (PWLB) and money markets for longer term funds. The Authority is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The source analysis of financial liabilities is as follows:

Financial Instruments	31 March 2022		31 March 2021	
	£000	%	£000	%
Source of Loan				
Public Works Loan Board	(74,067)	31.98	(76,764)	32.04
Lenders Option Borrowers Option	(4,000)	1.73	(4,000)	1.67
Market Loans	(14,000)	6.04	(17,000)	7.09
Temporary Loans	(62,365)	26.93	(65,315)	27.25
Rail Infrastructure Loan	(70,000)	30.22	(70,000)	29.21
Town Centre Loan	(2,570)	1.11	(2,570)	1.07
Transforming Towns Loan	(825)	0.36	0	0.00
Salix Loan	(3,780)	1.63	(4,001)	1.67
Total:	(231,607)	100.00	(239,650)	100.00

The maturity analysis of financial liabilities is as follows:

Maturity of Loan	31 March 2022		31 March 2021	
	£000	%	£000	%
Maturing in less than 1 year	(73,683)	31.80	(71,233)	29.72
Maturing in 1-2 years	(9,162)	3.96	(11,318)	4.72
Maturing in 2-5 years	(32,531)	14.05	(28,686)	11.97
Maturing in 5-10 years	(27,807)	12.01	(38,390)	16.02
Maturing in more than 10 years	(88,424)	38.18	(90,023)	37.57
Total:	(231,607)	100.00	(239,650)	100.00

Market Risk

Interest Rate Risk

The Authority is exposed to risk in terms of exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Authority, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance a rise in interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income & Expenditure Statement will rise.
- Borrowings at fixed rates – the fair value of the liabilities will fall.
- Investments at variable rates – the interest income credited to the Comprehensive Income & Expenditure Statement will rise.
- Investments at fixed rates – the fair value of the assets will fall.

Borrowings are not carried at fair value on the Balance Sheet, so nominal gains and losses on fixed rate borrowings would not impact upon the Comprehensive Income & Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Comprehensive Income & Expenditure Statement and will affect the Council Fund Balance.

The Authority has a number of strategies for managing interest rate risk. The Treasury Management Strategy sets an upper limit on variable rate exposures at 30% of its net outstanding sums. During periods of falling interest rates, long term fixed rate borrowings will be postponed and potential rescheduling from fixed rate funding into short term funding will be considered, where economic circumstances make it favourable to do so. The risk of loss is partly ameliorated by the fact that the debt financing element of the Standard Spending Assessment, which determines the amount of Revenue Support Grant receivable for non-current debt financing costs, is based on Authorities' average borrowing costs for existing debt and statistical forecasts of future interest rates for in-year debt. Hence a proportion of any higher costs arising on non-current debt from increased interest rates would be met from the Revenue Support Grant in future years.

In setting the annual revenue budget, the Authority takes a prudent view when assessing interest rate exposure, so as to mitigate as far as possible any adverse implications upon the Comprehensive Income & Expenditure Statement.

Of the Authority's non-current debt, 95% is currently at fixed rates; only the LOBO is considered to be variable, although the chances of repayment being demanded are relatively small. The effect of a 1% increase in interest rates would therefore only affect the interest receivable and payable on its current investments and borrowings, and on the LOBO.

If interest rates had been 1% higher, with all other variables held constant, the financial effect would have been:

Interest Rate Risk	2021/2022 £000	2020/2021 £000
Increase in interest payable on current variable rate borrowings	616	627
Increase in interest receivable on current variable rate investments	(750)	(114)
Increase in interest payable on non-current variable rate borrowings	40	40
Net impact upon Comprehensive Income & Expenditure Statement	(94)	553

The impact of a 1% fall in interest rates would have been as above but with the movements being reversed.

Price Risk

The Authority does not invest in equity shares but does have a 100% shareholding to the value of £250,000 in Silent Valley Waste Services Ltd.. As the shareholding is unquoted the Authority is not exposed to losses arising from movements in the prices in the shares. The £250,000 shares are classified as unquoted investments at cost.

Included on the Balance Sheet is the Authority's proportion of a minor equity investment made by the Cardiff Capital Region City Deal in Pharamatelligence Ltd.. As the investment is unquoted the CCRCD is not exposed to losses arising from movements in the prices in the shares. The Authority's proportion, equating to £92,395, has been classified as unquoted investments at cost.

Foreign Exchange Risk

The Authority has no financial assets or liabilities denominated in foreign currencies and therefore has no exposure to losses arising from movements in exchange rates.

39. Post-Employment Benefits – Defined Contribution Plans (Teachers)

The Teachers' Pension Scheme is an unfunded scheme, in which pension benefit payments from the scheme are funded by current employee and employer contributions. The difference between these contributions and scheme expenditure are financed by the Exchequer. As an indication of the scale of the fund and the sums involved, the net cash requirement for 2021/2022 was £1.68bn and total net scheme liabilities amounted to £532.3bn.

Employer contributions are set by the Secretary of State, on the advice of the fund actuary. Following the recommendations of Lord Hutton on public sector pensions, a valuation as at 31 March 2012 was undertaken by the Government Actuary's Department in line with the revised valuation directions determined by HM Treasury. As a result of this valuation, the standard contribution rate (SCR) was assessed at 20.4% and the supplementary contribution rate (which funds the accumulated shortfall of liabilities within a period of up to 15 years) was set at 5.6% (a total contribution rate of 26.0%). The actuarial valuation based on scheme data for the period ending 31 March 2016 had been progressing and was expected to be implemented in 2019, with subsequent valuations to be undertaken on a four-yearly basis. However, the actuarial valuation was suspended following the Court of Appeal ruling against the government in respect of changes to the judges and firefighters pension schemes. The employers rate increased to 23.6% from September 2019, with no change to the average employee contribution of 9.5%.

The Authority is liable for other entities' obligations only to the extent that any deficit arising on the Teachers' Pension Scheme that is being recovered through the supplementary contribution element of the Employer Contribution rate may not have resulted from employees or former employees of the Authority.

The Authority is not required to include entries in its Balance Sheet relating to assets and liabilities for the Teachers' Pensions Scheme, as the liability for payment of these pensions rests ultimately with the Department for Education.

Teachers employed by the Authority are members of the Teachers' Pension Scheme (a defined benefit scheme) administered by Capita Teachers' Pensions. The Authority contributes towards the costs of retirement benefits by making contributions based on a percentage of employees' pensionable salaries.

The TPS is a multi-employer scheme which, for 2021/2022, comprised 12,209 contributing employers that administered over 1.36 million active/deferred members and made payments to 751,516 pensioners. Given the complexities involved in administering pension arrangements for this volume of employees, it is not possible to disaggregate the scheme liabilities for each employer. Consequently, there is insufficient information available to account for the TPS as a defined benefit plan and as a result it has been accounted for as a defined contribution scheme.

In 2021/2022, the Authority paid employers contributions of £4.932 million to Capita Teachers' Pensions in respect of teachers' pension costs, representing 23.6% of teachers' pensionable pay (2020/2021: £4.757 million). At 31 March 2022, £0.415 million remained payable to the Teachers' Pension Scheme relating to employers contributions arising in the March payroll (31 March 2021: £0.401m).

The total employers contributions to be made by the Authority to the Teachers' Pension Scheme in the year to 31 March 2023 is estimated at £4.983m.

The Authority made total contributions (employees and employers) to the TPS amounting to £6.951m in 2021/2022, which would have represented approximately 0.08% of the total contributions receivable by the TPS in 2021/2022.

The Authority is responsible for the costs of any additional benefits awarded upon early retirement that fall outside of the terms of the Teachers' Scheme. These costs are accounted for on a defined benefit basis and are detailed in note 40 (page 89).

40. Post-Employment Benefits – Defined Benefit Plans

Retirement benefits are offered to the Authority's employees which, although not actually payable until employees retire, represent a commitment by the Authority that needs to be disclosed in the Accounts in the financial period in which the entitlement to benefits arises (i.e. when earned by employees through service provided).

The Authority participates in two formal schemes, the Local Government Pension Scheme (the Greater Gwent (Torfaen) Pension Fund), which is administered by Torfaen CBC, and the Teachers' Pensions Scheme administered by Capita Teachers' Pensions on behalf of the Department for Education. Although technically a defined benefit scheme, the Teachers' Pensions Scheme is accounted for as a defined contribution scheme (note 39, page 88).

With effect from 1 April 2014, the Local Government Scheme is a funded defined benefit Career Average Revalued Earnings (CARE) scheme, in which the Authority and employees make contributions calculated at a level intended to balance pension liabilities arising with investment assets. The contribution rate is determined by the Fund's Actuary based on triennial valuations, the last completed review being 31 March 2019.

Pension benefits under the LGPS are summarised below:

Service pre 1 April 2008	
Pension	Each year worked is worth 1/80th of final pensionable salary.
Lump Sum	Automatic lump sum of 3x annual pension. In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.
Service between 1 April 2008 and 31 March 2014	
Pension	Each year worked is worth 1/60th of final pensionable salary.
Lump Sum	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

Service after 31 March 2014	
Pension	Each year worked is worth 1/49th of career average revalued earnings.
Lump Sum	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

The Scheme is governed by the Public Service Pensions Act 2013 and administered in accordance with the following secondary legislation:-

- the LGPS Regulations 2013 (as amended);
- the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended); and
- the LGPS (Management and Investment of Funds) Regulations 2016.

As administering authority, Torfaen County Borough Council is responsible for interpreting all pension laws, keeping accurate records, calculating and paying benefits, and providing information to employees, employers and other relevant bodies. Torfaen County Borough Council has established within its Constitution a Pensions Committee to discharge its duties as administering authority of the Fund. The Council has also established a Pension Fund Management Group to provide wider stakeholder representation and communication in matters relating to the Fund. As required by the Public Services Pension Act 2013 and LGPS (Amendment) (Governance) Regulations 2015, a Pension Fund Board has been established to assist the Scheme manager with securing compliance with regulations, legislation and the Pension Regulator's Codes of Practice relating to administration and governance of the Local Government Pension Scheme.

The Fund's primary long term risk is that its assets will fall short of its liabilities (i.e. its promised benefits payable to members). Investment risk management across the Fund is therefore aimed to minimise the risk of an overall reduction in the value of the Fund whilst maximising the opportunity for gains across the whole portfolio. Within its investment strategy the Fund aims to manage this primary overall risk by:-

- asset diversification to reduce exposure to market risk (asset price risk, interest rate risk and currency risk);
- managing credit risk via appropriate selection, diversification and monitoring of its counterparties; and
- managing liquidity risk by ensuring there are sufficient liquid funds to meet member benefit commitments as they fall due.

To meet the requirements of the Regulations, the Administering Authority's long term funding objective is for the Fund to achieve and then maintain sufficient assets to cover 100% of projected accrued liabilities (the "funding target") assessed on an ongoing basis including allowance for projected final pay. The funding objective as set out in the FSS (Funding Strategy Statement) is to achieve and maintain a funding level of 100% of liabilities (the Funding Target). In line with the FSS, where a shortfall exists at the effective date of the actuarial valuation (31 March 2016), a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall. The maximum deficit recovery period has been set as 20 years.

The 2019 Actuarial Valuation reported the level of total fund assets compared to liabilities (the funding level) as 86% (2016 Valuation: 72%). As a result, employer contribution levels have been calculated for implementation from 1 April 2020 that will, subject to future revaluations, eliminate this deficit in 20 years. Scheme changes implemented under the Public Pensions Service Act 2013, including calculating pension and other benefits on the basis of career average re-valued earnings, will also need to be considered in meeting the future funding objectives.

As an indication of the level of the Authority's participation in the Greater Gwent (Torfaen) Pension Fund compared with other participating entities, Blaenau Gwent contributed 11.1% of the total employee and employer contributions receivable by the Fund as disclosed in the most recently available annual accounts (2021/2022).

More detailed information regarding the nature of benefits provided, regulatory framework, governance arrangements, investment principles, funding strategy, actuarial valuation and pension fund performance can be obtained from the Assistant Chief Executive (Resources), Torfaen County Borough Council, Civic Centre, Pontypool, NP4 6YB, or from the Greater Gwent Pensions Fund website:

<https://www.gwentpensionfund.co.uk>

Welsh Pension Partnership (WPP)

The Greater Gwent Pension Fund is one of eight Local Government Pension Scheme funds in Wales that since 2017 have collaborated in the Wales Pension Partnership (WPP). Pooling of the eight schemes' assets is undertaken in order to benefit from economies of scale and reduced administrative costs. As host authority, Carmarthenshire County Council is responsible for running the pooled fund. In 2019/2020, 47% of the Constituent Authorities' pension fund assets were pooled.

Discretionary Benefits

The Authority is responsible for all discretionary pension payments relating to added years awarded, together with related increases for both Local Government Scheme employees and teachers. This is an unfunded defined benefit arrangement under which liabilities are recognised when awards are made but for which there are no investment assets built up to meet these pensions liabilities. Cash has to be generated to meet actual pensions payments as they fall due. For Local Government Scheme employees, liabilities are discharged within 1 year of awarding the discretionary payments; for Teachers' Scheme employees the liability is not discharged until the employee is deceased.

Accounting Treatment of Defined Benefit Transactions

The cost of retirement benefits are recognised in the 'Net Cost of Services' section of the Comprehensive Income & Expenditure Statement when those benefits are earned by employees, rather than when the benefits are actually paid as pensions. However, legislation requires that the pensions charge that falls for payment by Council Taxpayers is equal to the amounts payable for the year of account. Consequently adjustments are made in the Movement in Reserves Statement (Adjustments between accounting basis and funding basis under statutory provisions) to ensure that the notional cost of retirement benefits is reversed out of the accounts and replaced with the amounts paid.

The following transactions have been made in the Comprehensive Income and Expenditure Statement during the year:

	2021/2022			2020/2021		
	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000
Pension Scheme Transactions - Comprehensive Income & Expenditure Statement						
Cost of Services:						
Current Service Costs	26,833	0	26,833	16,741	0	16,741
Past Service Costs and Curtailments	15	0	15	30	0	30
Administration Expenses	249	0	249	241	0	241
Total Service Cost:	27,097	0	27,097	17,012	0	17,012
Financing and Investment Income and Expenditure:						
Interest on plan assets	(8,798)	0	(8,798)	(7,785)	0	(7,785)
Interest on defined benefit liabilities	15,217	697	15,914	13,239	726	13,965
Net Interest:	6,419	697	7,116	5,454	726	6,180
Total Charged to the Surplus/Deficit on Provision of Services:	33,516	697	34,213	22,466	726	23,192
Remeasurement of the Net Defined Liability, comprising:						
Return on plan assets (excluding amounts included in Net Interest)	(17,615)	0	(17,615)	(95,626)	0	(95,626)
Actuarial (Gains)/Losses arising from changes in demographic assumptions	(3,950)	(321)	(4,271)	9,796	572	10,368
Actuarial (Gains)/Losses arising from changes in financial assumptions	(53,531)	(1,286)	(54,817)	158,638	4,431	163,069
Experience (Gains)/Losses on defined benefit liabilities	685	(443)	242	(4,479)	(573)	(5,052)
Total remeasurements recognised in Other Comprehensive Income & Expenditure:	(74,411)	(2,050)	(76,461)	68,329	4,430	72,759
Total Charged to the Comprehensive Income & Expenditure Statement:	(40,895)	(1,353)	(42,248)	90,795	5,156	95,951

At 31 March 2022, £1.546m remained payable to the LGPS relating to contributions arising in the March payroll (31 March 2021: £1.244m). This amount has been excluded from the Pensions Asset in the Balance Sheet.

The following transactions have been made in the Movement in Reserves Statement during the year:

Pension Scheme Transactions - Movement in Reserves Statement	2021/2022			2020/2021		
	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000
Reversal of net charges for post employment benefits included in <i>'Total Charged to the Surplus/Deficit on Provision of Services'</i>	(33,516)	(697)	(34,213)	(22,466)	(726)	(23,192)
Actual Amount Charged Against Council Tax for Pensions in year:						
Employers' Contributions Payable to Scheme	12,332	0	12,332	11,918	0	11,918
Retirement Benefits Payable to Pensioners	0	1,823	1,823	0	1,888	1,888
Total amounts charged against Council Tax:	12,332	1,823	14,155	11,918	1,888	13,806
Net adjustment between accounting basis and funding basis for pension transactions:	(21,184)	1,126	(20,058)	(10,548)	1,162	(9,386)

Assets and Liabilities in Relation to Post-Employment Benefits

Transactions in respect of the fair value of pension scheme assets are as follows:

Reconciliation of the Movements in Fair Value of Scheme Assets	2021/2022			2020/2021		
	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000
Balance at 1 April:	440,901	0	440,901	339,718	0	339,718
Employer Contributions	12,030	1,823	13,853	11,640	1,888	13,528
Member Contributions	3,172	0	3,172	3,057	0	3,057
Benefits Paid	(17,084)	(1,823)	(18,907)	(16,925)	(1,888)	(18,813)
Interest on Plan Assets	8,798	0	8,798	7,785	0	7,785
Remeasurement Gains/(Losses):						
Return on Plan Assets (excluding amounts included in Interest)	17,615	0	17,615	95,626	0	95,626
Balance at 31 March:	465,432	0	465,432	440,901	0	440,901

Transactions in respect of the present value of pension scheme liabilities are as follows:

Reconciliation of the Movements in Present Value of Scheme Liabilities	2021/2022			2020/2021		
	Local Government Pension Scheme	Teachers' Unfunded Discretionary Pensions	Total	Local Government Pension Scheme	Teachers' Unfunded Discretionary Pensions	Total
	£000	£000	£000	£000	£000	£000
Balance at 1 April:	(754,821)	(35,761)	(790,582)	(574,483)	(32,493)	(606,976)
Current Service Cost	(26,833)	0	(26,833)	(16,741)	0	(16,741)
Past Service Cost and Curtailments	(15)	0	(15)	(30)	0	(30)
Administration Expenses	(249)	0	(249)	(241)	0	(241)
Interest Cost	(15,217)	(697)	(15,914)	(13,239)	(726)	(13,965)
Member Contributions	(3,172)	0	(3,172)	(3,057)	0	(3,057)
Benefits Paid	17,084	1,823	18,907	16,925	1,888	18,813
Remeasurement Gains/(Losses):						
Experience Gains/(Losses)	(685)	443	(242)	4,479	573	5,052
Actuarial Gains/(Losses) arising from changes in demographic assumptions	3,950	321	4,271	(9,796)	(572)	(10,368)
Actuarial Gains/(Losses) arising from changes in financial assumptions	53,531	1,286	54,817	(158,638)	(4,431)	(163,069)
Balance at 31 March:	(726,427)	(32,585)	(759,012)	(754,821)	(35,761)	(790,582)

The net liability arising from defined benefit scheme obligations can be analysed as follows:

Pension Assets & Liabilities Recognised in the Balance Sheet	2021/2022			2020/2021		
	Local Government Pension Scheme	Teachers' Unfunded Discretionary Pensions	Total	Local Government Pension Scheme	Teachers' Unfunded Discretionary Pensions	Total
	£000	£000	£000	£000	£000	£000
Fair Value of Scheme Assets	465,432	0	465,432	440,901	0	440,901
Present Value of Scheme Liabilities	(726,427)	(32,585)	(759,012)	(754,821)	(35,761)	(790,582)
Net Liability:	(260,995)	(32,585)	(293,580)	(313,920)	(35,761)	(349,681)

There are no assets to cover the discretionary benefits awarded to Teachers (Unfunded Teachers' Discretionary Pensions).

Assets held by the Local Government Pension Scheme can be categorised as follows:

Local Government Pension Scheme Asset Categorisation	31 March 2022				31 March 2021			
	Quoted Prices in Active Markets	Quoted Prices not in Active Markets	Total		Quoted Prices in Active Markets	Quoted Prices not in Active Markets	Total	
	£000	£000	£000	%	£000	£000	£000	%
Quoted Equity Securities:	0	0	0	0.00	65,214	0	65,214	14.79
Investment Funds and Unit Trusts:								
Equities	0	344,334	344,334	73.98	0	254,708	254,708	57.77
Bonds	0	65,404	65,404	14.05	0	73,975	73,975	16.78
Other	0	42,576	42,576	9.15	0	32,033	32,033	7.27
Real Estate: UK Property Funds	0	10,652	10,652	2.29	0	11,097	11,097	2.52
Cash and Cash Equivalents:	0	2,466	2,466	0.53	0	3,874	3,874	0.87
Total:	0	465,432	465,432	100.00	65,214	375,687	440,901	100.00

The Authority holds no investments in the Greater Gwent (Torfaen) Pension Scheme and does not occupy or otherwise utilise assets held by the Scheme.

Sensitivity Analysis

The impact of changes in the key actuarial assumptions has been calculated as follows:

Sensitivity Analysis: Impact of Change in Assumptions	31 March 2022		31 March 2021	
	Increase in Employer Liabilities		Increase in Employer Liabilities	
	£000	%	£000	%
0.5% decrease in Real Discount Rate	74,840	9.86	80,455	10.18
0.5% increase in the Salary Increase Rate	8,935	1.18	9,752	1.23
0.5% increase in the Pension Increase Rate	65,315	8.61	68,884	8.71
1 year increase in Member Life Expectancy	30,360	4.00	23,717	3.00

The impact of these changes on assets and liabilities at year end would be as follows:

Sensitivity Analysis	31 March 2022				
		Discount	Salary	Pension	Life
	Base	Rate:	Increase:	Increase:	Expectancy:
	£000	-0.5% p.a.	+0.5% p.a.	+0.5% p.a.	+1 Year
Liabilities	(759,012)	(833,852)	(767,947)	(824,327)	(789,372)
Assets	465,432	465,432	465,432	465,432	465,432
Net Deficit	(293,580)	(368,420)	(302,515)	(358,895)	(323,940)
	31 March 2021				
		Discount	Salary	Pension	Life
	Base	Rate:	Increase:	Increase:	Expectancy:
	£000	-0.5% p.a.	+0.5% p.a.	+0.5% p.a.	+1 Year

Liabilities	(790,582)	(871,037)	(800,334)	(859,466)	(814,299)
Assets	440,901	440,901	440,901	440,901	440,901
Net Deficit	(349,681)	(430,136)	(359,433)	(418,565)	(373,398)

The sensitivity analysis figures provided by the Actuary are approximate only. It has been assumed that there have been no changes in accounting policies, Scheme benefits, the age/sex/service profile of employees, levels of pay and contributions made. The Actuary has also indicated that the impact of an increase in member life expectancy would be in the range of 3-5%, subject to varying factors. These figures should not therefore be construed as providing accurate outturn figures for future accounting periods. No allowance has been made for the impact of Covid-19 on the pension fund, as the long term impact on the fund was not known in March 2021. The accounting position, due to the effect of Russia's Invasion of Ukraine, was seen as quite small by the actuary. The accounting assumptions used at 31 March 2022 are based on market expectations which are shaped by global events, including the invasion of Ukraine.

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on financial and demographic assumptions. Hymans Robertson LLP are the appointed actuary for the Greater Gwent Local Government Pension Scheme, and have calculated attributable assets and liabilities (including those for Unfunded Teachers' Discretionary Pensions) using the following principal assumptions:

Principal Assumptions	31 March 2022	31 March 2021
Financial Assumptions:		
Rate of Increase in Salaries	3.5%	3.2%
Rate of Increase in Pensions	3.2%	2.9%
Discount Rate	2.7%	2.0%
Mortality Assumptions:		
Current Pensioners:	Vita Curves with improvements in line with the CMI 2020 model assuming long term rates of improvement of 1.5% p.a.	CMI 2018 model assuming an allowance for smoothing of recent mortality experience and long term rates of 1.25%p.a.
Future Pensioners:	Vita Curves with improvements in line with the CMI 2020 model assuming long term rates of improvement of 1.5% p.a.	CMI 2018 model assuming an allowance for smoothing of recent mortality experience and long term rates of 1.25%p.a.
Life Expectancy:		
Longevity of current pensioners (aged 65):		
Males	20.5	20.7
Females	23.5	23.4
Longevity of future pensioners (aged 65 in 20 years' time):		
Males	21.7	22.1
Females	25.3	25.4

The actuarial assumptions used in the calculation of year end Balance Sheet liabilities are based on the assumptions used in the last full valuation, other than those identified above. Liabilities for Teachers' Unfunded Discretionary Benefits are calculated on the same basis as the Local Government Scheme, except for those above.

The date of the last full actuarial valuation was 31 March 2019.

Impact on future cash flows

Entries are included in the Balance Sheet for this Authority's share of assets and liabilities of the Local Government Pension Scheme. Liabilities relating to Unfunded Teachers' Discretionary Pensions are also included. Disclosed liabilities show the underlying commitment that the Authority has in the long term to pay retirement benefits.

The scheme is financed by contributions paid by the employees, their employers and earnings from the investment of the Fund's money. The type of investment is decided by legislation and not by the local authorities. Contributions are made by active members of the Fund in accordance with the LGPS Regulations 2013. Contributions are additionally made by Fund employers which are set by the Fund's triennial actuarial valuations. The last such formal valuation was at 31 March 2019.

In terms of funding via investment earnings, the Fund's assets are invested in accordance with its investment strategy, which is set out within the Fund's Funding Strategy Statement. Investment management policy, principles and arrangements are detailed within its Statement of Investment Principles.

To meet the requirements of the Regulations the Administering Authority's long term funding objective is for the Fund to achieve and then maintain sufficient assets to cover 100% of projected accrued liabilities (the "funding target") assessed on an ongoing basis including allowance for projected final pay. The funding objective as set out in the FSS (Funding Strategy Statement) is to achieve and maintain a funding level of 100% of liabilities (the Funding Target). In line with the FSS, where a shortfall exists at the effective date of the actuarial valuation (31 March 2019), a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall. The maximum deficit recovery period has been set as 20 years.

The 2019 Actuarial Valuation reported the level of total fund assets compared to liabilities (the funding level) as 86% (2016 Valuation: 72%). As a result, employer contribution levels have been calculated for implementation from 1 April 2020 that will, subject to future revaluations, eliminate this deficit in the next 20 years.

The Authority holds total usable reserves of £85.279m at 31 March 2022 (£67.827m (restated) at 31 March 2021). The effect of applying the net superannuation fund deficit of £293.580m to the Authority's usable reserves would be a deficit of £208.301m (2020/2021: the superannuation deficit of £349.681m exceeded usable reserves by £281.854m).

However, this deficit is dependent on a number of factors such as investment performance and retirement benefits payable. The long-term under-funding of the Local Government Scheme is currently being addressed over a number of years by staged increases to employer contributions. Consequently, the total liability would not arise in one financial year. The overall financial standing of the Superannuation Fund is regularly reviewed by Actuaries on behalf of the administering Authority (Torfaen CBC).

The total contributions expected to be made by the Authority to the Local Government Pension Scheme in the year to 31 March 2023 are estimated by the Fund Actuary as £12.511m.

In the event that a contributing fund member became unable to pay contributions or make good future deficits, the level of Pension Scheme assets would be lower than expected and this would have a negative impact on the Funding Level. At that time, the Administering Authority (Torfaen) would seek to recover any debt outstanding from the employer. This type of risk can be mitigated

by the use of guarantees and/or covenants. However, if an employer defaults on payment and these sums cannot be recovered, the shortfall would then become the responsibility of any guarantor or all other employers in the Fund. This could increase the level of employer contribution rates required to recover the overall Fund deficit.

Potential Liabilities Arising From The McCloud/Sargeant Ruling

When the LGPS benefit structure was reformed in 2014, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2015 by these members are subject to an 'underpin' which means that they cannot be lower than those they would have received under the previous benefit structure. The underpin ensures that these members do not lose out from the introduction of the new scheme, by effectively giving them the better of the benefits from the old and new schemes.

In December 2018 the Court of Appeal upheld a ruling ("McCloud/Sargeant") that similar transitional protections in the Judges' and Firefighters' Pension Schemes were unlawful on the grounds of age discrimination. The implications of the ruling have also applied to the LGPS (and other public service schemes). The UK Government requested leave to appeal to the Supreme Court but this was denied at the end of June 2019.

HM Treasury confirmed in February 2021 that all eligible scheme members would remain as members of the legacy (i.e. final salary) scheme for the remedy period between 1 April 2015 and 31 March 2022. At the point at which members start taking benefits (usually at retirement), they will then be able to opt for either legacy or reformed (i.e. career average) benefits for the remedy period. Eligibility may be limited to members active or within 10 years of normal pension age at 1 April 2012.

LGPS benefits accrued from 2015 may therefore need to be enhanced as all eligible members could benefit from the underpin. The Fund actuary included an increase in liabilities related to the McCloud/Sargeant judgement in the 2019/2020 accounts, based on the Government Actuary's Department (GAD) estimates, adjusted where appropriate to better reflect the Greater Gwent (Torfaen) Pension Fund's local assumptions, particularly salary increases and withdrawal rates. This amounted to £1.227m and was charged to the CIES as Past Service Cost.

If eligibility is limited to members who were active at 31 March 2012, the Actuary advised that the calculated increase in liabilities would reduce by approximately half. No adjustment has been made in the accounts for this potential reduction. The Actuary has advised that no further adjustments have been made to fund liabilities in the 2021/2022 accounts as a result of the McCloud/Sargeant ruling.

Further review of the LGPS scheme is expected during 2022, with the potential for future changes to benefits and increases in employee/employer contributions.

Contingent Liabilities (see also note 34.3, page 82)

Aneurin Leisure Trust

On creation of Aneurin Leisure Trust in October 2014, pension assets and liabilities assessed on an actuarial basis were transferred from Blaenau Gwent CBC, such that the Trust's pension obligations were deemed to be fully funded. The funding deficit accruing to 30 September 2014 in respect of employees relocating to Aneurin Leisure Trust was not transferred, but was retained by Blaenau Gwent CBC. The Trust is therefore only responsible for any increase in liabilities (on an actuarial valuation basis) occurring after the transfer date, with the Authority acting as a guarantor for the previously accrued net deficit. In addition, the Authority agreed to act as guarantor of last resort in order that the Leisure Trust could enter the Greater Gwent (Torfaen) Pension Fund as an admitted body and has therefore agreed to underwrite any costs arising in the event that the admitted body defaults on any or all of its payments in relation to its pension obligations.

However, in the Statement of Accounts the transferred pension assets and liabilities have been accounted for in accordance with the requirements of IAS19 *Employee Benefits*, the assumptions for which differ from those used in the actuarial valuation approach on which the funding position at inception of the Trust was based. Consequently, those elements of the settlement figures disclosed in 2014/2015 that related to Aneurin Leisure Trust did not reflect a fully funded position, but indicated the transfer of a net liability of up to £2.7m. Nevertheless, the Authority is still liable for the sums relating to the accrued net deficit on transfer and these amounts will be properly reflected in its accounts over time as they fall due in compliance with IAS19.

Guaranteed Minimum Pension (GMP) Equalisation/Indexation

In 2018, the High Court ruled that UK defined benefit pension schemes must compensate members for differences attributable to Guaranteed Minimum Pensions (GMPs) (*Lloyds Banking Group Pensions Trustees Limited v Lloyds Bank PLC and Others*). Guaranteed Minimum Pension represents the minimum pension an occupational pension scheme must provide a scheme member as an alternative to the State Earnings Related Pension Scheme (SERPS). GMP accrued in the LGPS between 6 April 1978 and 5 April 1997. Responsibility for paying annual pension increases on different tranches of benefit is divided between the LGPS fund and the State (via the State Pension), depending on when the member was in employment and when they reached State Pension Age (SPA). The Government implemented an 'interim' solution for members reaching SPA between 6 April 2016 and 5 December 2018, which involved the LGPS fund paying for everything i.e. both initial pension and all increases. This arrangement was subsequently extended to 5 April 2021. In March 2021 the HM Treasury announced that it has opted to make indexation of GMP payments a permanent measure, instead of merging GMP and pension scheme liabilities.

The Government's solution will lead to an increase in pension fund liabilities as a result of the scheme paying full GMP increases for all members with a SPA after 2016. Effectively this passes the cost from the State to LGPS funds (and therefore employers). There has been no indication of additional funding to cover this extra cost. The LGPS fund actuary has indicated that an estimate for full GMP indexation was included in the 2019 Actuarial Valuation and therefore these costs have already been built in to Balance Sheet liabilities and employer contribution rates.

41. Reserves

41.1 Usable Reserves

Fund balances and usable reserves are held by the Authority for the following purposes:

Fund Balances:

Council Fund General Reserve	The cumulative amount available to meet the future costs of Council services.
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Usable Earmarked Revenue Reserves:

Budget Contingency Fund / Invest to Save	To provide initial assistance in meeting new and emerging budget pressures and to establish an invest to save fund to provide one-off funding for initiatives that will generate financial and efficiency savings in the medium to long term.
Building Control Fees	To hold surpluses generated for future re-investment to improve the quality and performance of the Building Control Service.
Cardiff Capital Region City Deal (CCRCD)	The Authority's apportioned share of surpluses or deficits arising on the Cardiff Capital Region City Deal joint arrangement.
Corporate Services Portfolio	To provide for a variety of specific costs falling to the Corporate Services Portfolio, including: Additional future costs of elections; implementation of payroll system functionality; costs of implementing the new Hybrid Mail Model; holding deposits & bonds; meeting taxation liabilities, improving customer accessibility; recycling the interest from the rail loan back into the project; and to fund the Authority's contribution to the Citizens Advice Bureau.
Covid-19 Response & Recovery	To address additional costs arising from the continued impact of responding to/recovering from the Covid-19 global pandemic after specific Welsh Government funding has ceased.
Downsizing, Redundancy & Transitional Costs	To fund specific identified salary, pension strain and redundancy costs arising from the Authority's service transformation and downsizing projects, on a short-term (transitional) basis.
Economy Portfolio	To provide for a variety of specific costs falling to the Economy Portfolio, including: A review of the Authority's asset management systems and match funding for the Crowdfunding Project.

Usable Earmarked Revenue Reserves (Continued):

Education Portfolio	To provide for costs falling within the Education Portfolio, including: Funding of school based staff redundancies in 2022/2023 financial year.
Environment Portfolio	To provide for a variety of specific costs falling to the Environment Portfolio including: maintaining a stable transport oncost rate; decommissioning of the Civic Centre; highways network clearance work in adverse winter weather; fund the costs of specialist legal and financial advice in relation to Silent Valley and Corporate Landlord Re:Fit project loan repayments.
Financial Planning / Resilience	To improve the financial resilience of the Authority and support medium term financial planning, specifically for the later years of the MTFS.
Future Interest Rate	To provide protection against cost pressures arising from forecast rises in interest rates on the replacement of maturing debt and new borrowings to fund capital expenditure.
ICT	To meet the anticipated increase in capacity required for ICT in relation to staffing resources, licenses, equipment and training required to future-proof the service.
Individual Schools Budget (ISB)	To fund cost pressures relating to school expenditure including insurance and school reorganisation.
Inflation & Service Cost Pressure	To support budgets against inflationary and service pressures, the ending of the Hardship Fund and continuing to decarbonise services.
Infrastructure Portfolio	This reserve has now been transferred to the Environment Portfolio reserve.
Insurance Liabilities	To protect against liabilities incurred but not settled. Such liabilities include insurance claims where an excess remains to be borne by the Authority and claims where no insurance cover exists.
Invest to Save	To provide "one off" funding for initiatives that would generate financial and efficiency savings in the medium to long term, or support commercial and investment opportunities.
Land & Property Charges (Social Services)	To mitigate the impact of establishing Land & Property charge debtors for adult residential care, the actual income for which will not be received until indeterminate points in the future.
LMS Balances	The aggregate amount of balances held by individual schools.

Usable Earmarked Revenue Reserves (Continued):

Local/Strategic Development Plan	To fund the review of the Local Development Plan.
Members Local Grants	To hold unallocated grant monies prior to distribution by Members.
Planning Committee	To provide for a variety of specific costs falling to the Planning Committee, including delivery of affordable housing, infrastructure and other community benefits through the planning process.
Revenue Grants & Contributions Unapplied	To hold earmarked sums relating to a range of revenue grants and contributions received for which no accounting liability exists (i.e. do not have to be repaid), until applied to match specific service expenditure.
Social Services Portfolio	To provide for a variety of specific costs falling to the Social Services Portfolio including Gwent Supporting People Regional Development; funding future costs of SEW Adoption and Workforce Development Collaborations; and fees related to Children's Services.
Specialist Commercial Advice (Aneurin Leisure Trust Review)	To commission external consultants to support key elements of the review of current and future options for the provision and delivery of Leisure Services.
Strategic Business Reviews	To fund external support to strategic business reviews over a two year period.
Superannuation	To fund specific liabilities arising in respect of the Greater Gwent (Torfaen) Pension Fund falling outside of the normal contributions made by the Authority, including potential costs arising from guarantees provided to allow admission of entities to the Fund (e.g. Aneurin Leisure Trust).
Tai Calon Highways Maintenance (Commutated Sums)	To contribute to the maintenance of adopted road features over a 60 year period in areas covered by the transfer of housing stock and land to Tai Calon.
Technology Park Feasibility Study	To fund a feasibility study into the establishment of a High Tech Business Park and Test Facility focussed on the automotive and wider mobility/low carbon economic sectors.
Waste Services	To fund any potential financial penalties arising from a failure to meet the statutory recycling recovery target in 2022/2023 and future years.

Usable Reserves Earmarked for Capital Purposes:

Capital Inflation & Service Cost Pressures	To support the capital programme with the increased cost pressures being experienced when awarding capital contracts in the current market place.
Corporate Landlord	To fund various corporate landlord pressures recently identified.
Deminimis Capital Works	Receipts from minor land-related transactions to be utilised to fund associated land disposal fees that cannot be capitalised or off-set by regulation.
Facilities	To fund renovations in relation to the schools programme of works and other buildings.
Energy Centre	Provision for future repairs and maintenance of equipment in the Energy Centre.
Industrial Units	Match funding required to subsidise Industrial Units.
IT Infrastructure	To fund capital expenditure in relation to the upgrade of IT infrastructure to support workplace transformation.
New Operating Model	To support works required as part of the new operating model going forward.
The Hive	To be utilised against the Hive in 2022/2023 in relation to the ICT Road Map.
WRAP Regional Vehicles	To fund the future replacement of Regional Vehicles.

Capital Accounting Reserves:

Capital Grants Unapplied	Representing the balance of capital grants received (or receivable) for which grant conditions have been met but which have yet to be applied to match relevant capital expenditure.
Usable Capital Receipts	The proceeds of fixed asset sales available to meet future capital investment.

Movements on fund balances and reserves were as follows:

	Balance at 1 April 2020 £000	Transfers to Fund Balances £000	Transfers from Fund Balances £000	Balance at 31 March 2021 £000	Adjustments £000	Transfers to Fund Balances £000	Transfers from Fund Balances £000	Balance at 31 March 2022 £000
Council Fund	(6,399)	(1,154)	0	(7,553)	0	(5,514)	0	(13,067)
Total: Fund Balances	(6,399)	(1,154)	0	(7,553)	0	(5,514)	0	(13,067)

Usable Earmarked Revenue Reserves	Balance at 1 April 2020	Transfers to Reserves	Transfers from Reserves	Balance at 31 March 2021	Adjustments	Transfers to Reserves	Transfers from Reserves	Balance at 31 March 2022
	£000	£000	£000	£000	£000	£000	£000	£000
Budget Contingency Fund/Invest to Save	(64)	0	0	(64)	0	0	0	(64)
Building Control Fees	(87)	0	11	(76)	0	(10)	48	(38)
Cardiff Capital Region City Deal	(294)	(48)	207	(135)	0	(534)	0	(669)
Corporate Services Portfolio	(277)	0	0	(277)	0	(468)	78	(667)
Covid-19 Response & Recovery	0	(2,000)	0	(2,000)	0	0	473	(1,527)
Downsizing, Redundancy & Transitional Costs	(201)	0	17	(184)	0	0	0	(184)
Economy Portfolio	(13)	(60)	0	(73)	0	(55)	1	(127)
Education Portfolio	0	(293)	0	(293)	0	0	193	(100)
Environment Portfolio	(52)	(569)	18	(603)	0	(245)	90	(758)
Financial Planning/Resilience	0	(2,500)	0	(2,500)	0	(1,054)	0	(3,554)
Future Interest Rate	0	(244)	0	(244)	0	(400)	0	(644)
I.C.T	(334)	(1,104)	0	(1,438)	0	(247)	297	(1,388)
Individual Schools Budget (ISB)	(27)	(142)	0	(169)	0	(41)	92	(118)
Inflation & Service Cost Pressure	0	0	0	0	0	(1,361)	0	(1,361)
Infrastructure Portfolio	(200)	0	200	0	0	0	0	0
Insurance Liabilities	(1,938)	(912)	0	(2,850)	0	(347)	0	(3,197)
Invest to Save	0	0	0	0	0	(1,000)	0	(1,000)
Land & Property Charges (Social Services)	(128)	(34)	0	(162)	0	0	45	(117)
LMS (Schools) Balances	(1,224)	(2,494)	37	(3,681)	0	(2,533)	0	(6,214)
Local/Strategic Development Plan	(149)	0	6	(143)	0	0	0	(143)
Members Local Grants	(41)	(14)	0	(55)	0	0	32	(23)
Planning Committee	0	0	0	0	0	(192)	0	(192)
Revenue Grants & Contributions Unapplied	(1,550)	(2,391)	693	(3,248)	0	(2,331)	2,330	(3,249)
Social Services Portfolio	0	(477)	2	(475)	0	(1,944)	125	(2,294)
Specialist Commercial Advice (Leisure Review)	(20)	0	20	0	0	0	0	0
Strategic Business Reviews	(193)	0	0	(193)	0	0	25	(168)
Superannuation	(501)	(100)	0	(601)	0	0	0	(601)
Supporting Additional Capacity	0	0	0	0	0	(369)	0	(369)
Tai Calon Highways Maintenance (Commuted Sums)	0	(375)	0	(375)	0	0	375	0
Technology Park Feasibility Study	(200)	0	174	(26)	0	0	0	(26)
Waste Services	(120)	0	0	(120)	0	0	0	(120)
Total: Usable Earmarked Revenue Reserves	(7,613)	(13,757)	1,385	(19,985)	0	(13,131)	4,204	(28,912)

	Balance at 1 April 2020 £000	Transfers to Reserves £000	Transfers from Reserves £000	Balance at 31 March 2021 £000	Adjustments £000	Transfers to Reserves £000	Transfers from Reserves £000	Balance at 31 March 2022 £000
Usable Revenue Reserves Earmarked for Capital Purposes								
Capital Inflation & Service Cost Pressure	0	0	0	0	0	(1,000)	0	(1,000)
Corporate Landlord	0	0	0	0	0	(150)	0	(150)
Deminimis Capital Works	(77)	(9)	0	(86)	0	(15)	0	(101)
Facilities	(122)	0	3	(119)	0	0	0	(119)
Energy Centre	(59)	(48)	0	(107)	0	(163)	0	(270)
Industrial Units	(50)	0	0	(50)	0	(190)	0	(240)
IT Infrastructure	(231)	0	4	(227)	0	0	0	(227)
New Operating Model	0	0	0	0	0	(492)	0	(492)
The Hive	0	0	0	0	0	(420)	0	(420)
WRAP Regional Vehicles	(123)	(108)	24	(207)	0	(47)	0	(254)
Total: Usable Reserves Earmarked for Capital Purposes	(662)	(165)	31	(796)	0	(2,477)	0	(3,273)
	Balance at 1 April 2020 £000	Transfers to Reserves (Restated)† £000	Transfers from Reserves £000	Balance at 31 March 2021 (Restated)† £000	Adjustments £000	Transfers to Reserves £000	Transfers from Reserves £000	Balance at 31 March 2022 £000
Usable Capital Reserves								
Capital Grants Unapplied	(549)	(33,860)†	2,565	(31,844)†	0	(4,424)	4,439	(31,829)
Usable Capital Receipts	(6,800)	(1,015)	166	(7,649)	0	(741)	192	(8,198)
Total: Usable Capital Reserves	(7,349)	(34,875)	2,731	(39,493)	0	(5,165)	4,631	(40,027)
	Balance at 1 April 2020 £000	Transfers to Reserves (Restated)† £000	Transfers from Funds & Reserves £000	Balance at 31 March 2021 (Restated)† £000	Adjustments £000	Transfers to Funds & Reserves £000	Transfers from Funds & Reserves £000	Balance at 31 March 2022 £000
Summary: Usable Reserves								
Fund Balances	(6,399)	(1,154)	0	(7,553)	0	(5,514)	0	(13,067)
Earmarked Revenue Reserves	(7,613)	(13,757)	1,385	(19,985)	0	(13,131)	4,204	(28,912)
Revenue Reserves Earmarked for Capital Purposes	(662)	(165)	31	(796)	0	(2,477)	0	(3,273)
Capital Reserves	(7,349)	(34,875)†	2,731	(39,493)†	0	(5,165)	4,631	(40,027)
Total: Usable Reserves	(22,023)	(49,951)	4,147	(67,827)	0	(26,287)	8,835	(85,279)

†: The current value of the Ebbw Valley Railway Infrastructure loan has been re-appraised to correct an error in the 2020/2021 discounting calculation. This has reduced the element classified as 'capital grants unapplied' by £17.464m, with a corresponding increase in the amount accounted for as a loan.

41.2 Unusable Reserves

41.2.1 Capital Adjustment Account

Capital Adjustment Account	2021/2022		2020/2021	
	£000	£000	£000	£000
Balance at 1 April		(89,824)		(78,188)
Adjustments to Opening Balance		(1,195)*		0
Revised Balance at 1 April		(91,019)		(78,188)
Reversal of items relating to capital expenditure debited or credited to the CIES:				
Charges for depreciation & impairment of non-current assets	5,355		11,630	
Revaluation losses on Property, Plant & Equipment	(2,092)		(9,533)	
Revenue expenditure funded from capital under statute	2,308		1,842	
Non-current assets written off on disposal or sale as part of the gain/loss on disposal	1,696		1,012	
Capital grants and contributions applied to capital financing	(9,129)		(11,129)	
Sub-Total: Capital Adjustment Transactions included in the Comprehensive Income & Expenditure Statement:		(1,862)		(6,178)
Items not debited or credited to the CIES:				
Statutory provision for the financing of capital investment charged against the Council Fund	(1,057)		(681)	
Capital expenditure charged against the Council Fund	(458)		(607)	
		(1,515)		(1,288)
Capital financing applied in the year:				
Use of the Capital Receipts Reserve to finance new capital expenditure	(125)		(102)	
Write Out of Infrastructure Loan Discount	913		0	
Application of grants to capital financing from the Capital Grants Unapplied Account	(4,440)		(2,565)	
		(3,652)		(2,667)
Sub-Total: Capital Adjustment Transactions included in the Movement in Reserves Statement:		(7,029)		(10,133)
Adjusting Amounts written out of the Revaluation Reserve:				
Charges for depreciation & impairment of non-current assets	(368)		(1,460)	
Non-current assets written off on disposal or sale as part of the gain/loss on disposal	0		(43)	
		(368)		(1,503)
Balance at 31 March		(98,416)		(89,824)

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to an historical cost basis).

The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement. The Account contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

41.2.2 Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment.

Revaluation Reserve	2021/2022 £000	2020/2021 £000
Balance at 1 April	(26,799)	(24,163)
Adjustment to Balance Brought Forward	1,613*	0
Revised Balance at 1 April	(25,186)	(24,163)
Upward revaluation of assets	(3,170)	(4,231)
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	539	997
Depreciation - write back revaluation reserve	(4,777)	(905)
Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	(7,408)	(4,139)
Difference between fair value depreciation and historical cost depreciation	368	1,460
Accumulated gains on assets sold or scrapped	0	43
Amount written off to the Capital Adjustment Account	368	1,503
Balance at 31 March	(32,226)	(26,799)

The Reserve was created on 1 April 2007 and contains only revaluation gains accumulated since that date. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account. The balance on the reserve is reduced when assets with accumulated gains are revalued downwards or impaired and the gains are lost; used in the provision of services and the gains are consumed through depreciation; or disposed of and the gains are realised.

*: Unusable Reserve balances at 1 April 2021 were amended on implementation of a new asset register which necessitated the review of all non-current asset valuations/existence and consequently required adjustments to the gains or losses carried in the Revaluation Reserve and Capital Adjustment Account.

41.2.3 Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

Financial Instruments Adjustment Account	2021/2022 £000	2020/2021 £000
Balance at 1 April	3,569	3,674
Proportion of premiums incurred in previous financial years to be charged against the Council Fund Balance in accordance with statutory requirements	(105)	(105)
Amount by which finance costs charged to the Comprehensive Income & Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(105)	(105)
Balance at 31 March	3,464	3,569

41.2.4 Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets for which cash settlement has yet to take place. Under statutory arrangements, the Authority does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

Deferred Capital Receipts Reserve	2021/2022 £000	2020/2021 £000
Balance at 1 April	(2,930)	(2,994)
Transfer to the Capital Receipts Reserve upon receipt of cash	135	64
Adjustment to Deferred Receipts on Revaluation of Asset Leased to Third Party	(496)	0
Balance at 31 March	(3,291)	(2,930)

41.2.5 Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements ensure that funding will have been set aside by the time the benefits come to be paid

Pensions Reserve	2021/2022 £000	2020/2021 £000
Balance at 1 April	348,288	266,143
Remeasurement of pensions assets & liabilities	(76,461)	72,759
Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the Comprehensive Income & Expenditure Statement	34,213	23,192
Employer's pensions contributions and direct payments to pensioners payable in the year	(14,155)	(13,806)
Balance at 31 March	291,885	348,288

41.2.6 Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the Council Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the Council Fund Balance is neutralised by transfers to or from this Account. In 2021/2022, £2.585m of accruals for the preceding year were settled or cancelled and £2.826m was accrued at 31 March 2021 (2020/2021: £1.730m of accruals for the preceding year were settled or cancelled and £2.585m was accrued at year end).

41.2.7 Unequal Pay Back Pay Account

The Unequal Pay Back Pay Account compensates for the differences between the rate at which the Authority provides for the potential costs of back pay settlements in relation to Equal Pay cases and the ability under statutory provisions to defer the impact on the Council Fund Balance until such time as cash might be paid out to claimants. The Equal Pay provision was unwound in 2020/2021 and consequently there has been a corresponding decrease in the Unequal Pay Back Pay Account.

Unequal Pay Back Pay Account	2021/2022 £000	2020/2021 £000
Balance at 1 April	0	146
Increase/(Decrease) in provision for back pay in relation to Equal Pay cases	0	(146)
Amount by which amounts charged for Equal Pay claims to the Comprehensive Income & Expenditure Statement are different from the cost of settlements chargeable in the year in accordance with statutory requirements	0	(146)
Balance at 31 March	0	0

41.2.8 Summary of Unusable Reserves

The Authority holds the following reserve balances that are classed as unusable:

Unusable Reserves	2021/2022 £000	2020/2021 £000
Capital Adjustment Account	(98,416)	(89,824)
Revaluation Reserve	(32,226)	(26,799)
Financial Instruments Adjustment Account	3,464	3,569
Deferred Capital Receipts Reserve	(3,291)	(2,930)
Pensions Reserve	291,885	348,288
Accumulated Absences Account	2,826	2,585
Total Unusable Reserves:	164,242	234,889

Cash Flow Notes

42. Reconciliation of the Deficit on the Provision of Services to Net Cash Flows from Operating Activities

The following tables provide details of the adjustments made between the deficit on provision of services to arrive at a figure for operating activities cashflows.

42.1 Non-Cash Movements

Cash Flow - Adjustments for Non-Cash Movements	2021/2022 £000	2020/2021 £000
Depreciation & Impairment	3,263	2,097
REFCUS (deferred charges)	2,308	1,842
Effective interest adjustment	46	44
Soft loan adjustment	912	0
Net IAS19 charges made for Retirement Benefits	34,213	23,192
IAS19 Employers Contributions Paid to Pension Fund	(14,155)	(13,806)
	26,587	13,369
Increase/(Decrease) in Provisions	(359)	(745)
(Increase)/Decrease in Inventories	(1,208)	(821)
(Increase)/Decrease in Revenue Debtors	(2,220)	(3,538)
Increase/(Decrease) in Revenue Creditors	5,510	2,265
Total	28,310	10,530

42.2 Investing or Financing Activities Included in the Deficit on Provision of Services

Cash Flow - Adjustments for Investing & Financing Activities	2021/2022 £000	2020/2021 £000
(Gain)/Loss on Disposal of fixed assets	1,091	59
Capital Grants credited to CIES	(13,553)	(14,315)
Total	(12,462)	(14,256)

42.3 Receipts or Payments of Interest included in Operating Activities

Cash Flow - Interest included in Operating Activities	2021/2022 £000	2020/2021 £000
Interest Received	(95)	(26)
Interest Paid	3,504	3,811
Net Total	3,409	3,785

43. Analysis of the Amounts of Major Classes of Gross Cash Receipts and Gross Cash Payments

43.1 Investing Activities

The cash flows for investing activities consist of the following:

Cash Flow - Investing Activities	2021/2022 £000	2020/2021 £000
Cash Outflows		
Purchase of Non-Current Assets	(10,926)	(18,037)
Purchase of short-term and long-term Investments	(21,000)	0
	(31,926)	(18,037)
Cash Inflows		
Sale of Non-Current Assets	606	951
Other Receipts from Investing Activities	15,964	10,792
	16,570	11,743
Total	(15,356)	(6,294)

43.2 Financing Activities

The cash flows for financing activities consist of the following:

Cash Flow - Financing Activities	2021/2022 £000	2020/2021 (Restated) [†] £000
Cash Outflows		
Repayments of Amounts Borrowed	(81,918)	(98,279)
Capital Element of Finance Lease Rental Payments	(104)	(50)
	(82,022)	(98,329)
Cash Inflows		
New Loans Raised	825	53,695 [†]
New Short-Term Loans	73,050	94,117
	73,875	147,812
Total	(8,147)	49,483

[†]: The current value of the Ebbw Valley Railway Infrastructure loan has been re-appraised to correct an error in the 2020/2021 discounting calculation. This has reduced the element classified as 'capital grants unapplied' by £17.464m, with a corresponding increase in the amount accounted for as a loan.

43.3 Liabilities arising from Financing Activities

Movement in liabilities arising from financing activities are as follows:

Cash Flow - Liabilities arising from Financing Activities	2021/2022 £000	2020/2021 £000
Opening Liabilities arising from Financing Activities	239,185	159,094
Cash inflows relating to borrowing and investments	73,875	178,371
Repayments of Amounts Borrowed	(81,918)	(98,280)
Capital Element of Finance Lease Rental Payments	(104)	(50)
Net Cash Flows from Financing Activities	(8,147)	80,041
Adjustments for Non-Cash and Other Financing Activities		
Effective Interest Adjustment	46	44
Finance Lease Additions	501	6
	547	50
Closing Liabilities arising from Financing Activities	231,585	239,185

44. Cash and Cash Equivalents

The balance of cash and cash equivalents is made up of the following:

Cash and Cash Equivalents	2021/2022 £000	2020/2021 £000
Cash Held by the Authority	52	57
Bank Accounts	8,860	7,862
Short Term Investments	79,000	83,000
Total Cash & Cash Equivalents	87,912	90,919

Other Notes

45. Joint Arrangements - Cardiff Capital Region City Deal (CCRCD)

On 1 March 2017, the Cardiff Capital Region City Deal between the UK Government, the Welsh Government and the 10 constituent Councils in South East Wales, including Blaenau Gwent, was formally ratified. The City Deal offers the opportunity to deliver an investment package of £1.2 billion into the City Region economy between now and 2036. Whilst much of this is already earmarked for certain activities, particularly investment in the South East Wales Metro, there are funds available as part of the £1.2 billion to leverage wider economic benefits. The City Deal has a number of key targets. Notably, these include the creation of 25,000 new jobs by 2036, leveraging £4 billion of private sector investment and securing economic growth.

In the final quarter of 2017/2018, all ten Councils agreed the Joint Working Agreement Business Plan, which provides detail on the key themes or workstreams for future investment activity. In addition, the re-scheduling of finance was agreed for the first significant investment (the Compound Semi-Conductor project).

The CCRCD Investment Fund comprises two distinct elements:-

- The METRO scheme of £734 million. This will comprise £503m Welsh Government funding provided over the first seven years of the Investment Fund, from 2016/2017 to 2022/2023; £106 million from the European Development Fund, (which is committed and guaranteed following Brexit by both UK and Welsh Government); and £125m from UK Government. This element will be the direct responsibility of Welsh Government.
- The Investment Fund of £495m – comprising the ten Local Authorities' commitment to borrow £120 million over the 20 year period of the Fund, together with £375m from UK Government, for investment in infrastructure, housing, skills and training, innovation, business growth and "Metro plus" transport proposals. This element will be the responsibility of the CCRCD Regional Cabinet. Based on the agreed proportion of total population for the City Deal area, Blaenau Gwent's share of the financial contributions is 4.6%.

The CCRCD Joint Working Agreement Business Plan provides indicative Wider investment Fund expenditure totalling £495m over a 20 year period, with profiled expenditure between 2019/2020 to 2020/2021 (prior to the Gateway Review) of £65.7m. This profile is based on currently approved projects and assumptions around potential future revenue and capital projects and is subject to amendment as business plans are approved and funding applied.

Of the £120m Local Authority funding commitment to the Wider Investment Fund, Blaenau Gwent's share is £5.544m. This will be paid by the Authority over a period of up to 20 years, subject to the requirement to fund schemes as and when they are approved. Prior to the Gateway Review in 2021, Blaenau Gwent's estimated capital contributions are £1.285m, and this amount has been included in the Capital Programme. Over that same period, estimated revenue costs falling to the Authority total £0.139m.

Since inception, City Deal has evolved from a single funding program to the multiple funding functions and accountabilities of a wider City Region, which would be best managed via a Corporate Joint Committee. The South East Wales Corporate Joint Committee Regulations 2021 established a Corporate Joint Committee (CJC) for the Cardiff City Region, which came into effect on 1 April 2021. It was anticipated that the CJC would assume full delivery of the City Deal programme during 2021/2022 and in order to provide business continuity during the transition period, a 'twin-track' approach was adopted. During this initial phase, the CJC operated at a 'bare minimum', ahead of setting its first statutory budget on 31 January 2022. However, a number of technical/legal issues have delayed the process of full delivery by the CJC, but these are expected to be resolved during the 2022/2023 financial year.

The Authority's share of assets, liabilities, reserves, income, expenditure and cashflows relating to the Cardiff Capital Region City Deal Group have been included as a joint arrangement in the single entity accounting statements and disclosures. Summary accounting statements for the CCRCD Group are as follows:

45.1 CCRCD - Summary Group Comprehensive Income & Expenditure Statement

	2021/2022		2020/2021	
	CCRCD Group £000	Blaenau Gwent Apportionment £000	CCRCD Group £000	Blaenau Gwent Apportionment £000
Summary CCRCD Group Comprehensive Income & Expenditure Statement				
Cost of Services				
Operating Expenditure	6,273	290	4,694	217
Operating Income	(8,592)	(397)	(7,286)	(336)
Net Cost of Services	(2,319)	(107)	(2,592)	(119)
Financing and Investment Income & Expenditure	(56)	(3)	7,436	344
Taxation & Non-Specific Grant Income	(5,181)	(238)	(4,475)	(207)
Tax Expenses	488	22	(920)	(37)
(Surplus)/Deficit on Provision of Services	(7,068)	(326)	(551)	(19)

45.2 Cardiff Capital Region City Deal - Summary Group Movement in Reserves Statement

Summary CCRC Group Movement in Reserves Statement	CCRC Group			Blaenau Gwent Apportionment		
	Usable Reserves	Unusable Reserves	Total Reserves	Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2020	(6,380)	(36,518)	(42,898)	(295)	(1,687)	(1,982)
Adjustment to Opening Balance	(495)	0	(495)	(23)	0	(23)
Revised Balance at 1 April 2020	(6,875)	(36,518)	(43,393)	(318)	(1,687)	(2,005)
(Surplus)/Deficit on Provision of Services	(551)	0	(551)	(19)	0	(19)
Adjustments between accounting basis & funding basis	4,475	(4,451)	24	207	(206)	1
Transfers to/(from) earmarked reserves	0	0	0	0	0	0
Net(Increase)/Decrease	3,924	(4,451)	(527)	188	(206)	(18)
Balance at 31 March 2021	(2,951)	(40,969)	(43,920)	(130)	(1,893)	(2,023)
Balance at 1 April 2021	(2,951)	(40,969)	(43,920)	(130)	(1,893)	(2,023)
Adjustment to Opening Balance	(6,981)	6,939	(42)	(329)	321	(8)
Revised Balance at 1 April 2021	(9,932)	(34,030)	(43,962)	(459)	(1,572)	(2,031)
(Surplus)/Deficit on Provision of Services	(7,068)	0	(7,068)	(326)	0	(326)
Adjustments between accounting basis & funding basis	4,026	(2,465)	1,561	186	(115)	71
Transfers to/(from) earmarked reserves	(1,537)	(24)	(1,561)	(71)	0	(71)
Net(Increase)/Decrease	(4,579)	(2,489)	(7,068)	(211)	(115)	(326)
Balance at 31 March 2022	(14,511)	(36,519)	(51,030)	(670)	(1,687)	(2,357)

45.3 Cardiff Capital Region City Deal - Summary Group Balance Sheet

Summary CCRC Group Balance Sheet	2021/2022		2020/2021	
	CCRC Group £000	Blaenau Gwent Apportionment £000	CCRC Group £000	Blaenau Gwent Apportionment £000
Non-Current Assets	51,634	2,385	35,707	1,649
Current Assets	76,230	3,521	68,140	3,142
Current Liabilities	(49,091)	(2,268)	(14,923)	(689)
Non-Current Liabilities	(27,743)	(1,281)	(45,004)	(2,079)
Total Net Assets	51,030	2,357	43,920	2,023
Usable Reserve	(14,511)	(670)	(2,951)	(130)
Unusable Reserve	(36,519)	(1,687)	(40,969)	(1,893)
Total Reserves	(51,030)	(2,357)	(43,920)	(2,023)

45.4 Cardiff Capital Region City Deal - Summary Group Cash Flow Statement

Summary CCRC Group Cash Flow Statement	2021/2022		2020/2021	
	CCRC Group £000	Blaenau Gwent Apportionment £000	CCRC Group £000	Blaenau Gwent Apportionment £000
Net Surplus/(Deficit) on the provision of services	(7,068)	(326)	(551)	(19)
Adjustments to the provision of Services for non-cash movements	7,366	340	2,514	116
Net Cash Inflows/(Outflows) from Operating Activities	298	14	1,963	97
Investing Activities	5,420	250	6,530	302
Financing Activities	(23,460)	(1,084)	(12,250)	(566)
Net increase or (decrease) in cash and cash equivalents	(17,742)	(820)	(3,757)	(167)
Cash and Cash equivalents at the beginning of the reporting period	(51,356)	(2,366)	(47,599)	(2,199)
Adjustment to Cash and Cash equivalents opening balance	0	(6)	0	0
Cash and cash equivalents at the end of the reporting period	(69,098)	(3,192)	(51,356)	(2,366)

46. Joint Arrangements - Other

The Authority participates in a number of joint arrangements as a means of delivering services in a more efficient and cost-effective manner. In assessing the joint arrangements in which Blaenau Gwent participates, it has been concluded in each case that no separate legal entity exists and that the Authority does not have control (as defined by the Accounting Code and IFRS10). Consequently, the accounts of these arrangements have not been consolidated in the group accounting statements. In each case, the relevant service line of the Comprehensive Income and Expenditure Account reflects the following transactions occurring between the Authority and the joint arrangement:

Joint Arrangements	2021/2022		
	Gross Expenditure	Gross Income	Net Expenditure
	£000	£000	£000
Greater Gwent Cremation Joint Committee	0	(138)	(138)
Gwent Joint Records Committee	143	0	143
Gwent Transport Unit	1,156	0	1,156
South East Wales Strategic Planning Group	1	0	1
Total	1,300	(138)	1,162

Joint Arrangements	2020/2021		
	Gross Expenditure	Gross Income	Net Expenditure
	£000	£000	£000
Greater Gwent Cremation Joint Committee	0	(201)	(201)
Gwent Joint Records Committee	143	0	143
Gwent Transport Unit	1,146	0	1,146
South East Wales Strategic Planning Group	1	0	1
Total	1,290	(201)	1,089

46.1 Greater Gwent Cremation Joint Committee (GGCJC)

The Cremation Joint Committee provides cremation services to the residents of the Greater Gwent area through a facility based at Croesyceiliog, Cwmbran. Further details of the arrangement can be obtained from the lead Authority for the joint committee, Newport City Council.

46.2 Gwent Joint Records Committee (GJRC)

The Gwent Record Office provides the statutory archive service for 5 Local Authorities in the Greater Gwent area. It was founded as the Monmouthshire Record Office in 1938 and moved to Cwmbran in the 1970s. In 2010 a new Gwent Archives Joint Agreement was signed providing for the joint service for the next quarter century and for the construction of a new facility at the General Offices site in Ebbw Vale. This facility opened to the public in October 2011. Further details of the joint arrangement can be obtained from the lead Authority, Torfaen CBC.

46.3 Gwent Transport Unit (GTU)

The GTU is responsible for passenger transport co-ordination in Blaenau Gwent and Torfaen. The principal activities are procurement and monitoring of local bus services; provision of timetables, transport guides and leaflets; and administration of the concessionary fares scheme. Blaenau Gwent CBC was the lead Authority for the GTU, with responsibility transferring to Torfaen CBC on 1 May 2016.

The majority of transactions administered by the unit are associated with concessionary fares, bus subsidies, local transport services grant and 'section 106', the costs of which are allocated based on direct spend relative to the use of each service within the relevant local authority area. Administration costs of the joint arrangement are apportioned between the two Authorities, with Blaenau Gwent being charged 49.54% of these costs. The share of balances apportioned to Blaenau Gwent CBC for the GTU is also 49.54%.

46.4 South East Wales Strategic Planning Group (SEWSPG)

The South East Wales Strategic Planning Group (SEWSPG) produces regional planning guidance for South East Wales in partnership with 10 other local planning authorities in the region, and the Brecon Beacons National Park Authority.

The financial arrangements for the group are provided by the participating authorities on a rota basis - for 2021/2022, Blaenau Gwent was the host Authority, overseeing the following transactions:

South East Wales Strategic Planning Group	2021/2022	2020/2021
	£000	£000
Balance at 1 April	(41)	(37)
Receipts (Member Subscriptions)	(5)	(6)
Payments	0	2
Balance at 31 March	(46)	(41)

47. Charitable Trusts

The Authority acts as trustee for the following charitable trusts:

- Bedwellty House and Park
- Cwm, Ebbw Vale and Tredegar Recreation Grounds.

Bedwellty Park is a 26 acre historic park and landscape. It has 6 listed structures within its grounds including a Grade II listed ironmaster's dwelling. The site has been the subject of a £5 million restoration project and is now a public open access space available for events such as weddings, art exhibitions and displays.

Cwm, Ebbw Vale and Tredegar recreation grounds are open access outdoor spaces used for sporting activities such as rugby, football, cricket and walking.

The summarised transactions for these charitable trusts are as follows:

Summary Statement of Financial Activities	2021/2022					2020/2021				
	Bedwellty House & Park £000	Cwm Recreation Ground £000	Ebbw Vale Recreation Ground £000	Tredegar Recreation Ground £000	Total £000	Bedwellty House & Park £000	Cwm Recreation Ground £000	Ebbw Vale Recreation Ground £000	Tredegar Recreation Ground £000	Total £000
Income										
Donations & Legacies	(104)	(2)	(11)	(9)	(126)	(104)	(3)	(44)	(15)	(166)
Other	0	(2)	(2)	(4)	(8)	0	(1)	(2)	0	(3)
Total Income	(104)	(4)	(13)	(13)	(134)	(104)	(4)	(46)	(15)	(169)
Expenditure										
Charitable Activities	117	4	13	13	147	117	4	46	15	182
Other	104	0	0	0	104	104	0	0	0	104
Total Resources Expended	221	4	13	13	251	221	4	46	15	286
Net Expenditure	117	0	0	0	117	117	0	0	0	117
Transfers between funds	(117)	0	0	0	(117)	(117)	0	0	0	(117)
Net Movement in Funds	0	0	0	0	0	0	0	0	0	0

Property, Plant and Equipment assets held by the charitable trusts are as follows:

Charitable Trusts - Property, Plant & Equipment	2021/2022			2020/2021		
	Gross Book Value	Accumulated Depreciation	Net Book Value	Gross Book Value	Accumulated Depreciation	Net Book Value
	£000	£000	£000	£000	£000	£000
Bedwellty House and Park	5,571	(919)	4,652	5,571	(802)	4,769
Cwm Recreation Ground	15	(15)	0	15	(15)	0
Ebbw Vale Recreation Ground	298	(94)	204	298	(81)	217
Tredegar Recreation Ground	86	(69)	17	86	(65)	21
Total	5,970	(1,097)	4,873	5,970	(963)	5,007

The Authority also acts as sole trustee for 30 education trust funds, the main purpose of which is the provision of prizes to pupils based on examination success. At year-end, balances held were as follows:

Education Trust Funds	2021/2022	2020/2021
	£000	£000
Cash	56	56
Balance at 31 March	56	56

...the Statement of Group Accounts comprise the group financial statements and notes, including the summary of significant group accounting policies...



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Cyngor Bwrdeistref Sirol

Blaenau Gwent

County Borough Council

Contents - Group Accounts

Page Number

The Statement of Group Accounts

The Group Financial Statements

Group Comprehensive Income and Expenditure Statement	113
Group Movement in Reserves Statement	114
Group Balance Sheet	115
Group Cash Flow Statement	116

The Notes to the Group Financial Statements

G1. Group Accounting Policies	117
G2. Notes to the Group Financial Statements	118

Notes to the Group Comprehensive Income and Expenditure Statement

G3. Group Expenditure and Funding Analysis	118
G4. Other Operating Expenditure	120
G5. Financing and Investment Income and Expenditure	120
G6. External Audit Fees	121

Contents - Group Accounts (Continued)

Page Number

Notes to the Group Movements in Reserves Statement

G7. Other Comprehensive Income and Expenditure	121
G8. Adjustments between Parent and Group Movement in Reserves Statements	121

Notes to the Group Balance Sheet

G9. Property Plant and Equipment	122
G10. Current Debtors	125
G11. Current Creditors	125
G12. Provisions	126
G13. Other Long-Term Liabilities	126
G14. Post-Employment Benefits	127
G15. Reserves	130

Notes to the Group Cash Flow

G16. Reconciliation of the Deficit on the Provision of Services to Net Cash Flows From Operating Activities	131
G17. Analysis of the Amounts of Major Classes of Gross Cash Receipts and Gross Cash Payments	132
G18. Cash and Cash Equivalents	132

Other Group Notes

G19. Deferred Taxation	132
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Cyngor Bwrdeistref Sirol

Blaenau Gwent

County Borough Council

Group Comprehensive Income and Expenditure Statement

The Group Comprehensive Income and Expenditure Statement (GCIES) shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Amounts relating to expenditure are disclosed as positive and

amounts relating to income are disclosed as negative (i.e. enclosed in brackets). Consequently, total figures disclosed in brackets are surpluses, representing net income to the Group, whilst those not in brackets are deficits, where expenditure exceeds income.

Group Comprehensive Income & Expenditure Statement	2021/2022			2020/2021 (Restated)†			Note:	Page:
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure		
	£000	£000	£000	£000	£000	£000		
Continuing Operations								
Corporate Services	50,308	(24,966)	25,342	48,440	(24,327)	24,113	G6	121
Education	25,322	(9,557)	15,765	15,466	(9,015)	6,451		
Education - Schools	47,619	(7,166)	40,453	48,051	(6,133)	41,918		
Environment	33,646	(11,142)	22,504	32,213	(12,671)	19,542		
Cardiff Capital Region City Deal	318	(396)	(78)	217	(336)	(119)		
Regeneration & Economic Development	6,761	(4,360)	2,401	5,896	(3,680)	2,216		
Social Services	74,989	(30,655)	44,334	71,699	(29,000)	42,699		
Licensing	226	(111)	115	201	(91)	110		
Planning	1,491	(729)	762	1,026	(311)	715		
Silent Valley	1,662	(155)	1,507	1,161	(37)	1,124	G6	121
Total Deficit on Continuing Services	242,342	(89,237)	153,105	224,370	(85,601)	138,769	G3	119
Other Operating Expenditure	11,770	(1,176)	10,594	10,705	(1,137)	9,568	G4	120
Financing and Investment Income and Expenditure	20,580	(9,057)	11,523	18,353	(8,053)	10,300	G5	120
Taxation and Non-Specific Grant Income	0	(179,355)	(179,355)	0	(204,177)	(204,177)		
(Surplus)/Deficit on Provision of Services	274,692	(278,825)	(4,133)	253,428	(298,968)	(45,540)	G3	119
Tax Expenses			22			(37)	44	107
Group (Surplus)/Deficit			(4,111)			(45,577)	G3	119
(Surplus)/Deficit Arising on the Revaluation of Non-Current Assets			(7,408)			(4,139)		
Remeasurement of the net defined benefit pension liability			(76,687)			72,759	G14.2	128
Other Comprehensive Income & Expenditure			(84,095)			68,620	G7	121
Total Group Comprehensive Income & Expenditure			(88,206)			23,043	GMiRS	114

Group Movement in Reserves Statement

The Group Movement in Reserves Statement (GMiRS) shows the movement in the year on the different reserves held by the Group.

Group Movement in Reserves Statement	2021/2022			2020/2021 (Restated)†			Note	Page
	Total Authority Reserves	Authority's share of Reserves of Subsidiary	Total Group Reserves	Total Authority Reserves	Authority's share of Reserves of Subsidiary	Total Group Reserves		
	£000	£000	£000	£000	£000	£000		
Opening balance at 1 April	167,314	(2,071)	165,243	144,331	(2,131)	142,200		
Adjustments to brought forward balances	418*	0	418	0	0	0		
Revised balance at 1 April	167,732	(2,071)	165,661	144,331	(2,131)	142,200		
Total Group Comprehensive Income & Expenditure	(88,517)	311	(88,206)	22,737	306	23,043	GCIES	113
Adjustments between Group Accounts and Authority Accounts	37	(37)	0	246	(246)	0	G8	121
(Increase)/Decrease in year	(88,480)	274	(88,206)	22,983	60	23,043		
Balance at 31 March	79,252	(1,797)	77,455	167,314	(2,071)	165,243	GBS, G15	115, 130

*: Reserve balances at 1 April 2021 were amended on implementation of a new asset register which necessitated the review of all non-current asset valuations/existence and consequently required adjustments to the gains or losses carried in the Revaluation Reserve and Capital Adjustment Account.

†: The current value of the Ebbw Valley Railway Infrastructure loan has been re-appraised to correct an error in the 2020/2021 discounting calculation. This has reduced the element classified as 'capital grants unapplied' by £17.464m, with a corresponding increase in the amount accounted for as a loan.

Group Balance Sheet

The Group Balance Sheet (GBS) shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Group.

The net assets of the Group (assets less liabilities) are matched by reserves held, reported in two categories:

- Usable reserves are those reserves that the Group may use to provide services, subject to any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt) and the need to maintain a prudent level of reserves.
- Unusable reserves are those that the Group is not able to use to provide services. This category includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Group Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations' (e.g. the Capital Adjustment Account, Pensions Reserve and Accumulated Absences Account).

†: The current value of the Ebbw Valley Railway Infrastructure loan has been re-appraised to correct an error in the 2020/2021 discounting calculation. This has reduced the element classified as 'capital grants unapplied' by £17.464m, with a corresponding increase in the amount accounted for as a loan.

Group Balance Sheet	31 March 2022		31 March 2021 (Restated)†		Note:	Page:
	£000	£000	£000	£000		
Property, Plant & Equipment	298,438		282,976		G9	122-124
Investment Properties	1,337		1,340			
Heritage Assets	726		600			
Non-Current Investments	92		92			
Non-Current Debtors	4,072		3,192			
Sub Total: Long Term Assets		304,665		288,200		
Assets Held for Sale	60		70			
Current Investments	21,000		0			
Inventories	2,425		1,217			
Current Debtors	34,405		33,931		G10	125
Deferred Tax Asset	62		66			
Cash and Cash Equivalents	91,391		94,961		G18	132
Sub Total: Current Assets		149,343		130,245		
Current Borrowing	(73,683)		(71,233)			
Current Creditors	(22,467)		(15,086)		G11	125
Current Grants Receipts in Advance	(6,333)		(2,722)			
Current Donated Assets	(2,112)		(864)			
Current Provisions	(1,659)		(1,634)		G12	126
Sub Total: Current Liabilities		(106,254)		(91,539)		
Non-Current Borrowing	(126,923)		(136,649)			
Non-Current Provisions	(3,189)		(3,567)		G12	126
Other Long-Term Liabilities	(295,097)		(351,933)		G13-G14	126-130
Sub Total: Long-Term Liabilities		(425,209)		(492,149)		
Total Net Assets/(Liabilities)		(77,455)		(165,243)		
Usable Reserves	(86,787)		(69,646)		G15	130
Unusable Reserves	164,242		234,889		G15	130
Total Reserves		77,455		165,243		

Group Cash Flow Statement

Group Cash Flow Statement	2021/2022		2020/2021 (Restated)†		Note:	Page:
	£000	£000	£000	£000		
Net surplus/(deficit) on the provision of services less tax expenses	4,111		45,577		GCIES	113
Adjustments to the provision of services for non-cash movements	28,303		10,323		G16.1	131
Adjustments for items included in the provision of services that are investing and financing activities	(12,462)		(14,256)		G16.2	131
Interest received	1		2			
Net Cash Inflows from Operating Activities		19,953		41,646		
Investing activities		(15,376)		(6,296)	G17	132
Financing activities		(8,147)		49,483	43.2	106
Net increase or (decrease) in cash and cash equivalents		(3,570)		84,833		
Cash and cash equivalents at the beginning of the reporting period		94,961		10,128	GBS, G18	115, 132
Cash and cash equivalents at the end of the reporting period		91,391		94,961	GBS, G18	115, 132

The Group Cash Flow Statement summarises the cash and cash equivalent transactions of the Group during the reporting period. The statement shows how the Group generates and uses cash and cash equivalents by classifying cash inflows and (outflows) as operating, investing and financing activities.

- The amount of net cashflows arising from operating activities is a key indicator of the extent to which the operations of the Group are funded by way of taxation and grant income or from the recipients of services provided.
- Investing activities represent cashflows relating to the acquisition, disposal and funding via capital grant of resources which are intended to contribute to the Group's future service delivery, i.e. non-current assets.

- Cashflows arising from financing activities represent the extent to which borrowing and similar charges have increased/decreased during the year and are useful in predicting claims on future cash flows by providers of capital to the Group.

†: The current value of the Ebbw Valley Railway Infrastructure loan has been re-appraised to correct an error in the 2020/2021 discounting calculation. This has reduced the element classified as 'capital grants unapplied' by £17.464m, with a corresponding increase in the amount accounted for as a loan.



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Cyngor Bwrdeistref Sirol

Blaenau Gwent

County Borough Council

G1. Group Accounting Policies

G1.1 General Principles

The Group Accounts summarise the transactions of the Authority and its Subsidiaries for the 2021/2022 financial year and its position at the year-end of 31 March 2022. The Accounts have been prepared in accordance with proper accounting practices as required by the Accounts and Audit (Wales) Regulations 2014.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2021/2022 and the Service Reporting Code of Practice 2021/2022, supported by International Financial Reporting Standards (IFRS). Where there is no relevant IFRS or International Accounting Standard (IAS), reference is made to International Public Sector Accounting Standards (IPSASs); if there is no relevant IPSAS, domestic Financial Reporting Standards (FRSs) are applied.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

In preparing a set of Accounts for the Blaenau Gwent Group, it has been necessary to align the Accounting Policies adopted by the two constituent entities. The Group Policies are largely the same as those used in preparing the Accounts for the Parent Authority, as recorded on pages 24-32. However, where Policies differ, the Group Policy is included in this section.

In December 2017, the Council made the decision to transfer the assets and liabilities of Silent Valley Waste Services Limited back to the Council in order that the service would be delivered in-house. Following extensive due diligence the transfer process has commenced with a target date of 31 January 2023.

G1.2 Intra Group Transactions and Balances

To the extent that balances and transactions have been identified and agreed between Silent Valley Waste Services Ltd. and Blaenau Gwent CBC, these have been eliminated as part of the consolidation process. As total transactions between the parties amount to £1.038m (2020/2021: £0.823m) and are therefore not considered to be material, any differences between identified and actual sums are therefore also not material.

G1.3 Acquisitions and Discontinued Operations

The principal activities of Silent Valley Waste Services Ltd. are waste management, disposal and ancillary services such as recycling and waste collection.

All operations were classified as continuing in 2021/2022 and there were no acquisitions or discontinuations of service (or transfers under machinery of government arrangements) during the financial year.

G1.4 Employee Benefits

G1.4.1 Benefits Payable During Employment

The annual leave entitlement year for staff at SVWS Ltd. ends on 31 March with limited opportunity to carry forward unused balances. No staff carried forward leave at the end of 2021/2022 and consequently no short term compensated absences accrual has been calculated.

G1.4.2 Post Employment Benefits

Employees of Silent Valley Waste Services Ltd. are members of the following pension schemes:

- The Local Government Pensions Scheme, as an admitted body, administered by Torfaen County Borough Council; and
- Silent Valley Defined Contribution Scheme.

Both schemes provide benefits to members (retirement lump sums and pensions), earned as employees work for the company.

The required accounting treatments are as follows:

The Local Government Pension Scheme

As required for a defined benefit scheme, the employers pension costs that are charged to the Group's accounts are equal to the actuarially-calculated liabilities arising as a result of the service effected by employees. Additional costs arising for discretionary benefits paid to staff on retirement have also been accounted for on a liability basis, with the full amount of any such payments being recorded in service accounts in the year of occurrence.

Silent Valley Defined Contribution Scheme

In a defined contribution scheme, the employer has no obligation beyond payment of the agreed contributions. Therefore, the net cost of services in the Group Comprehensive Income and Expenditure Statement is charged with the amount of contributions payable for the year of account. Prepayments or accruals are recorded in the Group Balance Sheet if required.

Further details of the transactions undertaken and required disclosures for the Local Government Pension Scheme, Teachers Pension Scheme and Silent Valley Defined Contribution Scheme can be found in the notes to the Group Accounts.

G1.5 Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

G1.5.1 Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Only expenditure in excess of £50,000 has been capitalised by the Parent Authority, with amounts below this threshold being charged directly to revenue. The exceptions to this are highways and health & safety assets that individually fall below this de-minimis level but are capitalised because they are treated as one single item of expenditure in the year and expenditure that has a capital grant approval.

G1.5.2 Measurement

Tangible Non-Current Assets attributable to the Subsidiary are recorded in the accounts on the basis of depreciated historic cost.

G1.5.3 Depreciation

For assets held by Silent Valley Waste Services Ltd., the following standard lives are used in calculating depreciation:

- Leasehold land and buildings – 10 - 15 years; and
- Plant and Machinery – 5 - 13 years.

These standard lives are not significantly different from those used by the Parent Authority, and any differences in calculated depreciation sums are not expected to be material. Consequently, a completely uniform set of standard lives has not been introduced for Group Accounting purposes and no adjustments have been made to depreciation amounts in the Group Comprehensive Income and Expenditure Statement, Group Balance Sheet or Group Cash Flow.

G1.6 Aftercare and Capping Provisions

Provision for the cost of aftercare and site capping was made by establishing a consumption factor which aimed to write off the estimated future costs over the anticipated useful life of the site.

G2. Notes to the Group Financial Statements

These notes should be read in conjunction with the notes to the Authority's Core Financial Statements. Notes have been included to the Group Financial Statements where:

- specifically required by the Accounting Code of Practice;
- a note to the single entity statements has been amended by the consolidation of the subsidiary undertaking; or
- the note relates solely to the activities of the subsidiary and has not been included in the Accounts of the Local Authority.

Group Comprehensive Income & Expenditure Statement Notes**G3. Group Expenditure and Funding Analysis**

The Expenditure & Funding Analysis shows how annual expenditure is used and funded from resources (i.e. government grants, council tax and business rates) by the Group in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes. Income and Expenditure accounted for under generally accepted accounting practices is presented more fully in the Group Comprehensive Income and Expenditure Statement.

Group Expenditure & Funding Analysis	2021/2022					2020/2021 (Restated)†				
	Management Account Net Expenditure	Accounting Code Adjustments	Net Expenditure Chargeable to the Council Fund	Funding & Accounting Basis Adjustments	Group CIES Net Expenditure	Management Account Net Expenditure	Accounting Code Adjustments	Net Expenditure Chargeable to the Council Fund	Funding & Accounting Basis Adjustments	Group CIES Net Expenditure
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Corporate Services	16,158	6,711	22,869	2,473	25,342	15,429	7,432	22,861	1,252	24,113
Education	63,818	(50,749)	13,069	2,696	15,765	61,765	(49,954)	11,811	(5,360)	6,451
Education - Schools	(6,228)	49,534	43,306	(2,853)	40,453	(3,682)	45,814	42,132	(214)	41,918
Environment	25,795	(11,278)	14,517	7,987	22,504	24,987	(12,560)	12,427	7,115	19,542
Cardiff Capital Region City Deal	0	107	107	(185)	(78)	0	87	87	(206)	(119)
Regeneration & Economic Development	1,519	(498)	1,021	1,380	2,401	1,195	(447)	748	1,468	2,216
Social Services	42,749	(3,378)	39,371	4,963	44,334	44,231	(3,663)	40,568	2,131	42,699
Licensing	95	(13)	82	33	115	93	1	94	16	110
Planning	798	(218)	580	182	762	1,170	(539)	631	84	715
Capital Adjustments	0	(4)	(4)	4	0	0	(1)	(1)	1	0
Pension Adjustments	0	396	396	(396)	0	0	520	520	(520)	0
Silent Valley	1,507	0	1,507	0	1,507	1,124	0	1,124	0	1,124
Net Expenditure on Continuing Operations	146,211	(9,390)	136,821	16,284	153,105	146,312	(13,310)	133,002	5,767	138,769
Other Operating Expenditure	(74)	8,941	8,867	1,727	10,594	(185)	9,693	9,508	60	9,568
Financing & Investment Income & Expenditure	1	4,653	4,654	6,869	11,523	3	4,901	4,904	5,396	10,300
Taxation & Non-Specific Grant Income	0	(166,745)	(166,745)	(12,610)	(179,355)	0	(160,731)	(160,731)	(43,446) †	(204,177)
(Surplus)/Deficit on the Provision of Services	146,138	(162,541)	(16,403)	12,270	(4,133)	146,130	(159,447)	(13,317)	(32,223)	(45,540)
Tax expenses	22	0	22	0	22	(37)	0	(37)	0	(37)
Group (Surplus)/Deficit	146,160	(162,541)	(16,381)	12,270	(4,111)	146,093	(159,447)	(13,354)	(32,223)	(45,577)
Transfers to/(from) earmarked reserves			10,904					12,446		
(Increase)/Decrease in year			(5,477)					(908)		
Opening Group Balances as at 1 April			(7,301)					(6,393)		
Closing Group Balances as at 31 March			(12,778)					(7,301)		

†: The current value of the Ebbw Valley Railway Infrastructure loan has been re-appraised to correct an error in the 2020/2021 discounting calculation. This has reduced the element classified as 'capital grants unapplied' by £17.464m, with a corresponding increase in the amount accounted for as a loan.

G4. Other Operating Expenditure

Other Operating Expenditure in the Group Comprehensive Income and Expenditure Statement consists of the following:

	2021/2022			2020/2021		
	Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Other Operating Expenditure						
Parent:						
(Gains)/losses on the Disposal of Non-Current Assets	1,696	(1,102)	594	1,011	(952)	59
Precepts & Levies	10,074	0	10,074	9,694	0	9,694
Subsidiary:						
Income from energy generation	0	(74)	(74)	0	(185)	(185)
Total	11,770	(1,176)	10,594	10,705	(1,137)	9,568

G5. Financing and Investment Income and Expenditure

Financing and investment income and expenditure in the Group Comprehensive Income and Expenditure Statement consists of the following:

	2021/2022			2020/2021		
	Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Financing and Investment Income and Expenditure						
Change in Fair Value of Investment Property *	5	0	5	321	0	321
Impairment **	190	0	190	204	0	204
Interest payable and similar charges - Financial Instruments	4,464	0	4,464	3,856	0	3,856
Interest payable and similar charges - Other ***	5	0	5	2	0	2
Interest receivable and similar income - Financial Instruments	0	(77)	(77)	0	(13)	(13)
Interest receivable and similar income - Other ****	0	(182)	(182)	0	(255)	(255)
Net Pensions Interest	15,916	(8,798)	7,118	13,970	(7,785)	6,185
Total	20,580	(9,057)	11,523	18,353	(8,053)	10,300

*: Authority proportion of Cardiff Capital Region City Deal investment properties.

** : Movement in allowances for expected credit losses on financial assets.

***: Interest on finance leases and school balances.

****: Interest on (lessor) finance leases, bank charges, car loans and contractor bonds.

G6. External Audit Fees

The Group incurred the following fees relating to External Audit and inspection:

External Audit Fees	2021/2022 £000	2020/2021 £000
Fees payable in respect of:		
External audit services - Final Accounts	198	191
Silent Valley external audit services - Final Accounts	12	10
External audit services - Local Government Measures	108	105
Certification of grant claims and returns	50	45
Other services	0	0
Total Audit Fees	368	351

External Audit services for Blaenau Gwent CBC are provided by Audit Wales; for Silent Valley Waste Services Ltd. by Azets Audit Services.

Group Movements in Reserves Notes**G7. Other Comprehensive Income and Expenditure**

The following unrealised gains or losses and actuarial gains or losses arose during the year:

Other Comprehensive Income & Expenditure	2021/2022 £000	2020/2021 £000
(Surplus)/Deficit arising on the revaluation of Non-Current Assets	(7,408)	(4,139)
Remeasurement of the net defined benefit pension liability	(76,687)	72,759
Other Comprehensive Income & Expenditure	(84,095)	68,620

G8. Adjustments between Parent and Group Movement in Reserves Statements

In preparing the Group Movement in Reserves Statement, the following adjustments were made for intra-group transactions:

Adjustments between Single Entity and Group Movement in Reserves Statements	31 March 2022		31 March 2021	
	Total Authority Reserves £000	Authority's share of Reserves of Subsidiary £000	Total Authority Reserves £000	Authority's share of Reserves of Subsidiary £000
Adjustments between Group Accounts and Authority Accounts:				
Expenditure	(1,061)	1,061	(823)	823
Income	151	(151)	131	(131)
Debtors & Creditors	13	(13)	56	(56)
Retained Profits	461	(461)	163	(163)
Accumulating Dividend	725	(725)	725	(725)
Less cumulative adjustments brought forward	(252)	252	(6)	6
Total intra-group adjustments	37	(37)	246	(246)

Group Balance Sheet Notes

G9. Property Plant & Equipment

G9.1 Carrying Amount of Non-Current Assets

The Carrying Amount of Group Non-Current Assets in the Balance Sheet can be divided between Infrastructure and 'Other PPE' Assets as follows:

	31 March 2022	31 March 2021
	£000	£000
Property, Plant & Equipment		
Infrastructure Assets	92,312	92,700
Other PPE Assets	206,126	190,276
Net Book Value	298,438	282,976

G9.2 Carrying Amount of Infrastructure Assets

CIPFA has issued a temporary adjustment to the Accounting Code of Practice in relation to the disclosure of Infrastructure Assets. This requires that, for the financial years 2010/2011 to 2022/2023, local authorities are not required to report gross book value and accumulated depreciation for Infrastructure Assets.

The movement in the Group Net Book Value of Infrastructure Assets has therefore been represented as follows:

	2021/2022	2020/2021
	£000	£000
Infrastructure Assets		
Net Book Value at 1 April	92,700	93,822
Adjustment to Balances Brought Forward	785	0
Revised Net Book Value at 1 April	93,485	93,822
Additions	2,196	1,854
Capital expenditure written off	(98)	(190)
Other movements in cost or valuation	203*	628**
Depreciation Charge & Appropriations	(3,474)	(3,414)
Net Book Value at 31 March	92,312	92,700

In accordance with provision 24L of The Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2022), where works have been undertaken to existing Infrastructure Assets, the carrying amount of any component that has been replaced has been determined as being nil.

G9.3 Carrying Amount of 'Other' Property, Plant & Equipment Assets

	31 March 2022	31 March 2021
	£000	£000
Property, Plant & Equipment (Excluding Infrastructure)		
Gross Carrying Amount	222,281	212,479
Accumulated Depreciation	(16,155)	(22,203)
Net Book Value	206,126	190,276

The gross carrying amount and accumulated depreciation relating to Property, Plant and Equipment (excluding Infrastructure Assets) was:

Details of the transactions relating to the carrying amounts and depreciation of non-current assets (excluding Infrastructure Assets) are set out on pages 123-124.

Movements in 2021/2022:

Property, Plant & Equipment Movements (Excluding Infrastructure)	Operational Assets					Total Property, Plant & Equipment £000
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	
Cost or Valuation as at 1 April 2021	174,988	18,387	344	4,231	14,529	212,479
Adjustment to Balances brought Forward	(785)	(1,098)	(293)	30	(1,221)	(3,367)
Revised Cost or Valuation as at 1 April 2021	174,203	17,289	51	4,261	13,308	209,112
Assets reclassified to/from held for sale	0	(496)	0	(1,200)	0	(1,696)
Additions	0	1,755	0	0	4,158	5,913
Revaluation increases/(decreases) recognised in the Revaluation Reserve	2,051	0	0	0	0	2,051
Revaluation increases/(decreases) recognised in the Provision of Services	2,676	0	0	0	0	2,676
Capital expenditure written off	(971)	(55)	(26)	0	0	(1,052)
Other movements in cost or valuation *	1,363	414	81	0	3,419	5,277
Cost or Valuation as at 31 March 2022	179,322	18,907	106	3,061	20,885	222,281
Property, Plant & Equipment (Excluding Infrastructure): Depreciation & Impairment	Operational Assets					Total Property, Plant & Equipment £000
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	
Accumulated Depreciation & Impairment as at 1 April 2021	(9,617)	(12,559)	(14)	(13)	0	(22,203)
Adjustment to Balances brought Forward	(200)	2,319	0	1	0	2,120
Revised Accumulated Depreciation & Impairment as at 1 April 2021	(9,817)	(10,240)	(14)	(12)	0	(20,083)
Depreciation Charge & Appropriations	(3,658)	(1,302)	0	(3)	0	(4,963)
Depreciation written out to the Revaluation Reserve	4,777	0	0	0	0	4,777
Depreciation written out to the Surplus/Deficit on the Provision of Services	4,154	0	0	0	0	4,154
Derecognition - disposals	(9)	(31)	0	0	0	(40)
Accumulated Depreciation & Impairment as at 31 March 2022	(4,553)	(11,573)	(14)	(15)	0	(16,155)
Net Book Value as at 31 March 2022	174,769	7,334	92	3,046	20,885	206,126
Net Book Value as at 31 March 2021	165,371	5,828	330	4,218	14,529	190,276
Net Book Value as at 31 March 2020	156,420	4,400	107	4,661	7,966	173,554

Movements in 2020/2021:

Property, Plant & Equipment Movements (Excluding Infrastructure)	Operational Assets					Total Property, Plant & Equipment £000
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	
Cost or Valuation as at 1 April 2020	171,281	15,893	120	4,696	7,966	199,956
Appropriations	820	0	0	0	(2,451)	(1,631)
Assets reclassified to/from held for sale	(87)	0	0	(467)	0	(554)
Additions	0	1,409	0	0	485	1,894
Revaluation increases/(decreases) recognised in the Revaluation Reserve	2,956	0	275	83	0	3,314
Revaluation increases/(decreases) recognised in the Provision of Services	18	0	(51)	(81)	0	(114)
Capital expenditure written off	(1,666)	(131)	(7)	0	0	(1,804)
Other movements in cost or valuation **	1,666	1,216	7	0	8,529	11,418
Cost or Valuation as at 31 March 2021	174,988	18,387	344	4,231	14,529	212,479
Property, Plant & Equipment (Excluding Infrastructure): Depreciation & Impairment	Operational Assets					Total Property, Plant & Equipment £000
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	
Accumulated Depreciation & Impairment as at 1 April 2020	(14,861)	(11,493)	(13)	(35)	0	(26,402)
Depreciation Charge & Appropriations	(5,330)	(1,031)	(1)	(7)	0	(6,369)
Depreciation written out to the Revaluation Reserve	898	0	0	7	0	905
Depreciation written out to the Surplus/Deficit on the Provision of Services	9,685	0	0	22	0	9,707
Derecognition - disposals	(9)	(35)	0	0	0	(44)
Accumulated Depreciation & Impairment as at 31 March 2021	(9,617)	(12,559)	(14)	(13)	0	(22,203)

Notes * & **: Amounts included in 'Other movements in cost or valuation' relates to capital expenditure incurred during the year, £4.330 million of which has been added to the asset base and £1.150 million of which has been written off as there has been no increase to the asset value in 2021/2022(*); £10.052 million of which has been added to the asset base and £1.994 million of which has been written off as no increase to the asset value resulted in 2020/2021(**).

G10. Current Debtors

Amounts owing to the Group were as follows:

Current Debtors	31 March 2022				31 March 2021			
	Gross Debtors	Impairment	Prepayments	Total Net Current Debtors	Gross Debtors	Impairment	Prepayments	Total Net Current Debtors
	£000	£000	£000	£000	£000	£000	£000	£000
Welsh Government	17,000	0	0	17,000	16,242	0	0	16,242
Other Central Government	4,300	0	0	4,300	3,818	0	0	3,818
Local Authorities	2,653	(55)	0	2,598	3,239	(9)	0	3,230
NHS	1,700	(50)	0	1,650	1,624	(17)	0	1,607
Council Tax Arrears	7,677	(3,068)	0	4,609	7,069	(2,712)	0	4,357
Other Entities & Individuals	4,175	(1,437)	414	3,152	4,764	(1,498)	366	3,632
Trade	1,305	(463)	254	1,096	1,083	(240)	202	1,045
Total Current Debtors:	38,810	(5,073)	668	34,405	37,839	(4,476)	568	33,931

G11. Current Creditors

Amounts owed by the Group were as follows:

Current Creditors	31 March 2022			31 March 2021		
	Creditors	Receipts in Advance	Total Current Creditors	Creditors	Receipts in Advance	Total Current Creditors
	£000	£000	£000	£000	£000	£000
Welsh Government	(88)	0	(88)	(436)	0	(436)
Other Central Government	(1,429)	0	(1,429)	(1,762)	0	(1,762)
Local Authorities	(1,152)	(72)	(1,224)	(1,084)	0	(1,084)
NHS	(395)	0	(395)	(89)	0	(89)
Capital Creditors	(4,527)	0	(4,527)	(696)	0	(696)
Council Tax Credits	(946)	0	(946)	(975)	0	(975)
Other Entities and Individuals	(9,751)	(339)	(10,090)	(7,543)	(297)	(7,840)
Trade	(3,768)	0	(3,768)	(2,204)	0	(2,204)
Total Current Creditors:	(22,056)	(411)	(22,467)	(14,789)	(297)	(15,086)

G12. Provisions

Details of the purposes of the Authority's provisions can be found in note 35.1, pages 80-81. Movements in the Group provisions during 2021/2022 were as follows:

Provision Movements	Balance at 1 April 2021 £000	Amounts Used in 2021/2022 £000	Unused Amounts Reversed in 2021/2022 £000	Additional Provisions made in 2021/2022 £000	Balance at 31 March 2022 £000
Current Provisions					
Employee Provisions:					
Parent's Employee Provisions	(58)	58	0	(55)	(55)
Other Provisions:					
Parent's Other Provisions	(1,406)	130	370	(330)	(1,236)
Silent Valley Aftercare	(170)	192	0	(390)	(368)
	(1,634)	380	370	(775)	(1,659)
Non-Current Provisions					
Parent's Provisions	(1,882)	145	339	(298)	(1,696)
Silent Valley Aftercare	(1,685)	0	192	0	(1,493)
	(3,567)	145	531	(298)	(3,189)
Total Provisions:	(5,201)	525	901	(1,073)	(4,848)

Silent Valley Waste Services Ltd. hold a provision for Aftercare to provide for estimated costs of maintaining the landfill site after capping works have been completed. The timescale for utilisation of the provision is over a period of 60 years following closure of the site. Due to the timescales involved there are inherent uncertainties regarding the level and value of aftercare works required.

G13. Other Long-Term Liabilities

The Group holds the following balances as long-term liabilities:

Other Long-Term Liabilities	31 March 2022 £000	31 March 2021 £000
Cardiff Capital Region City Deal Non-Current Creditor	(1,282)	(2,079)
Deferred Liabilities	(421)	(24)
Net Pensions Liability	(293,394)	(349,830)
Total	(295,097)	(351,933)

G14. Post-Employment Benefits

Retirement benefits are offered to the Group's employees which, although not actually payable until employees retire, represent a commitment by the Group that needs to be disclosed in the Accounts in the financial period in which the entitlement to benefits arises (i.e. when earned by employees through service provided).

The Group participates in three formal schemes: an independently administered defined contribution scheme for employees of Silent Valley Waste Services Ltd., the Teachers' Pension Scheme administered by Capita Teachers' Pensions and the Local Government Pension Scheme administered by Torfaen CBC. A number of employees of Silent Valley Waste Services Ltd. are members of the Local Government Pension Scheme, of which the company is an admitted body.

G14.1 Defined Contribution Schemes

Silent Valley

A defined contribution scheme was established by the Company in November 1995. The assets of the scheme are held separately from the Company in independently administered funds. Employer contributions to this fund are at a rate of between 6% and 12% of members' pensionable earnings.

In 2021/2022, the total defined contribution scheme charge to the Group CIES was £0.139m (2020/2021: £0.078m). There were no outstanding contributions to the scheme at 31 March 2021 or 31 March 2022.

Teachers' Pension Scheme

Teachers employed by Blaenau Gwent CBC are members of the Teachers' Pension Scheme administered by Capita Teachers' Pensions.

Further details of this Scheme and the Authority's contributions can be found in the notes to the Single Entity Core Statements (notes 39 & 40, pages 88-97)

G14.2 Defined Benefit Scheme

The Local Government Scheme is a funded defined benefit Career Average Revalued Earnings (CARE) scheme, in which the Group and employees make contributions calculated at a level intended to balance pension liabilities arising with investment assets. The contribution rate is determined by the Fund's Actuary based on triennial valuations, the last review being 31 March 2019.

Further information can be found in the Greater Gwent (Torfaen) Pension Fund's Annual Report which is available upon request from the Chief Financial Officer, Torfaen County Borough Council, Civic Centre, Pontypool, NP4 6YB.

The cost of retirement benefits are recognised in the 'Net Cost of Services' section of the Group Comprehensive Income & Expenditure Statement when those benefits are earned by employees, rather than when the benefits are actually paid as pensions.

The following pension scheme transactions have been made in the Group Comprehensive Income and Expenditure Statement during the year:

	2021/2022			2020/2021		
	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000
Group Pension Scheme Transactions						
Group Comprehensive Income & Expenditure Statement:						
Cost of Services:						
Current Service Costs	26,895	0	26,895	16,786	0	16,786
Other Service Costs	264	0	264	271	0	271
Total Service Cost:	27,159	0	27,159	17,057	0	17,057
Financing and Investment Income and Expenditure:						
Interest on Plan Assets	(8,796)	0	(8,796)	(7,780)	0	(7,780)
Interest on Defined Benefit Liabilities	15,217	697	15,914	13,239	726	13,965
Net Interest:	6,421	697	7,118	5,459	726	6,185
Total Charged to the Surplus/Deficit on Provision of Services:	33,580	697	34,277	22,516	726	23,242
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement:						
Return on plan assets (excluding amounts included in Net Interest)	(17,615)	0	(17,615)	(95,626)	0	(95,626)
Actuarial (Gains)/Losses arising from changes in demographic assumptions	(3,950)	(321)	(4,271)	9,796	572	10,368
Actuarial (Gains)/Losses arising from changes in financial assumptions	(53,531)	(1,286)	(54,817)	158,638	4,431	163,069
Experience (Gains)/Losses on defined benefit liabilities	459	(443)	16	(4,479)	(573)	(5,052)
Total remeasurement recognised in Other Comprehensive Income & Expenditure	(74,637)	(2,050)	(76,687)	68,329	4,430	72,759
Total Charged to the Group Comprehensive Income & Expenditure Statement:	(41,057)	(1,353)	(42,410)	90,845	5,156	96,001

No adjusting entries are made in relation to the Silent Valley Waste Services Pension Scheme transactions and consequently there are no changes to the relevant entries made in the Parent Movement in Reserves Statement.

Transactions in respect of the fair value of pension scheme assets and present value of scheme liabilities are as follows:

	2021/2022			2020/2021		
	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000
Pension Scheme Assets						
Balance at 1 April:	442,900	0	442,900	341,132	0	341,132
Employer Contributions	12,203	1,823	14,026	11,813	1,888	13,701
Member Contributions	3,181	0	3,181	3,067	0	3,067
Benefits Paid	(17,128)	(1,823)	(18,951)	(16,974)	(1,888)	(18,862)
Interest on Plan Assets	8,839	0	8,839	7,819	0	7,819
Remeasurement Gains/(Losses):						
Return on Plan Assets (excluding amounts included in Interest)	17,698	0	17,698	96,043	0	96,043
Balance at 31 March:	467,693	0	467,693	442,900	0	442,900
Reconciliation of the Movements in Present Value of Scheme Liabilities						
	£000	£000	£000	£000	£000	£000
Balance at 1 April:	(756,969)	(35,761)	(792,730)	(576,169)	(32,493)	(608,662)
Current Service Cost	(26,895)	0	(26,895)	(16,786)	0	(16,786)
Past Service Cost and Curtailments	(15)	0	(15)	(30)	0	(30)
Administration Expenses	(249)	0	(249)	(241)	0	(241)
Interest Cost	(15,260)	(697)	(15,957)	(13,278)	(726)	(14,004)
Member Contributions	(3,181)	0	(3,181)	(3,067)	0	(3,067)
Benefits Paid	17,128	1,823	18,951	16,974	1,888	18,862
Experience Gains/(Losses)	(685)	443	(242)	4,479	573	5,052
Actuarial Gains/(Losses) arising from changes in demographic assumptions	3,950	321	4,271	(9,796)	(572)	(10,368)
Actuarial Gains/(Losses) arising from changes in financial assumptions	53,674	1,286	54,960	(159,055)	(4,431)	(163,486)
Balance at 31 March:	(728,502)	(32,585)	(761,087)	(756,969)	(35,761)	(792,730)

The Group's net liability arising from defined benefit scheme obligations can be analysed as follows:

Pension Assets & Liabilities Recognised in the Balance Sheet	31 March 2022			31 March 2021		
	Local Government Pension Scheme	Teachers' Unfunded Discretionary Pensions	Total	Local Government Pension Scheme	Teachers' Unfunded Discretionary Pensions	Total
	£000	£000	£000	£000	£000	£000
Fair Value of Scheme Assets	467,693	0	467,693	442,900	0	442,900
Present Value of Scheme Liabilities	(728,502)	(32,585)	(761,087)	(756,969)	(35,761)	(792,730)
Net Liability:	(260,809)	(32,585)	(293,394)	(314,069)	(35,761)	(349,830)

Entries are included in the Group Balance Sheet for the Group's share of assets and liabilities of the Local Government Pension Scheme. Liabilities relating to Unfunded Teachers' Discretionary Pensions are also included. Disclosed liabilities show the underlying commitment that the Group has in the long term to pay retirement benefits.

The Group holds total usable reserves of £86.787m at 31 March 2022 (£69.646m (restated) at 31 March 2021). The effect of applying the net superannuation fund deficit of £293.394m to the Group's usable reserves would be a deficit of £206.607m (2020/2021: the superannuation deficit of £349.830m exceeded usable reserves by £280.184m). Further information regarding the treatment of this deficit can be found in note 39 (page 96).

G15. Reserves

The Silent Valley Profit & Loss Reserve represents the balance of accumulated profit made on trading activities. The transactions and balances on this reserve in the Group Accounts have been adjusted to remove the profit element relating to the Parent. Movements on the Group Usable Reserves were as follows:

Summary: Group Usable Reserves	Net Transfers			Net Transfers	
	1 April 2020	2020/2021	31 March 2021	2021/2022	31 March 2022
	£000	(Restated)†	(Restated)†	£000	£000
Council Fund	(6,393)	(908)	(7,301)	(5,477)	(12,778)
Silent Valley Profit & Loss Reserve	(2,131)	60	(2,071)	274	(1,797)
Parent's Usable Earmarked Reserves	(15,624)	(44,650)†	(60,274)†	(11,938)	(72,212)
Total: Usable Reserves	(24,148)	(45,498)	(69,646)	(17,141)	(86,787)

†: The current value of the Ebbw Valley Railway Infrastructure loan has been re-appraised to correct an error in the 2020/2021 discounting calculation. This has reduced the element classified as 'capital grants unapplied' by £17.464m, with a corresponding increase in the amount accounted for as a loan.

Group Cash Flow Notes

G16. Reconciliation of the Deficit on the Provision of Services to Net Cash Flows from Operating Activities

The following tables provide details of the adjustments made between the deficit on provision of services to arrive at a figure for operating activities cashflows.

G16.1 Non-Cash Movements

Cash Flow - Adjustments for Non-Cash Movements	2021/2022 £000	2020/2021 £000
Depreciation & Impairment	3,304	2,141
REFCUS (deferred charges)	2,308	1,842
Effective interest adjustment	46	44
Soft loan adjustment	912	0
Net IAS19 charges made for Retirement Benefits	34,213	23,192
IAS19 Employers Contributions Paid to Pension Fund	(14,266)	(13,934)
	26,517	13,285
Increase/(Decrease) in Provisions	(375)	(892)
(Increase) / Decrease in Inventories	(1,208)	(821)
(Increase) / Decrease in Revenue Debtors	(2,273)	(3,487)
Increase / (Decrease) in Revenue Creditors	5,642	2,238
Total	28,303	10,323

G16.2 Investing or Financing Activities included in the Deficit on Provision of Services

Cash Flow - Adjustments for Investing & Financing Activities	2021/2022 £000	2020/2021 £000
(Gain)/Loss on Disposal of fixed assets	1,091	59
Capital Grants credited to CIES	(13,553)	(14,315)
Total	(12,462)	(14,256)

G16.3 Receipts or Payments of Interest included in Operating Activities

Cash Flow - Interest included in Operating Activities	2021/2022 £000	2020/2021 £000
Interest Received	(97)	(31)
Interest Paid	3,504	3,811
Net Total	3,407	3,780

G17. Analysis of the Amounts of Major Classes of Gross Cash Receipts and Gross Cash Payments*Investing Activities*

The cash flows for investing activities consist of the following:

Cash Flow - Investing Activities	2021/2022 £000	2020/2021 £000
Cash Outflows		
Purchase of Non-Current Assets	(10,946)	(18,039)
Purchase of short-term and long-term investments	(21,000)	0
	(31,946)	(18,039)
Cash Inflows		
Sale of Non-Current Assets	606	951
Other Receipts from Investing Activities	15,964	10,792
	16,570	11,743
Total	(15,376)	(6,296)

G18. Cash and Cash Equivalents

The balance of group cash and cash equivalents is made up of the following:

Cash and Cash Equivalents	2021/2022 £000	2020/2021 £000
Cash Held by the Authority	52	57
Bank Accounts	12,339	11,904
Short-term investments	79,000	83,000
Total Cash & Cash Equivalents	91,391	94,961

*Other Group Notes***G19. Deferred Taxation**

Deferred tax assets and liabilities are offset where Silent Valley Waste Services Ltd. has a legally enforceable right to do so. There were no deferred tax movements in the year. There has been no deferred tax asset recognised in respect of losses available for carrying forward which would be available to set against future trading profits, chargeable to corporation tax. There is an unrecognised deferred tax asset of £0.0m (2020/2021: £0.424m) in respect of losses for the year.



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Cyngor Bwrdeistref Sirol

Blaenau Gwent

County Borough Council

a better place to live and work - lle gwell i fyw a gweithio

Audit of Accounts Report – Blaenau Gwent County Borough Council

Audit year: 2021-22

Date issued: October 2023

Document reference: 3824A2023

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

Contents

We intend to issue a qualified audit report on your Accounts. There are some issues to report to you prior to their approval.

Audit of Accounts Report

Introduction	4
Proposed audit opinion	4
Other Significant issues arising from the audit	5
Appendices	
Appendix 1 – Letter of Representation	6
Appendix 2 – Proposed Audit Report	9
Appendix 3 – Summary of Corrections Made	14

Audit of Accounts Report

Introduction

- 1 We summarise the main findings from our audit of your 2021-22 annual report and accounts in this report.
- 2 We have already discussed these issues with the Chief Officer Resources.
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
- 4 We set this level at £2.6 million for this year's audit.
- 5 There are some areas of the accounts that may be of more importance to the reader and we have set a lower materiality level for these, as follows:
 - Related Parties – transactions and balances related to individuals £1,000
 - Senior Officer and Members Remuneration £1,000
- 6 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.

Proposed audit opinion

- 7 We issue a 'qualified' audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.
- 8 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards along with confirmation of other specific information you have provided to us during our audit.
- 9 We intend to issue a qualified true and fair audit opinion on this year's accounts once you have provided us with a Letter of Representation based on that set out in **Appendix 1**.
- 10 Our proposed audit report is set out in Appendix 2. The audit report explains that the true and fair opinion for 2021-22 is qualified.

Issues arising during the audit leading to qualification of the audit opinion

- 11 During our audit work, we identified that the useful economic lives of properties have not been subject to regular review as required by the accounting framework. We have been unable to obtain sufficient assurance over the depreciation charged in the current or previous financial years. Consequently, there is doubt over the material accuracy of the net book value of these properties.

- 12 Due to the nature of the issue, we have been unable to quantify the exact level of misstatement.

Other significant issues arising from the audit

Infrastructure Assets

- 13 In common with other local authorities, the Council has taken advantage of temporary reliefs for reduced disclosures related to infrastructure assets allowed for in the Update to the Code and Specifications for Future Codes for Infrastructure Assets and the 2022 amendments to the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003.
- 14 The Council has not disclosed gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean gross cost and accumulated depreciation are not measured accurately and would not faithfully represent the asset position to the users of the financial statements.
- 15 The reliefs are a temporary expedient that are intended to allow Councils to address the information deficits and prepare robust information to support the carrying value of infrastructure assets. The temporary reliefs are only applicable for financial years up to and including 2024-25.

Uncorrected misstatements

- 16 Our audit has identified misstatements in the financial statements, which have been discussed with management, but which they have chosen not to amend. These misstatements are individually below our trivial level, and in aggregate total less than the materiality threshold.

Corrected misstatements

- 17 There were initially misstatements in the accounts that have now been corrected by management. These are summarised for you information at **Appendix 3**.

Appendix 1

Letter of Representation

Auditor General for Wales
Wales Audit Office
1 Capital Quarter
Cardiff

Date

Representations regarding the 2021-22 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Blaenau Gwent County Borough Council for the year ended 31 March 2022 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the Code; in particular the financial statements give a true and fair view in accordance therewith; and
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and

- unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects Blaenau Gwent County Borough Council and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements;
- the identity of all related parties and all the related party relationships and transactions of which we are aware;

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions, with the exception of the useful economic lives of our properties which may give rise to errors on our annual and accumulated depreciation figures.

Representations by Blaenau Gwent County Borough Council

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Blaenau Gwent County Borough Council on xxxxxx.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

[Officer who signs on behalf of management]

Date:

Signed by:

[Officer or Member who signs on behalf of those charged with governance (director only for companies)]

Date:

Appendix 2

Proposed Audit Report

The independent auditor's report of the Auditor General for Wales to the members of Blaenau Gwent County Borough Council

Opinion on financial statements

I have audited the financial statements of:

- Blaenau Gwent County Borough Council (BGCBC); and
- Blaenau Gwent County Borough Council Group

for the year ended 31 March 2022 under the Public Audit (Wales) Act 2004.

BGCBC's financial statements comprise the Expenditure and Funding Analysis, the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, and the related notes, including a summary of significant accounting policies.

BGCBC's Group financial statements comprise the Group Expenditure and Funding Analysis, the Group Movement in Reserves Statement, the Group Comprehensive Income and Expenditure Statement, the Group Balance Sheet, the Group Cash Flow Statement and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

In my opinion, except for the possible effects of the matters described in the basis for qualified opinion on the financial statements section below, the financial statements:

- give a true and fair view of the financial position of Blaenau Gwent County Borough Council and Group as at 31 March 2022 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the Code).

Basis for qualified opinion on the financial statements

The Code requires that useful economic lives (UEs) are reviewed, and if necessary, updated annually. BGCBC have not undertaken these annual reviews, nor been able to estimate the possible effect of not undertaking them. Consequently, my audit team have been unable to obtain appropriate evidence that the annual and cumulative depreciation charges on surplus buildings and operational buildings have not been materially overstated.

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial

statements section of my report. I am independent of BGCBC in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that except for the matter described below, the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

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

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

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

Other Information

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

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

I have nothing to report in this regard.

Report on other requirements

Opinion on other matters

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

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22;
- The information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Governance Statement has been prepared in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of BGCBC and the BGCBC Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Governance Statement.

BGCBC has not maintained adequate accounting records to support depreciation charges in respect of surplus buildings and operational buildings.

With the exception of this issue, I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

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

Responsibilities

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on pages 15 to 16, the responsible financial officer is responsible for the preparation of the statement of accounts, including BGCBC's Group financial statements, which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing BGCBC and its Group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

My procedures included the following:

- Enquiring of management and those charged with governance, including obtaining and reviewing supporting documentation relating to BGCBC and group's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud;
- Obtaining an understanding of BGCBC and its group's framework of authority as well as other legal and regulatory frameworks that the Council and its group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Council.

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

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

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

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of BGCBC and its group's controls, and the nature, timing and extent of the audit procedures performed.

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

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Blaenau Gwent County Borough Council and its group in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton
Auditor General for Wales
[Date]

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

Appendix 3

Summary of Corrections Made

During our audit, we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

Exhibit 3: summary of corrections made

Value of correction	Nature of correction
N/A	<p>We identified the following issues from our audit of the Authority's income:</p> <ul style="list-style-type: none">• Council Tax Base figures disclosed within Note 19.2 had not been updated from 20/21 values to the 21/22 values.
£12,894k £2,081k	<p>We identified the following issues with the exercise undertaken within the year to revise the valuation of assets outside of the revaluation cycle:</p> <ul style="list-style-type: none">• the valuation of schools had been overstated due to incorrect pupil numbers being used within the revaluation calculation; and• land associated with buildings which were subject to revaluation were incorrectly uplifted when the uplift should have only been applied to the building.
NPV of loan; 20/21 updated from £22m to £39m 21/22 updated from £22m to £40m. Grant element of loan 20/21 updated from £48m to £31m	<p>We identified the following issues from our audit of the Authority's borrowings:</p> <ul style="list-style-type: none">• the Net Present Value calculation for a soft loan held by the Authority required correction for the current year and restatement of the prior year. This effected the present value of the loan, the value of the element of the loan to be treated as a grant and the effective interest to be recognised.

Value of correction	Nature of correction
<p>Effective interest 21/22 updated from £486k to £872k</p> <p>£0.527k</p> <p>£0.220k</p> <p>N/A</p>	<ul style="list-style-type: none"> • the adjustment of interest for soft loans held by the authority had been incorrectly recognised as 'Taxation and Non-Specific Grant Income' in the CIES and instead of 'Financing and Investment Income & Expenditure' line under 'Gross Expenditure'. • £0.220k borrowings relating to 'Other Borrowing' had been incorrectly classified as 'Temporary Loans • the fair value of soft loans reported in Note 37 have been updated to reflect the valuation made by the Authority's treasury management advisor.
<p>£21m</p>	<p>We identified the following issues from our audit of the Authority's investments:</p> <ul style="list-style-type: none"> • £21m of short-term investments had been incorrectly classified as current debtors.



Audit Wales

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

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: **Governance and Audit Committee**
Date of meeting: **18th October 2023**
Report Subject: **Audit Wales: Direct Payments for Adult Social Care**
Portfolio Holder: **Cllr Hadyn Trollope, Cabinet Member People and Social Services**
Report Submitted by: **Tanya Evans, Interim Corporate Director Social Services**

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		18.10.23					

1. **Purpose of the Report**
 - 1.1 The purpose of the report is to provide the Governance and Audit Committee with the Audit Wales Report, '*Direct Payments for Adult Social Care*' (Appendix 1).
2. **Scope and Background**
 - 2.1 Audit Wales published their report, '*Direct Payments for Adult Social Care*' in April 2022.
 - 2.2 The Audit Wales report looks at how local authorities provide Direct Payments services to adult, examining their impact and value for money.
 - 2.3 The report identified 10 recommendations:
 - 6 recommendations for local authorities to implement (**R1-R6**);
 - 3 for local authorities and Welsh Government to implement and will be led by Welsh Government (**R7, R9 and R10**), these are detailed below; and
 - 1 recommendation is for Welsh Government only to implement (**R8**) and detail of this recommendation can be found in Appendix 1.
 - 2.4 Audit Wales expect each local authority to consider the findings of the review and the recommendations, and that its governance and audit committee receives the report and monitors its response to the recommendations in a timely way.
 - 2.5 The identified recommendations for local authorities to implement are detailed below:

Recommendations:

Part 1 sets out how local authorities promote and raise awareness of Direct Payments. To ensure people know about Direct Payments, how to access these services and are encouraged to take them up, Audit Wales recommend that local authorities:

R1 Review public information in discussion with service users and carers to ensure it is clear, concise and fully explains what they need to know about Direct Payments.

R2 Undertake additional promotional work to encourage take up of Direct Payments.

R3 Ensure advocacy services are considered at the first point of contact to provide independent advice on Direct Payments to service users and carers.

Part 1 also sets out the importance of the 'What Matters' conversation and the importance of social workers in helping people make informed choices on Direct Payments. To ensure Direct Payments are consistently offered Audit Wales recommend that local authorities:

R4 Ensure information about Direct Payments is available at the front door to social care and are included in the initial discussion on the available care options for service users and carers.

R5 Provide training to social workers on Direct Payments to ensure they fully understand their potential and feel confident promoting it to service users and carers.

In **Part 2** Audit Wales highlight the central role of Personal Assistants in helping service users and carers to get the best positive outcomes from their use of Direct Payments. To ensure there is sufficient Personal Assistant capacity, Audit Wales recommend that local authorities through the All-Wales local authority Direct Payments Forum and with Social Care Wales:

R6 Work together to develop a joint Recruitment and Retention Plan for Personal Assistants.

In **Part 2** Audit Wales also highlight that while local authorities recognise the value of Direct Payments in supporting independence and improving wellbeing, the differences in approach, standards and the amount paid out means that people with similar needs receive different levels of service. To ensure services are provided equitably and fairly we recommend that local authorities and the Welsh Government:

R7 Clarify policy expectations in plain accessible language and set out:

- what Direct Payments can pay for;
- how application and assessment processes, timescales and review processes work;
- how monitoring individual payments and the paperwork required to verify payments will work;
- how unused monies are to be treated and whether they can be banked; and
- how to administer and manage pooled budgets.

Public information should be reviewed regularly (at least every two years) to ensure they are working effectively and remain relevant.

In **Part 3** Audit Wales note that having the right performance indicators and regularly reporting performance against these are important for local authorities to manage operational performance, identify areas of improvement and evaluate the positive impact of services. To effectively manage performance and be able to judge the impact and value for money of Direct Payments, Audit Wales recommend that local authorities and the Welsh Government:

R9 Work together to establish a system to fully evaluate Direct Payments that captures all elements of the process – information, promotion, assessing, managing and evaluating impact on wellbeing and independence.

R10 Annually publish performance information for all elements of Direct Payments to enable a whole system view of delivery and impact to support improvement.

- 2.6 Blaenau Gwent's response to the identified recommendations can be found in Appendix 2: Audit Wales Management Response.

Options for Recommendation

3.1 **Option 1**

Governance and Audit Committee is assured that the Council's Management Response, identified in Appendix 2, will appropriately respond to the Audit Wales recommendations.

3.2 **Option 2**

Provide comment on the Audit Wales review and Council's Management Response, identified in Appendix 2, to address the recommendations for Officers to implement in order to provide continuous improvement.

4. **Monitoring Arrangements**

- 4.1 The recommendations from Audit Wales will be included within the business plan and updated on a quarterly basis.

The information will be reported within the Joint Finance and Performance Report to Corporate Overview and Performance Scrutiny Committee and Cabinet.

Regular meetings are held with Audit Wales to assess progress of reports.

Background Documents /Electronic Links

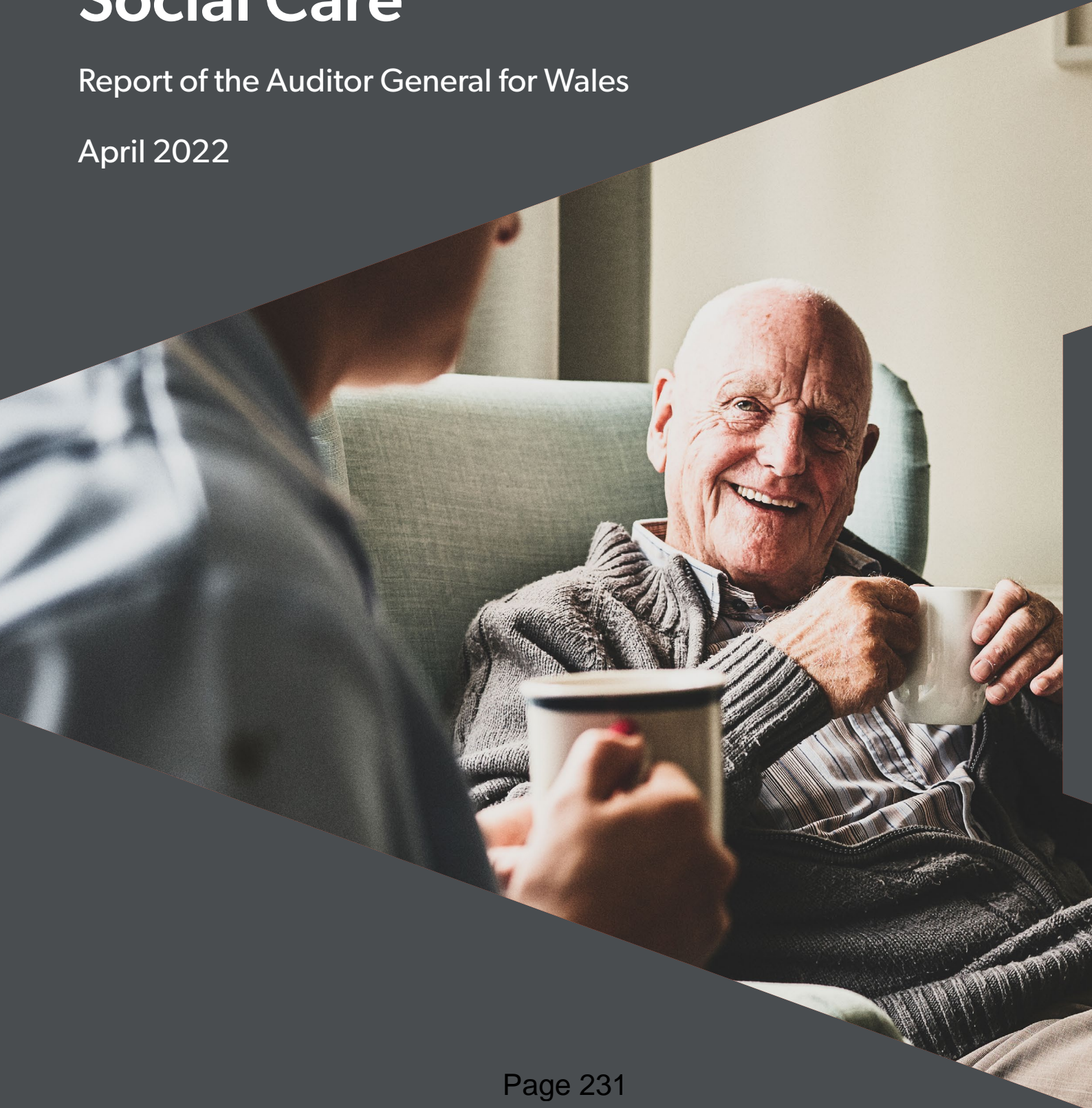
Appendix 1 – Audit Wales Report – 'Direct Payments for Adult Social Care'
Appendix 2 – Blaenau Gwent Management Response

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Direct Payments for Adult Social Care

Report of the Auditor General for Wales

April 2022



This report has been prepared for presentation to the Senedd under the Public Audit (Wales) Act 2004.

The Auditor General is independent of the National Assembly and government. He examines and certifies the accounts of the Welsh Government and its sponsored and related public bodies, including NHS bodies. He also has the power to report to the National Assembly on the economy, efficiency and effectiveness with which those organisations have used, and may improve the use of, their resources in discharging their functions.

The Auditor General also audits local government bodies in Wales, conducts local government value for money studies and inspects for compliance with the requirements of the Local Government (Wales) Measure 2009.

The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General.

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

Contents

Summary report

Background	4
Key messages	7
Key facts	9
Recommendations	10

Detailed report

1	People are not consistently supported to take up Direct Payments	13
2	Managing and supporting people to use Direct Payments varies widely with service users and carers receiving different standards of service	21
3	Direct Payments are helping people live independently and improving their wellbeing, but it is difficult to assess overall value for money because of limitations in data and evaluation	35

Appendices

1	Audit methods and approach	42
2	Determining eligibility for social care and support	44
3	Adults receiving social care services organised by local authority in 2018-19	45
4	Personal Assistant hourly pay rates by local authority	46

Summary report

Background

The Social Services and Well-Being (Wales) Act 2014

- 1 The Senedd passed the Social Services and Well-being (Wales) Act in 2014 and it came into force in April 2016. The Act seeks to shift away from the traditional ways of providing social care, which were considered unsustainable, to approaches focused on:
 - a placing the wellbeing of people at the heart of services;
 - b giving people a strong voice and real control over the decisions that affect them;
 - c encouraging new models of service by mobilising community resources and promoting social enterprises and co-operatives;
 - d prioritising preventative services to avoid or delay the need for care;
 - e making systems easier and more accessible by reducing complexity and streamlining assessment and care planning arrangements;
 - f integrated working across professional and organisational boundaries to make the best use of resources and deliver the best outcomes; and
 - g strengthening safeguarding arrangements.

Direct Payments can improve people's choice, control and independence

- 2 Direct Payments can help meet an individual's eligible need for care and support, or a carer's need for support. They are an alternative to local-authority-arranged care or support. The aim of Direct Payments is to give people more choice, greater flexibility and more control over the support they get. Direct Payments can be provided to people of all ages if they have been assessed as needing social care services to support them with daily living, consent to receiving a Direct Payment and they (or their representative) can manage the payment.

- 3 Many people use their Direct Payments to fund a Personal Assistant to help them with various tasks. In these instances, Direct Payment recipients become employers and must meet the associated legal obligations. Some choose to use a care agency instead. Local authorities are required to provide support and assistance to people to manage their Direct Payment and employment responsibilities. This is often done through a local-authority-commissioned support service.
- 4 Direct Payments can be used to purchase a wide variety of services or equipment if these contribute to meeting an individual's agreed wellbeing outcomes. Payments can be made for day-to-day things such as dressing, cooking, driving and support to facilitate discharge from hospital. They can also be used for social activities – visiting friends, evening classes and gardening – as well as for assistance to access training and employment. The main benefit of Direct Payments is their adaptability. Service users can use them to organise their care in a whole range of new and more effective ways and local authorities are encouraged to explore innovative and creative options for meeting people's needs.
- 5 This report looks at how local authorities provide Direct Payment services to adults, examining their impact and value for money. **Appendix 1** provides more detail about our audit approach and methods. **Exhibit 1** sets out our characteristics of a good approach to Direct Payments.

Exhibit 1: the characteristics of a local authority that effectively encourages, manages and supports people to use Direct Payments



Local authorities who are good at **promoting** Direct Payments

Have simple and concise public information that is made available in a wide range of mediums and has been tested to ensure it is effective and tells people what they need to know

Offers and encourages people to use independent advocacy to help people make informed choices

Uses the 'What Matters' conversation in the assessment process to explain Direct Payments

Direct Payments are promoted as an option at least equally with other choices



Local authorities who are **managing** Direct Payments effectively

Help people to access and use Personal Assistants

'Demystify' what Direct Payments are and provide sufficient support to assure people on employment requirements, liabilities and fallback processes. Bureaucracy is kept to a minimum

Clearly set out what Direct Payments can be used for giving examples of the type of support that is available and, wherever possible, encourage innovation

Have regular and ongoing contact and provide support and information to adults using Direct Payments to clarify responsibilities and ensure people remain safe

Work to shape the 'market' and by improving access to Personal Assistants, encouraging more providers, managing costs and encouraging the pooling of budgets

Jointly agree with NHS bodies on how best to address the needs of clients who use Direct Payments and Continuing Healthcare so they are not disadvantaged



Local authorities who are **delivering** positive outcomes for people using Direct Payments

Evidencing that people's wellbeing is maintained or improving as a result of Direct Payments

Have a comprehensive system for monitoring and evaluating all aspects of Direct Payments

Involve and value input from all stakeholders/partners in evaluating the impact of services

Compare and benchmark individual and collective performance with others and use the findings of evaluation to shape current plans and future approaches

Know what works and whether the approach of the authority is delivering the aspirations of the Act

Key messages

- 6 Our overall conclusion is that **Direct Payments support people's independence and are highly valued by service users and carers, but inconsistencies in the way they are promoted and managed by local authorities mean services are not always equitable and it is difficult to assess overall value for money.**
- 7 People are not consistently encouraged to take up Direct Payments. A responsive person-centred approach is essential in helping people take up Direct Payments, but current engagement and involvement by local authorities is inconsistent. While the value of Direct Payments is recognised by senior managers, social care staff do not always display confidence in promoting their use with service users and carers. Direct Payments are valued by service users and carers, but this is not always translating into broadening their use.
- 8 Managing and supporting people to use Direct Payments varies widely and service users and carers are receiving different standards of service. Personal Assistants are essential to people making the most of Direct Payments, but service users often struggle to recruit them. People have mixed views on the support they receive from their local authority after they have taken up Direct Payments. The interface between use of NHS continuing healthcare and social care on access to Direct Payments also remains a problem.
- 9 Despite some significant challenges, local authorities ensured service users and carers were mostly supported during the pandemic, but a significant number of service users and carers we surveyed experienced difficulties. While the numbers using Direct Payments slightly grew before the pandemic, local authorities continue to use them differently across Wales. There is a need to address this 'post-code lottery' to ensure people are being treated fairly and equally.

- 10 Direct Payments are seen by recipients and care providers alike as making an important contribution to people’s wellbeing and independence. However, it is difficult to assess the overall value for money of Direct Payments in their own right, or in comparison with other forms of social care, because systems for managing and evaluating performance are inadequate.



Direct Payments can make an important contribution to meeting an individual’s care and support needs and they are highly valued by service users and carers. The Welsh Government and local authorities need to work together to address weakness in the management and evaluation of performance, which currently means it is not possible to judge how well local authorities are performing and whether Direct Payments represent value for money compared with other forms of social care. There is also a need to address the ‘post-code lottery’ where local authorities are using them differently across Wales, to ensure people are treated fairly and equally.

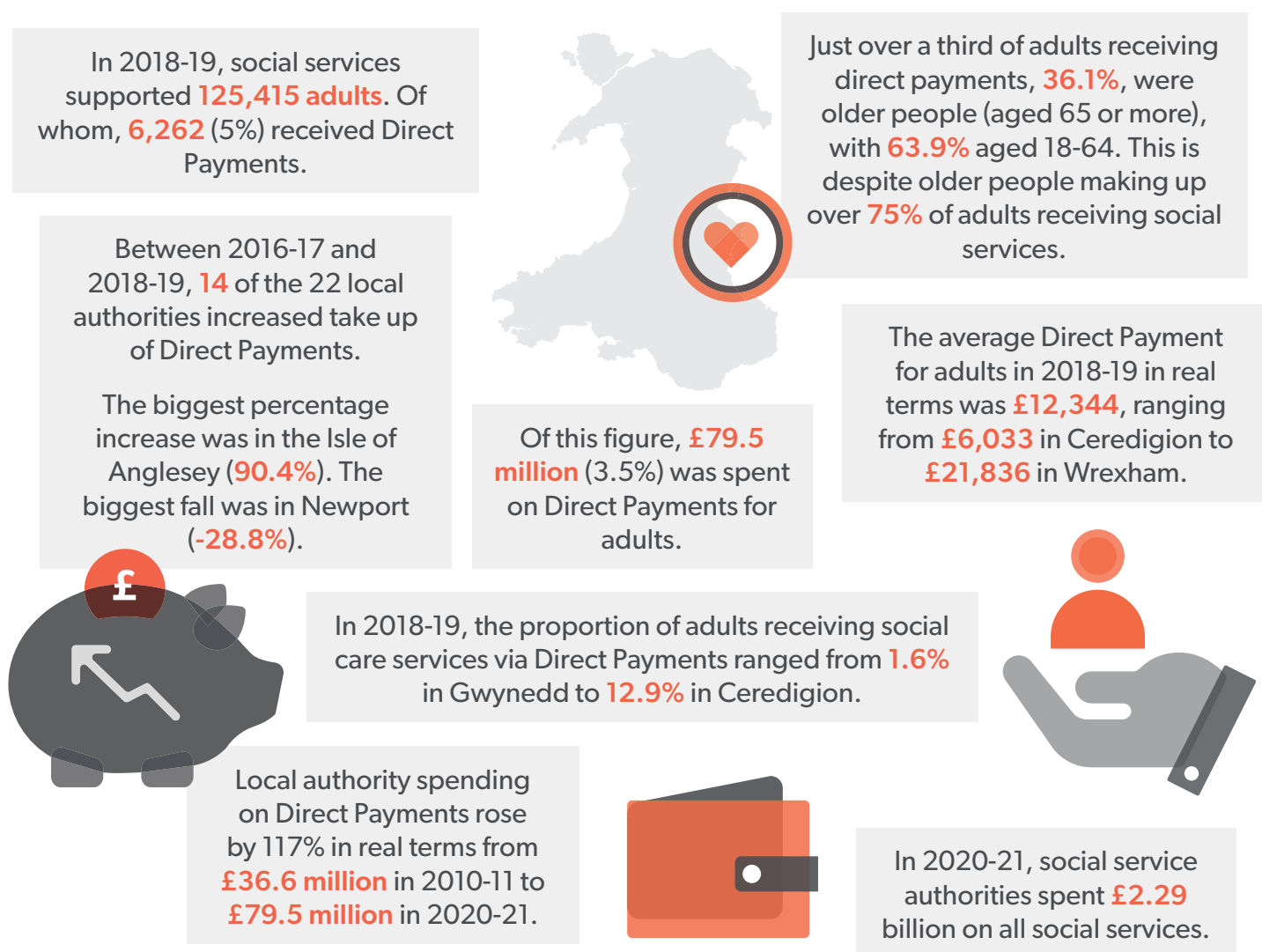
Adrian Crompton

Auditor General for Wales



Key facts

- 11 The infographic below summarises key facts from our report about Direct Payments. Following the Welsh Government's decision to suspend data collection in response to the pandemic in 2020, no data on services other than expenditure has been reported nationally since 2018-19.



- 12 Figures relating to the numbers of people receiving social services support and Direct Payments for 2018-19, including the average value of Direct Payments, do not include Caerphilly due to technical issues with their ICT systems.

Source: Audit Wales analysis of StatsWales data

Recommendations

- 13 Our recommendations are set out below. We expect each local authority to consider the findings of this review and our recommendations, and that its governance and audit committee receives this report and monitors its response to our recommendations in a timely way.

Exhibit 2: recommendations

Recommendations

In **Part 1** we set out the how local authorities promote and raise awareness of Direct Payments (**paragraphs 1.2 to 1.7**). To ensure people know about Direct Payments, how to access these services and are encouraged to take them up, we recommend that local authorities:

- R1** Review public information in discussion with service users and carers to ensure it is clear, concise and fully explains what they need to know about Direct Payments.
- R2** Undertake additional promotional work to encourage take up of Direct Payments.
- R3** Ensure advocacy services are considered at the first point of contact to provide independent advice on Direct Payments to service users and carers.

In **Part 1** we set out the importance of the ‘What Matters’ conversation and the importance of social workers in helping people make informed choices on Direct Payments (**paragraphs 1.8 to 1.13**). To ensure Direct Payments are consistently offered we recommend that local authorities:

- R4** Ensure information about Direct Payments is available at the front door to social care and are included in the initial discussion on the available care options for service users and carers.
- R5** Provide training to social workers on Direct Payments to ensure they fully understand their potential and feel confident promoting it to service users and carers.

Recommendations

In **Part 2** we highlight the central role of Personal Assistants in helping service users and carers to get the best positive outcomes from their use of Direct Payments (**paragraphs 2.2 to 2.7**). To ensure there is sufficient Personal Assistant capacity, we recommend that local authorities through the All-Wales local authority Direct Payments Forum and with Social Care Wales:

R6 Work together to develop a joint Recruitment and Retention Plan for Personal Assistants.

In **Part 2** we highlight that while local authorities recognise the value of Direct Payments in supporting independence and improving wellbeing, the differences in approach, standards and the amount paid out means that people with similar needs receive different levels of service (**paragraphs 2.9 to 2.18 and 2.23 to 2.27**). To ensure services are provided equitably and fairly we recommend that local authorities and the Welsh Government:

R7 Clarify policy expectations in plain accessible language and set out:

- what Direct Payments can pay for;
- how application and assessment processes, timescales and review processes work;
- how monitoring individual payments and the paperwork required to verify payments will work;
- how unused monies are to be treated and whether they can be banked; and
- how to administer and manage pooled budgets.

Public information should be reviewed regularly (at least every two years) to ensure they are working effectively and remain relevant.

Recommendations

In **Part 2** we highlight difficulties in the interface between NHS continuing healthcare and Direct Payments and note that current practices do not support service users and carers to exercise voice, choice and control (**paragraphs 2.28 to 2.31**). We recommend that the Welsh Government:

R8 Ensure that people who receive both NHS continuing healthcare and Direct Payments have greater voice, choice and control in decision making.

In **Part 3** we note that having the right performance indicators and regularly reporting performance against these are important for local authorities to manage operational performance, identify areas of improvement and evaluate the positive impact of services (**paragraphs 3.8 to 3.10**). To effectively manage performance and be able to judge the impact and value for money of Direct Payments, we recommend that local authorities and the Welsh Government:

R9 Work together to establish a system to fully evaluate Direct Payments that captures all elements of the process – information, promotion, assessing, managing and evaluating impact on wellbeing and independence.

R10 Annually publish performance information for all elements of Direct Payments to enable a whole system view of delivery and impact to support improvement.



**People are not
consistently
supported to take
up Direct Payments**

01

1.1 In this part of the report, we consider how local authorities encourage people to use Direct Payments. We review local authorities' public information, how they promote take up of Direct Payments and the importance of the 'What Matters' conversation.

Local authorities who are good at promoting Direct Payments



Have simple and concise public information that is made available in wide range of mediums and has been tested to ensure it is effective and tells people what they need to know



Offers and encourages people to use independent advocacy to help people make informed choices



Uses the 'What Matters' conversation in the assessment process to explain Direct Payments



Direct Payments are promoted as an option at least equally with other choices

A responsive person-centred approach is essential in helping people choose Direct Payments, but current engagement and involvement by local authorities are inconsistent

Good quality and accessible information, support people to take greater control of their care and support and make well-informed choices

- 1.2 Information and advice help to promote people's wellbeing and are vital components of preventing or delaying people's need for care and support. Our focus group and survey work with the All-Wales Direct Payments Forum¹ found that all local authorities undertake some form of activity to promote public awareness and understanding of Direct Payments, but the options used vary. Local authorities focus on mediums such as their website, providing bilingual leaflets and promotional activity with established service user, carer groups and partnership forums. Less priority is given to using social media (for example, Facebook or Twitter) and proactive campaigns using press articles, adverts and local authority newsletters. Overall, only 3% of recipients responding to our survey² first found out about Direct Payments through published information (for example, online or a leaflet).
- 1.3 Overwhelmingly, service users report relying on a conversation with a local authority officer to find out about Direct Payments. Almost all (96%) of service users who responded to our survey said that they first found out about Direct Payments following a discussion with a local authority officer – most frequently a social work professional. Around half of carers we surveyed said that they first found out about Direct Payments following a discussion with a local authority officer. Carers are more likely than service users to find out about Direct Payments in discussion with other bodies (ie not their local authority), a care and support agency, NHS or third sector body for instance. These findings highlight that local authorities need to do more to ensure carers are better supported to fully access and use services, an issue flagged in recent research by [Carers Wales](#)³.

1 The All-Wales Direct Payments Forum is made up of officers from all Welsh local authorities with responsibility for Direct Payments within their respective organisations.

2 Our survey covers both service users and carers who receive Direct Payments. We report information at three levels. Where we say Direct Payment recipients, we mean both carers and service users; and where we specifically reference either 'service users' or 'carers' the findings of the survey are specific to these distinct groups of people who receive Direct Payments. In **Appendix 1** we set out our survey methodology in more detail.

3 Carers Wales is part of Carers UK and campaigns on behalf of carers. They recently reported that 40% of carers in Wales say they are unaware of services and sources of support for carers in their local community – [State of Caring 2021: Wales Briefing, Carers Wales, December 2021](#).

- 1.4 Direct Payments Forum members acknowledge that local authorities need to do more promotional work with some partners, in particular health and independent providers, to ensure Direct Payments are adequately promoted in all routes into social care. Roughly a quarter of local authority officers with responsibility for Direct Payments believe they have sufficient capacity to effectively promote Direct Payments and are investing resources to encourage take up. Less than a quarter of local authority officers consider themselves good at promoting awareness and encouraging take up of Direct Payments among hard-to-reach groups such as minority ethnic groups, Gypsies, Roma and Travellers and LGBTQ people.
- 1.5 The best local authorities are innovatively and actively promoting Direct Payments. For example, Isle of Anglesey Council uses a wide range of promotional materials to improve awareness for service users but also local authority staff and care providers. This includes YouTube videos of recipients talking about the positive experience and benefits of Direct Payments and roadshows to promote the benefits of Direct Payments. By proactively encouraging people to choose Direct Payments, the local authority saw the numbers in receipt of Direct Payments rise by 90.4% between 2016-17 and 2018-19.
- 1.6 Regarding the quality of the information and advice provided, three quarters of Direct Payments service users told us this was good but only half of carers in receipt of Direct Payments agreed this was the case. Only half of local authorities have tested or sought feedback on the quality of Direct Payments public information to ensure it is easy to understand, and only around a third of those have involved service users and carers in testing the quality of the information. Several service users who responded to our survey noted that they did not always find the public information they had been provided helpful and too often it reads as if it is written for the 'professional' not the 'client'. Notwithstanding, the overwhelming majority of people (98%) were able to access information about Direct Payments in their preferred language, and 4% chose to use Welsh.
- 1.7 Paragraph 37 of the [Social Services and Well-being \(Wales\) Act 2014 Part 10 Code of Practice \(Advocacy\)](#) notes that 'Advocacy services are fundamental to supporting people to engage actively and participate in development of their own well-being outcomes.' Paragraph 41 of the Code of Practice also says that independent professional advocacy must be made available from 'the moment of first contact'. We found that just over half of All-Wales Direct Payments Forum members believe that their local authority has adequate advocacy services in place to provide independent advice to service users and carers at this time.

The 'What Matters' conversation

- 1.8 Unlike many community-based, preventative services⁴ that people are often signposted to when seeking social care help, service users must be assessed as having 'eligible'⁵ needs to receive Direct Payments. When a local authority considers if someone has eligible needs, it looks at what causes that need for care and support; whether their needs affect their ability to do certain things; whether someone has a carer or access to community support that can meet their needs; and whether they are able to achieve a personal outcome without help from the local authority.
- 1.9 Local authorities are required to assess and determine whether someone is eligible for social care following an established process of which the 'What Matters' conversation is a critical element. **Appendix 2** sets this process out in more detail.

The 'What Matters' conversation

A 'What Matters' conversation is a targeted discussion to establish a person's situation, their current wellbeing, what can be done to support them and what can be done to promote their wellbeing and resilience for the better. It is not an assessment in itself: it is a way of carrying out the assessment by having the right type of conversation to identify with the individual:

- how they want to live their life;
- what might be preventing that; and
- what support might be required to overcome those barriers.

Knowing what matters can play a huge part in helping to make someone's life enjoyable and worthwhile.



⁴ There is no agreed definition of what constitutes a preventative service. They can range from relatively formal intermediate care services provided by health and social-care professionals to interventions that could include befriending schemes, the fitting of a handrail or help with shopping, to non-health or social-care services.

⁵ The Welsh Government is working with ADSS Cymru to produce a [national assessment and eligibility tool](#).

- 1.10 Importantly, those seeking help and those assessing what is needed must work as equal partners in identifying issues and solutions in their 'What Matters' discussion. Ultimately, it requires social work professionals to let go of some control when assessing what is best for people. Direct Payments takes this ethos a step further – not only do individuals have an equal voice in shaping their care and support outcomes during the assessment, but they can also go on to take full control over their own care and support. The extent to which professionals feel able to let go shapes people's experience of their assessment, and in many cases the likelihood of them being offered and encouraged to use Direct Payments.
- 1.11 Overall, recipients of Direct Payments that we surveyed are positive about local authority assessment processes; the time spent by local authority staff clarifying employer responsibilities; and the 'What Matters' conversation. For instance:
- a 83% felt that what was agreed during the assessment was right for them;
 - b of the 83% that felt their assessment was right for them, the vast majority (88%) agreed that the subsequent care and support plan accurately set out what was agreed during their assessment;
 - c 76% felt encouraged to tell their local authority about the things that mattered to them, and felt listened to during their needs assessment;
 - d 75% discussed their ability to manage Direct Payments before taking them up; and
 - e 74% felt that they had a clear understanding of their legal obligation as an employer when taking up a Direct Payment.
- 1.12 Despite this, many local authority officers we spoke to acknowledge that they do not always have the capacity to work co-productively and identify creative solutions using Direct Payments. People are often in crisis when they contact social services and in practical terms, delivering early intervention, prevention and co-produced approaches requires time. Effective early intervention works to prevent problems occurring, or to tackle them head on when they do, and before problems get worse. It is important therefore for local authorities to consider the potential impact and value of Direct Payments as early as possible in the information, advice and assistance process to enable meaningful co-production and ensure all possible solutions that can help improve someone's wellbeing are considered.

1.13 We conclude that there is more for local authorities to do to promote awareness and understanding of Direct Payments amongst service users. Addressing this requires local authorities to promote opportunities for early intervention by raising awareness of the front door to adult social care, and ensuring adequate consideration of the potential for Direct Payments at the Information, Advice and Assistance (IAA services) stage. Local authorities are yet to strike this balance, something that echoes our recent review of IAA services⁶.

While the value of Direct Payments is recognised by senior managers, social care staff do not always display confidence in promoting their use with service users and carers

1.14 Strong leadership on Direct Payments is key to making progress and it is important that senior managers set the tone from the top. Through our engagement with local authority staff and representative bodies we found this to be key to creating the right conditions and culture for social workers to feel empowered to promote and encourage take up of Direct Payments.

1.15 We found that roughly three-quarters of Direct Payment managers with responsibility for Direct Payments believe their authority has an open and encouraging culture that promotes making best use of Direct Payments. In addition, a similar number believe that their local authority Corporate Management Team members understand the benefits of Direct Payments, and two-thirds that senior leaders actively encourage increasing take up. However, only a quarter of Direct Payment managers believe that councillors understand the benefits of Direct Payments. Half did not know.

1.16 Most local authorities have information and workflow management systems in place (for example the Welsh Community Care Information System⁷) which include prompts for social workers to offer Direct Payments as part of what matters assessments, or to confirm that they have offered this. However, officers we interviewed highlight the limitations in the assurance that this data provides because the likelihood of service users opting to use Direct Payments is mostly dependent on the tone, sincerity and genuineness of the offer and discussion with their social worker. To do this, social workers need to feel both confident in being able to promote the benefits of Direct Payments and empowered to make this offer. To make this work requires effective leadership and a whole-system approach.

6 Auditor General for Wales, [The front door to adult social care](#), September 2019.

7 We reported on the rollout of the [Welsh Community Care Information System](#) in October 2020, including commentary on the performance of the system.

- 1.17 The overwhelming majority of All-Wales Direct Payments Forum members told us that they continue to promote and provide training and information to social workers, care managers and frontline staff to support take up and roll out. Most also believed that social workers understand what Direct Payments can be used for, although officers we interviewed nevertheless identified some concerns.
- 1.18 Only half of Direct Payments Forum members think that their local authority encourages people to take up Direct Payments. Direct Payment managers expressed concerns that, from their experience, too often social workers lack confidence in discussing Direct Payments as an option, partly because of their inherent flexibility and potentially wider use compared to other forms of social care. They also noted that, increasingly, Direct Payments are seen as potentially placing other traditional care services at risk if their take up increases and demand for other services falls off. Just over half of Direct Payment managers believe that their local authority treats Direct Payments as favourably as other social care services and options when developing care plans.



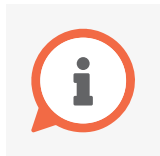
Managing and supporting people to use Direct Payments varies widely with service users and carers receiving different standards of service

2.1 In this section of the report, we look at opportunities to streamline the management and administration of Direct Payments. We look at the change in take up of Direct Payments in Wales and comparison with England. We consider how local authorities support people to make the best use of Direct Payments.

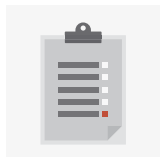
Local authorities who are managing Direct Payments effectively



Help people to access and use Personal Assistants



'Demystify' what Direct Payments are and provide sufficient support to assure people on employment requirements, liabilities and fallback processes. Bureaucracy is kept to a minimum



Clearly set out what Direct Payments can be used for giving examples of the type of support that is available and, wherever possible, encourage innovation



Have regular and ongoing contact and provide support and information to adults using Direct Payments to clarify responsibilities and ensure people remain safe



Work to shape the 'market' and by improving access to Personal Assistants, encouraging more providers, managing costs and encouraging the pooling of budgets



Jointly agree with NHS bodies on how best to address the needs of clients who use Direct Payments and Continuing Healthcare so they are not disadvantaged

Personal Assistants are essential to people making the most of Direct Payments, but service users struggle to recruit them

2.2 While some people will need additional support to manage Direct Payments, this should not be a barrier to encouraging people to use them. Local authorities must maintain a support service and make it available to those who need it – for example, help with employment responsibilities, payroll and reporting processes. Often this support is provided via a Personal Assistant.

Personal Assistants

Personal Assistants work directly with one or more individuals to help them with various aspects of their daily life and to help them live as independently as possible.

They are employed directly by an individual who is managing and paying for their own care through a Direct Payment or personal budget.

Personal Assistants usually support individuals in their own home.

People can be employed directly by one employer or work for a number of different people.

The role can include:

- organising and supporting individuals with their social and physical activities;
- booking and going with individuals to appointments;
- helping individuals to get to work, college or university;
- helping with personal care such as showering and dressing (although not all Personal Assistant roles involve personal care);
- supporting with tasks around the house such as shopping, cleaning and cooking;
- monitoring their health, for example, measuring body temperatures or administering medication; and/or
- managing a team of Personal Assistants if you are in a senior Personal Assistant role.



- 2.3 Employing a Personal Assistant cannot be entered into lightly and people pursuing this option need to be fully aware of their responsibilities. For instance, an employer must provide staff they employ with written information, including start date, hours of work, remuneration (which must meet the National Minimum Wage), place of work and a job title, or brief description of the job. Employers also need to set out whether employment is fixed term or permanent, the employee's statutory entitlement to sick pay, annual leave, pension scheme provision and notice requirements. Although local authorities expect people to take out employer's liability insurance and often provide advice about this, it is down to the individual to ensure they have fully considered the contractual arrangements with the care staff they employ.
- 2.4 People we surveyed noted differences between local authorities regarding their eligibility criteria for Direct Payments, the number of hours of personal assistance that individuals are assessed as needing, and the hourly rates paid. Our research shows that there is variation between hourly rates of pay for Personal Assistants across local authorities, with rates ranging from £8.72 to £12.94 per hour being reported in early 2021 – see **Appendix 4** for more detail.
- 2.5 The importance of Personal Assistants in supporting people to make the best use of Direct Payments cannot be overestimated. One person responding to our survey stated that: 'Direct Payments have given me the opportunity to employ my personal assistant who has been with me for 10 years now. This continuity with my personal assistant has empowered me, improved my self-confidence and given me the freedom to make my own decisions and choice with my personal assistant's support.' While another noted that: 'I think the whole system works around Direct Payments, you get to pick the personal assistants yourself rather than getting strangers thrust upon you.' Comments such as these highlight the value placed on Personal Assistants and the important role they play.
- 2.6 Notwithstanding, several people responding to our survey noted difficulties in both attracting and retaining Personal Assistants. For instance, one respondent stated that: 'there have been periods when we have been unable to find a suitable personal assistant, so I have been unable to use the Direct Payments. At one point this lasted over a year.' Another noted a 'major problem is being able to recruit Personal Assistants' and another 'issues with a Personal Assistant meant I've had to readvertise the job so as a result I haven't yet used my Direct Payment'.

2.7 Direct Payment managers we spoke to also highlighted the ongoing challenge of attracting and retaining Personal Assistants. Ongoing workforce pressures have meant that adult social care employers and providers have needed to adopt a range of strategies to help retain and support their workforce and these approaches need to be extended to Personal Assistants. The Care Provider Alliance, Association of Directors of Adult Social Services and Local Government Association in England have brought together approaches taken by organisations to reduce staff turnover and help retain people in the care and health workforce, which are of use for local authorities to consider in encouraging more Personal Assistants⁸.

People have mixed views on the support they receive from their local authority after they have taken up Direct Payments

2.8 Direct Payments must be embraced as a core component of delivering support – not as an exceptional option – so that the positive impact can be realised. There will be initial costs associated with setting up or commissioning an effective Direct Payment Support Service and training staff in Direct Payment processes. But once fully operational, Direct Payments should at least be cost neutral and should realise savings from, for instance, reduced administration, review and management of providers. It is important for local authorities to therefore focus on setting up the right support service to both encourage take up and to realise the potential for cost savings. Ultimately, the Direct Payment must be enough to cover the reasonable cost of buying services that the local authority has a duty to provide.

Some people find the administration of Direct Payments challenging

2.9 It is important that local authorities provide adequate support and have regular contact with service users and carers. Local authorities should be proactive in organising these discussions to make sure the care and support plan remains right, is legal, affordable and effective in meeting wellbeing outcomes.

8 <https://www.local.gov.uk/top-tips-retention-briefing-adult-social-care-providers>

- 2.10 Overall, 78% of people we surveyed said they receive good quality support to help them manage their Direct Payment. However, while 55% say that they can cope with the administration side of Direct Payments, finding the level of paperwork reasonable and manageable, 13% feel it is overwhelming. The other third of respondents stated that they are not required to keep any paperwork (23%) or their local authority rarely asks for paperwork (10%). Carers are generally more dissatisfied than service users with the quality of the Direct Payments services their local authority provides to help meet their needs. Our focus group work with All-Wales Direct Payments Forum members found that just over half of local authorities have sought to streamline their systems for administering Direct Payments to reduce the burden on clients, Personal Assistants and care providers.
- 2.11 Just over a third of care and support providers we surveyed felt that from their experience local authorities did not provide good support to help people manage their Direct Payments. There is also some concern from providers that people who may struggle to manage a Direct Payment are being directed to select this option simply because of pressures on domiciliary care services and reductions in the availability of other care services. Only half of Direct Payment managers stated that their local authority has an up-to-date directory of approved service providers to help people purchase support.

People in areas where support services to help manage Direct Payments are directly provided by local authorities have a more positive overall experience than those using a 'commissioned' service

- 2.12 Many local authorities commission others to provide support services for Direct Payments, but according to feedback from members of the Direct Payments Forum, a growing number of councils are in the process of reviewing or considering bringing these services back in house, primarily to improve service quality, to be able to better respond to service user and carer needs, and reduce administration costs. As of January 2021, seven⁹ of the 22 local authorities had in-house services.

9 The seven councils with in-house provision at the time of our review were: Blaenau Gwent County Borough Council, Caerphilly County Borough Council, Flintshire County Council, Monmouthshire County Council, Neath Port Talbot Council, Powys County Council and Torfaen County Borough Council.

2.13 Our survey of people using Direct Payments sought their views regarding a number of factors which we consider to be indicators of service accessibility and quality. To establish how different service configurations impact on accessibility, quality and user satisfaction, we analysed our survey data by comparing the responses from Direct Payments recipients in areas where the local authority delivers its support function in-house, with those where the service is commissioned externally and provided by third parties. **Exhibit 3** shows that survey responses from those in local authority areas with in-house services have higher levels of positive responses against a number of key metrics.

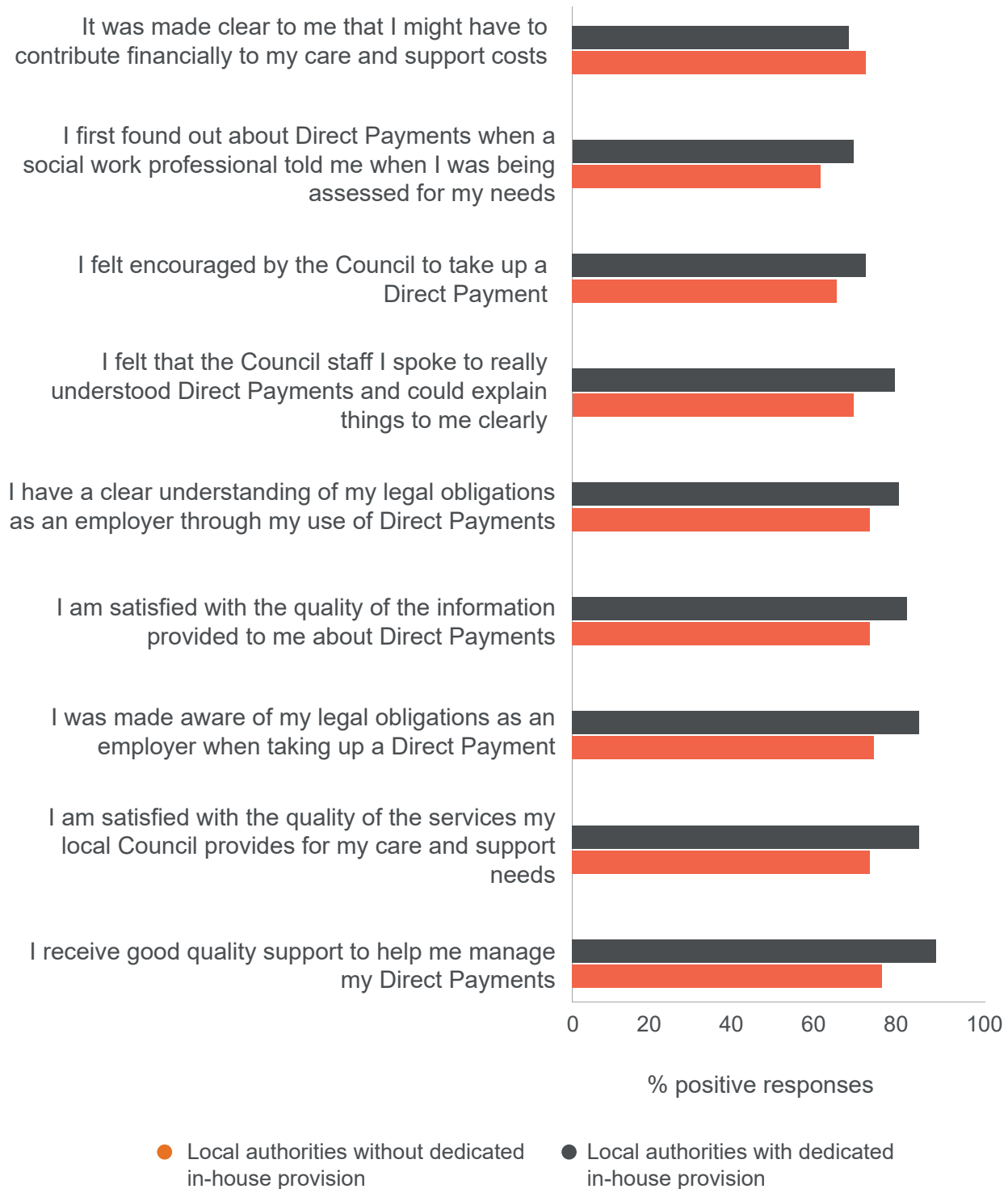
“ I’m grateful for the support and payments. I don’t have to deal with the money. Going out with someone other than family gives me independence that I’ve longed for

Source: Audit Wales, Survey of people receiving Direct Payments, September 2021.



Exhibit 3: Direct Payment recipients’ views about services, by type of administrative support service (in-house or commissioned)

Overall, people living in areas where support services are provided directly by local authorities are more positive about the service they receive than those provided by a third party.



Source: Audit Wales, Survey of people receiving Direct Payments, September 2021

2.14 Our focus group work with the All-Wales Direct Payments Forum highlighted that, in addition to supporting external clients, in-house Direct Payment teams have greater ability to work flexibly and focus on providing training and expert support to front line social workers who offer and administer Direct Payments. Given the key barriers we highlight in accessing Direct Payments (see **paragraph 1.16**) and coupled with our survey findings, this support is clearly important and is making an impact, leading to greater satisfaction with information about Direct Payments, a greater perception of social workers' understanding, and service users feeling encouraged to take up a Direct Payment.

Local authorities mostly ensured people were supported during the pandemic, but a significant number of service users and carers we surveyed had no contact during the initial lockdown and restrictions

2.15 The pandemic created many challenges for social care services and local authorities were forced to respond creatively to ensure vulnerable people were safe and supported. As with other frontline staff working in NHS or care settings, the pandemic has also had a huge impact on people providing care services organised under Direct Payments, especially Personal Assistants.

2.16 We found that where a service was interrupted or could not continue to be provided due to COVID-19, most local authorities arranged alternative provision. Local authorities also made contact to check on individuals' welfare and to ensure services continued to be provided. Direct Payment managers we spoke to however, also noted some difficulties in maintaining services. In particular, the lack of availability of Personal Assistants and/or care staff when people were self-isolating and unable to visit and support service users.

2.17 Officers we spoke to also highlighted their local authority's positive work to ensure social care staff were supported and equipped to work from home. They described how senior leaders acted proactively, keeping staff informed and up to date with changes in services and work priorities, and responded to challenges as they arose quickly and efficiently. For example, relocating staff to fill gaps in services and flexing information gathering systems to reduce the burden of administration on Personal Assistants and care providers.

2.18 57% of people receiving Direct Payments we surveyed said that their local authority did not help source Personal Protective Equipment (PPE) for their care or support provider. Service users and carers we spoke to noted that some local authorities provided PPE free of charge, some reimbursed individuals who purchased their own, but others expected service users and/or their personal assistant to purchase PPE themselves and meet the cost from their Direct Payment. In April 2021, we reported that some frontline health and social care staff experienced shortages of PPE during the pandemic¹⁰. Some people using Direct Payments experienced similar if not greater difficulties trying to source PPE on an individual level. Some service users and carers we spoke to noted that on occasion the lack of PPE and inability to source this directly resulted in services being suspended. In addition, 40% of the Direct Payments recipients we surveyed said they had received no contact from their local authority specifically to check if they had any problems resulting from the lockdown and restrictions.

While the number of people receiving Direct Payments has grown slightly in recent years, local authorities continue to use them differently across Wales

Just under two-thirds of local authorities increased take up of Direct Payments between 2016-17 and 2018-19, but only 5% of all adults in receipt of social care services were receiving them

2.19 The most recent data on Direct Payments use published in 2018-19 shows that 125,415 adults were in receipt of social care services in Wales¹¹. Of these, 6,262 (5%) received Direct Payments. The proportion of social care services provided via Direct Payments ranged from 1.6% of clients in Gwynedd to 12.9% in Ceredigion. **Appendix 3** provides more information. This data for 2018-19 does not include Caerphilly.

2.20 Just over a third of those receiving Direct Payments (36.1%) are older people (aged 65 or more). This is despite this particular age group making up over 75% of the overall number of adults receiving social services. The bulk of those receiving Direct Payments, 63.9%, are aged between 18 and 64.

10 [Procuring and Supplying PPE for the COVID-19 Pandemic, Report of the Auditor General for Wales, April 2021](#)

11 In response to the pandemic, the Welsh Government suspended collection and reporting of social services performance data in 2019-20 and the most up-to-date data is 2018-19.

2.21 Between 2016-17 and 2018-19, there had been a 5.2% increase in the numbers receiving Direct Payments with 14 of the 22 local authorities seeing a growth in take up – **Exhibit 4**. The biggest percentage rise, of 90.4%, was in the Isle of Anglesey, although the proportion of adults receiving social care services via Direct Payments in 2018-19 was still below the Wales average. The biggest fall was in Newport, -28.8%.

Exhibit 4: the number of adults receiving Direct Payments by local authority in 2016-17 and 2018-19 and change in take up over the period

Local authority	2016-17	2018-19	% Change
Isle of Anglesey	73	139	90.4%
Gwynedd	158	137	-13.3%
Conwy	221	239	8.1%
Denbighshire	106	177	66.9%
Flintshire	403	437	8.4%
Wrexham	196	272	38.7%
Powys	551	504	-8.5%
Ceredigion	199	336	68.8%
Pembrokeshire	293	331	12.9%
Carmarthenshire	448	538	20.0%
Swansea	521	517	-0.8%
Neath Port Talbot	341	433	26.9%
Bridgend	177	232	31.1%
Vale of Glamorgan	378	271	-28.3%
Rhondda Cynon Taf	372	306	-17.7%
Merthyr Tydfil	95	102	7.4%
Caerphilly	114	-	-
Blaenau Gwent	145	149	2.3%
Torfaen	131	130	-0.8%
Monmouthshire	154	131	-14.9%
Newport	132	94	-28.8%
Cardiff	746	787	5.5%
TOTAL	5,954	6,262	5.2%

Note: Caerphilly was unable to provide data for 2018-19, due to technical issues with their ICT systems.

Source: StatsWales, [CARE0118: Adults receiving services by local authority](#)

2.22 The use of Direct Payments in Wales still lags behind England. Data published by NHS Digital Services¹² shows that in 2020-21, 26.6% of people who receive social care services including 75.3% of carers in England receive Direct Payments. Performance ranges from 19.8% of all service users in the north-east of England to 38.3% in the East Midlands.

Direct Payments are used differently across Wales and local authorities have different approaches in how they deal with unused funds

2.23 How Direct Payments are used and what they pay for varies. Through our discussion with Direct Payment Forum members we found that some authorities have few, if any, restrictions and encourage people to use the money flexibly; paying for holiday accommodation, leisure activities, trips abroad and mobile phones. In comparison, other local authorities only allow Direct Payments to pay for practical help directly associated with an individual's personal care and define what Direct Payments can and cannot pay for.

2.24 Direct Payment service users and carers we surveyed raised concerns with this situation. One user of Direct Payments noted that: 'It would be very helpful to have a written list of what Direct Payments can actually be used for.' Another survey respondent summed up their experience as follows: 'The council does not make it clear how to spend the money. You still have to continually ask questions and the people in the council don't know the answers. The system is very slow and 'drawn out'. They are not flexible.'

2.25 Those who have similar support needs can also pool their Direct Payments to organise joint activities or services by taking some or all of their Direct Payment and adding these funds together to jointly purchase services¹³. This enables people to share the cost of activities, have the opportunity to spend more time with other people and get better value through increasing their spending power. However, we found that pooling budgets is very limited. And past approaches in some local authorities ended relatively quickly, despite the best endeavours of staff we interviewed.

2.26 Welsh Government guidance¹⁴ requires local authorities to work flexibly, allowing Direct Payments recipients to be able to 'bank' any unused payment to use as and when they need to. However, in reality the approach taken by local authorities varies and some local authorities seek to recover unspent money. The findings from our survey of recipients (**Exhibit 5**) are echoed in the feedback we received from local authority staff where we found wide differences in approach.

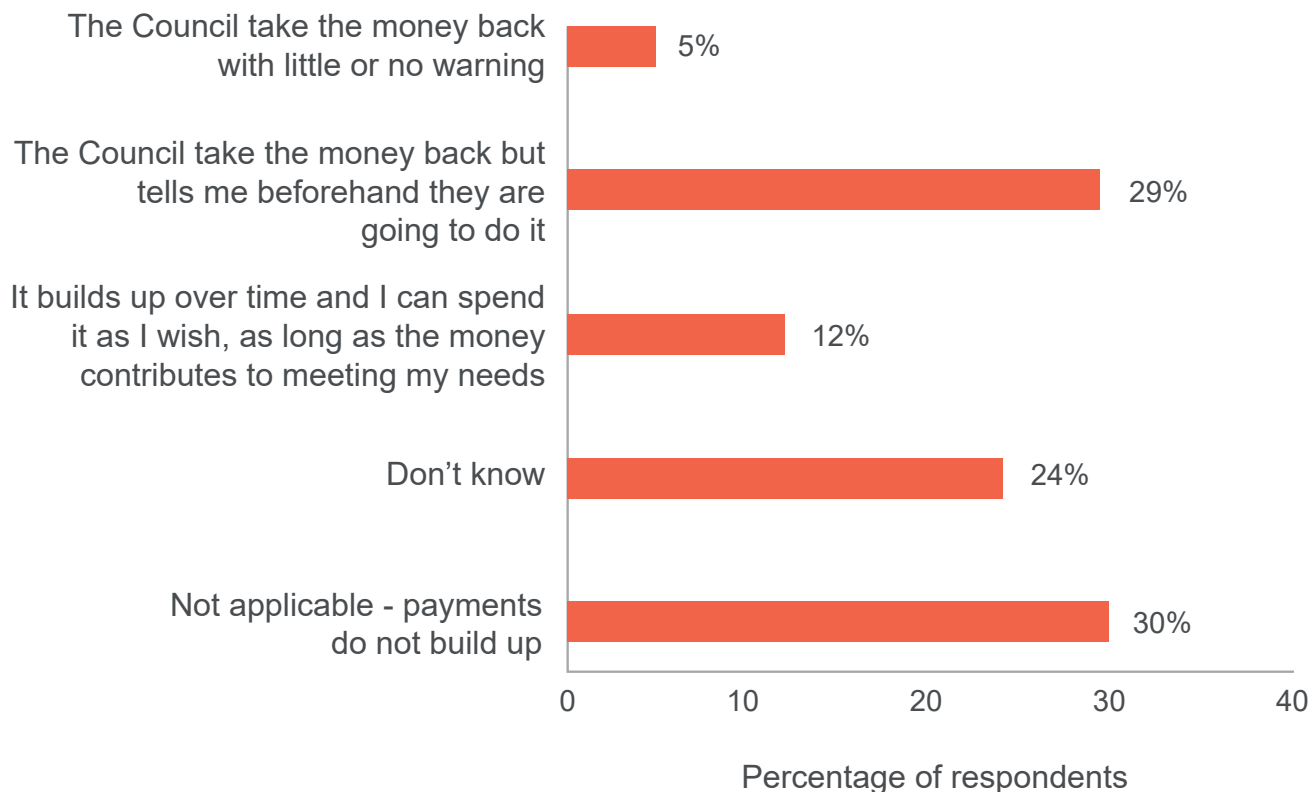
12 NHS Digital Services, [Adult Social Care Outcomes Framework](#), October 2021.

13 The Wales Co-operative Centre has published a guide setting out how people can pool budgets for Direct Payments, [Direct Payments: make them work for you](#)

14 [Social Services and Well-being \(Wales\) Act 2014: Part 4 Code of Practice \(Meeting Needs\)](#), 2015. Paragraph 159 notes that 'The flexibility inherent in direct payments means that recipients, or their representatives, must be able to adjust the amount of the direct payment they use from week to week. They must be able to 'bank' any unused payment to use as and when extra needs arise (this might particularly be relevant for those whose needs fluctuate).'

Exhibit 5: Direct Payment recipients’ experiences of what happens to payments which build up

Roughly one in eight recipients of Direct Payments build up ‘unused’ money to be used to meet future needs.



Source: Audit Wales, Survey of people receiving Direct Payments, September 2021

2.27 Taken together, our evidence highlights that further clarification, support and guidance are required to ensure that people are able to fully benefit from Direct Payments and receive a consistent standard of service.

The interface between use of NHS continuing healthcare and social care on access to Direct Payments remains a problem

- 2.28 The Welsh Government's Programme for Government 2021 to 2026 includes a commitment to 'Improve the interface between NHS continuing healthcare and Direct Payments'. In August 2021, the Welsh Government strengthened the wording in the NHS Continuing Healthcare National Framework 2021 and Decision Support Tool.
- 2.29 Importantly, the new guidance reinforces the central ethos of individuals' right to exercise voice and control to decide how, when and who supports them to meet their eligible care and support needs, especially when transitioning from Direct Payments to NHS continuing healthcare. This includes providing specific examples of actions Local Health Boards can take to support this but also recognising that assessments needed to avoid putting up barriers and pushing service users from one service to the other. Theoretically therefore it should be possible for someone to receive a needs-led assessment that supports someone's independence, voice and control.
- 2.30 Some people we surveyed in receipt of Direct Payments noted a reluctance to access NHS continuing healthcare because they fear losing their Personal Assistants and the ability to determine who provides their services. They also raised concerns that the flexibility of Direct Payments – that enables them to access a wide range of non-traditional health and/or social care services that help improve their wellbeing – will be lost.
- 2.31 Direct Payment managers also noted instances where individuals with deteriorating health needs are refusing to access NHS continuing healthcare because of fear of losing the flexibility of Direct Payments and the wellbeing improvements it brings. Direct Payment managers and some providers also raised concerns that NHS colleagues are still not fully on board with service users 'driving' decision making and maximising the opportunity to promote independence, voice and control.



**Direct Payments
are helping people
live independently
and improving their
wellbeing, but it is
difficult to assess
overall value for money
because of limitations
in data and evaluation**

3.1 In this final part of the report, we consider the impact of Direct Payments. We summarise spending on Direct Payments in Wales and highlight the variations between local authorities. Finally, we consider whether the current approaches to monitor and evaluate Direct Payments to ensure they provide value for money are effective.

Local authorities who are delivering positive outcomes for people using Direct Payments



Evidencing that people's wellbeing is maintained or improving as a result of Direct Payments



Have a comprehensive system for monitoring and evaluating all aspects of Direct Payments



Involve and value input from all stakeholders/partners in evaluating the impact of services



Compare and benchmark individual and collective performance with others and use the findings of evaluation to shape current plans and future approaches



Know what works and whether the approach of the authority is delivering the aspirations of the Act

Direct Payments are seen as making an important contribution to recipients' wellbeing and independence

- 3.2 Overall, the people we surveyed who receive Direct Payments provided positive feedback on the impact of Direct Payments. 91% of respondents to our survey stated that Direct Payments have had a positive impact on their independence and wellbeing. In addition, 85% stated that Direct Payments were definitely the right option for them. The majority of care and support providers who responded to our survey (87%) also agreed that Direct Payments are helping to support people's independence and maintain their wellbeing.
- 3.3 Some people we surveyed identified the critical role of Direct Payments in helping them remain independent. One Direct Payment recipient noted that: 'I get support to do everything I want to do and achieve' whilst another stated that: 'It's allowed me to do lots of new things and go out and enjoy and meet new people.' Another noted that: 'It (Direct Payments) gives choices and independence which have been very positive' and another that: 'the Direct Payments have enabled me to remain living in my own home'. Finally, one recipient stated that: 'I really like Direct Payments and how it lets me live as independently as I can.' And another person we surveyed noted that: 'Direct Payments allows me to have control and more importantly to have the care I need to be able to get the most out of life.' These comments were echoed by many others who responded to our survey.

It is difficult to assess the overall value for money of Direct Payments because systems for managing and evaluating performance are inadequate

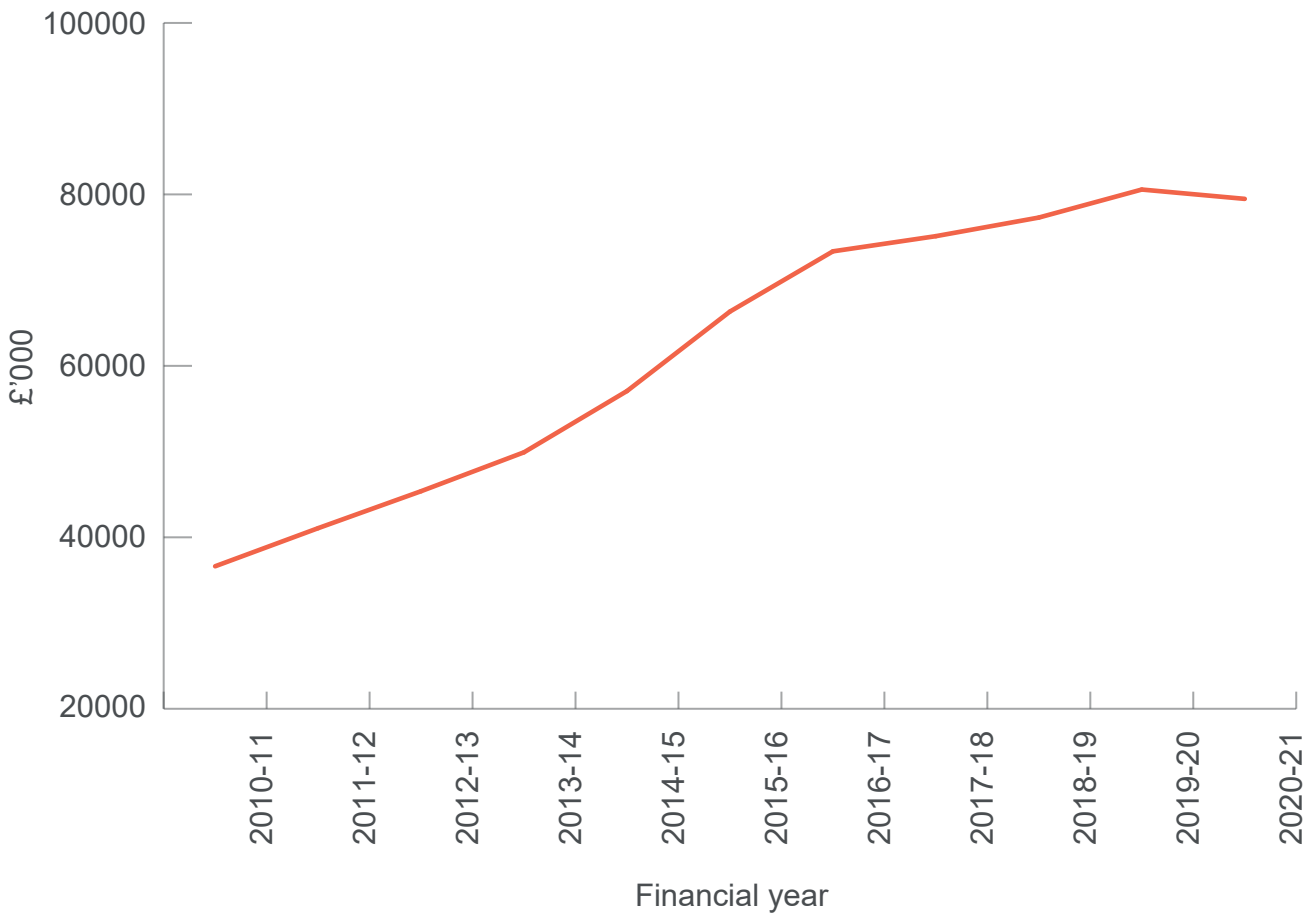
- 3.4 Despite the high value placed on Direct Payments by service users and carers, there is only a small range of national publicly reported indicators to judge performance. These simply cover the numbers receiving Direct Payments by need group (physical disabilities, learning disabilities, mental health and older people) and the amount spent on Direct Payments by local authority. The performance measures were revised following the implementation of the Social Services and Well-being (Wales) Act in 2014, and information has only been collated for three financial years: 2016-17, 2017-18 and 2018-19. Following the Welsh Government's decision to suspend data collection in response to the pandemic in 2020, no data on services other than expenditure has been collected and reported nationally.

Spending on Direct Payments has more than doubled in the last decade, but marginally fell in 2020-21. The average amount paid out per recipient varies widely

3.5 The amount of money spent on Direct Payments is growing and in real terms, considering inflation, has increased from £36.6 million in 2010-11 to £79.5 million in 2020-21 – **Exhibit 6**.

Exhibit 6: total spending on Direct Payments for adults by local authorities in real terms between 2010-11 and 2020-21

Local authorities' spending on Direct Payments increased by 117% in the period but marginally fell in 2020-21.

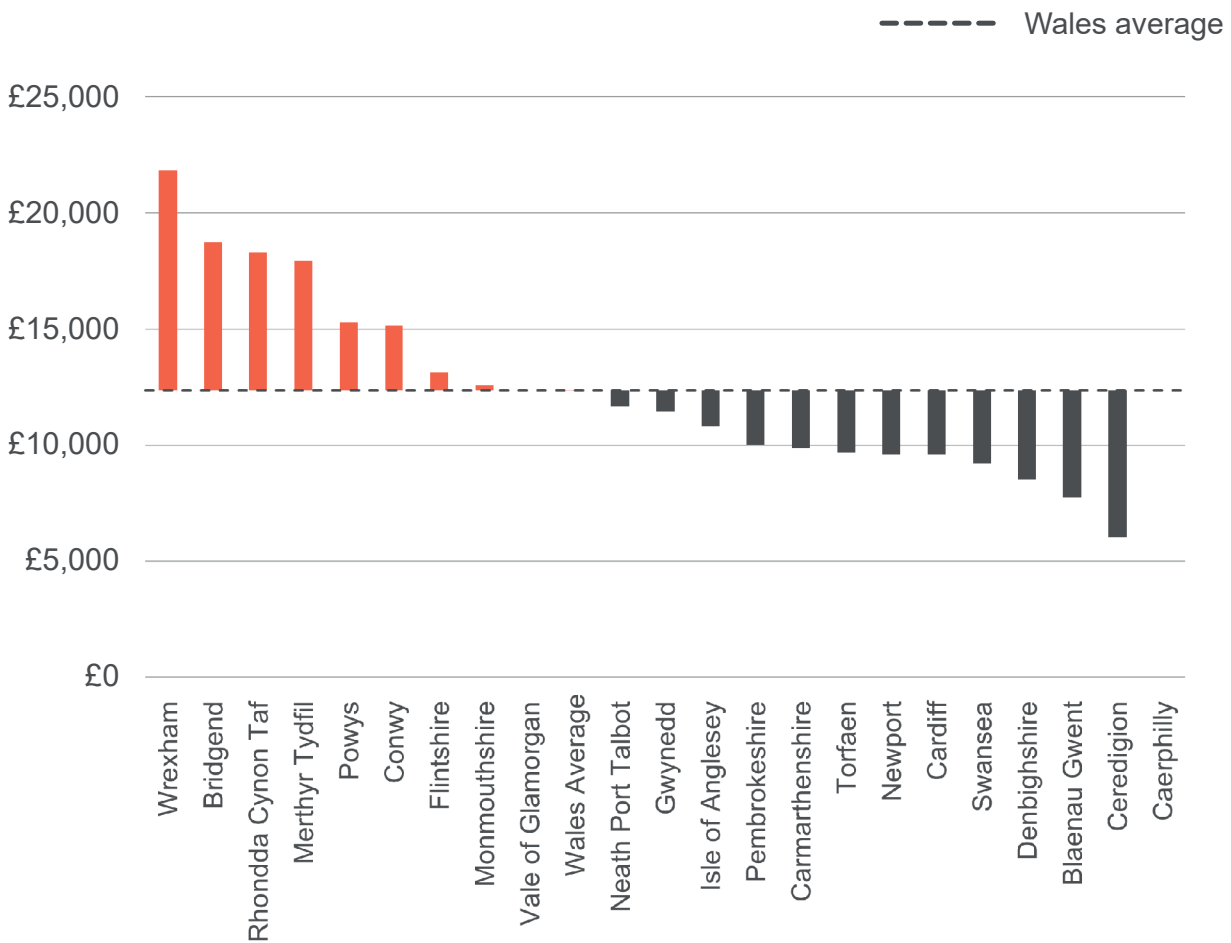


Source: StatsWales, [LGFS0015: Social services revenue outturn expenditure subjective analysis by authority](#). Analysis by Audit Wales

3.6 While each local authority is responsible for the format of care and support plans, they are required to be consistent across the country using the national eligibility criteria¹⁵. Our analysis in **Exhibit 7** shows that local authorities are paying out widely varying average amounts. Excluding Caerphilly, the average Direct Payment across Wales in 2018-19 in real terms was £12,344. This ranged from £6,033 per person in Ceredigion to £21,836, 3.6 times more, in Wrexham.

Exhibit 7: average Direct Payment per recipient by local authority in 2018-19 in real terms

The average amount people receive in Direct Payments varies widely across Wales.



Note: Caerphilly was unable to provide data on the number of recipients for 2018-19, due to technical issues with their ICT systems.

Source: StatsWales, [LGFS0015: Social services revenue outturn expenditure subjective analysis by authority](#) and [CARE0118: Adults receiving services by local authority and age group](#). Analysis by Audit Wales

15 The eligibility criteria are set out in the [Care and Support \(Eligibility\) \(Wales\) Regulations 2015](#) and the Welsh Government’s [Social Services and Well-being \(Wales\) Act 2014: Part 4 Code of Practice \(Meeting Needs\), 2015](#). Paragraph 39 of the Code of Practice notes that while people have a right to care and support from a local authority where that care and support are not otherwise available to them, the ‘pattern of service delivery will vary from authority to authority’.

3.7 Taking this information with the findings set out in **Part 2** of this report, we conclude that the policy choices and decisions of local authorities are resulting in people with similar needs receiving very different standards of service. Given the significant variation in approaches, the Welsh Government needs to set clear standards to ensure consistency for service users.

Systems for managing and evaluating performance are inadequate

3.8 Local authorities are mostly focussing their performance management and evaluation on the numbers receiving services and the amount of money spent and not enough on impact, wellbeing and the wider benefits of investment. We found that only a fifth of Direct Payment managers believe that their local authority has robust measures in place and are able to judge quality, cost and outcomes of Direct Payments on individuals and for the local authority.

3.9 Through our engagement with Direct Payments lead officers across Wales, we found that most local authorities have some measures in place and evaluate some aspects of Direct Payments, but acknowledge it is not comprehensive and there are gaps. For instance, only:

- a a third capture information that helps to identify what is not working and what needs to change;
- b a quarter capture and use information in real time;
- c less than a fifth monitor how Direct Payments contribute to delivery of Corporate Priorities – for example, wellbeing goals, improvement objectives and service priorities; and
- d less than a fifth capture positive and negative experiences from people who receive Direct Payments and know what it is like to receive them.

3.10 These weaknesses mean that it is not possible to fully evaluate and understand the performance or effectiveness of individual local authorities, or the efficiency and impact of Direct Payments. This makes it difficult to judge how well local authorities are performing and whether Direct Payments represent value for money in their own right or in comparison with other forms of social care.



Appendices

- 1 Audit methods and approach**
- 2 Determining eligibility for social care and support**
- 3 Adults receiving social care services organised by local authority in 2018-19**
- 4 Personal Assistant hourly pay rates by local authority**

1 Audit methods and approach

Approach

We focused on local authorities' management and delivery of Direct Payments. The work follows on from our September 2019 report on [The 'Front Door' to Adult Social Care](#), which focussed on the impact of the Social Services and Well-being (Wales) Act 2014 and the prioritisation of preventative services to help reduce demand for social care services.

Our review assessed how Direct Payments are helping people to live independently and enable them to have more voice, choice and control. We looked at how Direct Payments help sustain their wellbeing and whether they are improving people's quality of life. We looked at how local authorities manage and encourage take up of Direct Payments and judge whether these services present value for money.

We established a study reference group and held project meetings with Care Inspectorate Wales, Carers Wales, the Older People's Commissioner, Age Cymru, the Welsh Government, and a small number of service users. The reference group helped to shape the focus of this review and provided challenge at our evidence review stage.

We managed delivery of the review to take account of the challenges facing social services in Wales in dealing with the pandemic. We ensured the scope and coverage of our fieldwork did not detract from local authority responsibilities towards service users and flexed our approach in discussion with individual local authorities when agreeing and delivering fieldwork.

Methods

We completed our work between September 2020 and February 2022 and used a range of methods to inform our overall findings, conclusions and recommendations:

- **document review** – we reviewed Welsh Government, Association of Directors of Social Services Cymru and Social Care Wales documentation, guidance and announcements; local authority policy documentation and cabinet and committee papers; a range of materials on approaches for management of Direct Payments in England; and reports and information published by research bodies including the Joseph Rowntree Foundation, the Kings Fund and Think Local Act Personal.

- **focus groups** – we held:
 - three on-line focus groups with members of the All-Wales Direct Payments Forum made up of officers from each of the 22 Welsh local authorities with management responsibility for Direct Payments. In each of the focus groups, attendees completed a survey and we held facilitated discussions.
 - Carers Wales focus groups with Direct Payments service users and their carers.
- **local authority interviews** – we interviewed staff from Bridgend, Caerphilly, Cardiff, Flintshire, Gwynedd, Newport, Powys, Torfaen and Wrexham councils with responsibility for direct payments.
- **interviews with national bodies** – ADSS Cymru, the Welsh Local Government Association, British Association of Social Workers Cymru, Social Care Wales, Disability Wales, UK Home Care Association, Care Forum Wales, Wales Co-op Centre, the Equalities and Human Rights Commission Cymru, Wales School of Social Care Research, the Welsh Government, British Deaf Association and Think Local Act Personal.
- **surveys** – we undertook two surveys:
 - a commissioned telephone survey of service users and carers receiving Direct Payments. A total of 1,028 people from a database of 4,650 valid contacts were surveyed, with 71% completed via telephone and the remainder submitting online survey forms. Of this figure 5% surveyed are carers. All contacts were provided by local authorities using secure data transfer. The survey was conducted between 4 August and 24 September 2021, with 5% of responses completed in Welsh. Given our survey covers both service users and carers who receive Direct Payments, we report information at three levels. Where we say Direct Payment recipients, we mean both service users and carers; and where we specifically reference either ‘service users’ or ‘carers’ means the findings of the survey are specific to these distinct groups of people; and
 - a survey of individuals and agencies paid via Direct Payments to provide care and support to adults in need. The online open survey was completed between 11 June 2021 and 18 August 2021. We received a total of 166 responses, and these came from all 22 local authority areas, with 3% of responses completed in Welsh.
- **data analysis** – we analysed data published by StatsWales on Direct Payments expenditure, the number of adults receiving services and their needs. We also analysed data published by NHS Digital Services in England.

2 Determining eligibility for social care and support



Widely known as **the Information, Advice and Assistance service**, this is the front door to adult social care and is the first point of contact for most individuals looking for help.



At the first point of contact, individuals will be offered information, advice and assistance to help them make informed decisions about their wellbeing.

From here, local authorities will often signpost individuals to preventative or community-based services. If a person's needs cannot be met in that way, they will be directed to a professional social worker to discuss their needs in more detail.



Often referred to as the 'What Matters conversation', the assessment of needs undertaken with a social worker is a targeted conversation to gather more information about a person's strengths and needs, to identify the best solutions for them.



If a person's needs cannot be met without local authority support, a care and support plan is co-produced to set out how those needs will be met through the provision of services. This is often referred to as having 'eligible needs'.

These services can be arranged directly by the local authority or, alternatively, funded through Direct Payments – a monetary amount that can be used to purchase and arrange a person's own care and support.

3 Adults receiving social care services organised by local authority in 2018-19

Exhibit 8: adults receiving social care services organised by local authority in 2018-19

Local authority	Total number of adults receiving social services	Number of adults in receipt of Direct Payments	Direct Payments as % of adults receiving services
Blaenau Gwent	3,826	149	3.9%
Bridgend	7,059	232	3.3%
Caerphilly	No data submitted due to technical issues with ICT systems		
Cardiff	15,331	787	5.1%
Carmarthenshire	7,658	538	7.0%
Ceredigion	2,595	336	12.9%
Conwy	7,060	239	3.4%
Denbighshire	2,872	177	6.2%
Flintshire	8,041	437	5.4%
Gwynedd	8,774	137	1.6%
Isle of Anglesey	3,382	139	4.1%
Merthyr Tydfil	2,696	102	3.8%
Monmouthshire	4,449	131	2.9%
Neath Port Talbot	3,371	433	12.8%
Newport	4,462	94	2.1%
Pembrokeshire	4,398	331	7.5%
Powys	5,827	504	8.6%
Rhondda Cynon Taf	7,094	306	4.3%
Swansea	8,932	517	5.8%
Torfaen	3,241	130	4.0%
Vale of Glamorgan	5,533	271	4.9%
Wrexham	8,814	272	3.1%
Wales	125,415	6,262	5.0%

Source: StatsWales, [CARE0118: Adults receiving services by local authority and age group](#)

Following the Welsh Government's decision to suspend data collection in response to the pandemic in 2020, no data on services other than expenditure has been reported nationally since 2018-19.

4 Personal Assistant hourly pay rates by local authority

The rates in the Vale of Glamorgan, Torfaen and Blaenau Gwent local authorities vary to take account of weekend, evening and unsocial hours working.

Exhibit 9: personal assistant hourly pay rates by local authority

Local authority	Personal Assistants rate (per hour)
Merthyr	£12.94
Wrexham	£12.67
Swansea	£12.66
Flintshire	£12.63
Gwynedd	£12.62
Pembrokeshire	£12.40
Denbighshire	£12.33
Carmarthenshire	£12.20
Vale of Glamorgan	£11.24 - £12.18
Rhondda Cynon Taf	£12.15
Bridgend	£12.00
Torfaen	£8.72 - £11.85
Conwy	£11.75
Ynys Môn	£11.65
Powys	£11.41
Cardiff	£11.36
Monmouthshire	£11.04
Ceredigion	£11.00
Neath Port Talbot	£10.50
Blaenau Gwent	£8.72 - £10.00
Newport	£9.50
Caerphilly	£9.47

Source: Swansea Council, Corporate Management Team report, January 2021



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Report title: Value for Money – Direct Payments

Local or National Report: National

Completion date: Published April 2022

To be presented to Governance and Audit Committee on the 18th October 2023.

Ref	Recommendation	Organisational response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer / group	Business Plan
R1	Review public information in discussion with service users and carers to ensure it is clear, concise and fully explains what they need to know about Direct Payments	<p>In July 2023 Gwent Directors for social Services and Adults Heads of Service appointed a Direct Payments Lead Manager whose role is to provide project management support to the 5 local authorities over a 2-year period.</p> <p>Public information will be reviewed, in consultation with service users/carers, during the course of the project.</p>	Timescale to be agreed. (No later than July 2025)	Lead Officer – Andrea James, Direct Payments Manager and Andrew Day, Adults Service Manager	Tier 1 Safeguarding and Commissioning
R2	Undertake additional promotional work to encourage take up of Direct Payments	<p>As stated in R1, In July 2023 In July 2023 Gwent Directors for social Services and Adults Heads of Service appointed a Direct Payments Lead Manager whose role is to provide project management support to the 5 local authorities over a 2-year period.</p> <p>Additional promotional work to encourage the take up of direct payments will be considered during the course of this project.</p>	Timescale to be agreed. (No later than July 2025)	Lead Officer – Andrea James, Direct Payments Manager and Andrew Day, Adults Service Manager	Tier 1 Safeguarding and Commissioning
R3	Ensure advocacy services are considered at the first point of contact to provide independent advice on Direct Payments to service users and carers	<p>Robust Advocacy Services are already in place across the Gwent region. This service provides free independent support and advice to the citizens of Blaenau Gwent.</p> <p>The Authority actively promotes Advocacy Services. It also has an in-house Direct Payments Support Team who are available to provide support and advice on direct payments to citizens and all professionals.</p>	Completed	Lead Officer – Andrea James, Direct Payments Manager and Andrew Day, Adults Service Manager	Tier 1 Safeguarding and Commissioning

Ref	Recommendation	Organisational response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer / group	Business Plan
R4	Ensure information about Direct Payments is available at the front door to social care and are included in the initial discussion on the available care options for service users and carers	<p>Direct Payments information is advertised on the Authority's website and intranet. Citizens, Social Care Professionals, and 3rd Party Organisations, have easy access to this information.</p> <p>The Authority also has an in-house Direct Payments Support Team who are available to provide support and advice on direct payments to citizens, social care professionals and 3rd party organisations/ partners. Discussions often take place between social care teams and the direct payments team, and joint visits are arranged with services user/carers, at their homes.</p> <p>Social Care Professionals are aware of the SS&WB Act (Wales) 2014, and that direct payments are an integral part of meeting a person's needs through care and support planning and the option of having a direct payment is discussed as part of this process.</p>	Completed	Lead Officer – Andrea James, Direct Payments Manager and Andrew Day, Adults Service Manager	Tier 1 Safeguarding and Commissioning
R5	Provide training to social workers on Direct Payments to ensure they fully understand their potential and feel confident promoting it to service users and carers	As part of the induction process, all newly qualified social workers are provided with information and an explanation of direct payments. The Authority also has an in-house Direct Payments Team who are on hand, to provide support and advice on direct payments to all social care staff, on a daily basis.	Completed	Lead Officer – Andrea James, Direct Payments Manager and Andrew Day, Adults Service Manager	Tier 1 Safeguarding and Commissioning
R6	To ensure there is sufficient Personal Assistant capacity, we recommend that local authorities through the All-Wales local authority Direct Payments Forum and with Social Care Wales:	The Authority welcomes the opportunity of working with other local authorities and Social Care Wales to consider the options available to progress the development and management of a joint recruitment and retention plan for Personal Assistants who	The progress of this recommendation is dependent on the engagement of other local authorities, in conjunction with Social Care Wales.	To be achieved via the All-Wales local authority Direct Payments Forum and with Social Care Wales	Tier 1 Safeguarding and Commissioning

	Work together to develop a joint Recruitment and Retention Plan for Personal Assistants.	support direct payments recipients throughout Wales	A timeframe for this piece of work, will be confirmed by April 2024 and reported to Directors of Social Services	Lead Officer – Andrea James, Direct Payments Manager and Andrew Day, Adults Service Manager	
R7	<p>To ensure services are provided equitably and fairly we recommend that local authorities and the Welsh Government:</p> <p>Clarify policy expectations in plain accessible language and set out:</p> <ul style="list-style-type: none"> what Direct Payments can pay for. how application and assessment processes, timescales and review processes work. how monitoring individual payments and the paperwork required to verify payments will work; how unused monies are to be treated and whether they can be banked; and how to administer and manage pooled budgets. <p>Public information should be reviewed regularly (at least every two years) to ensure they are working effectively and remain relevant.</p>	The Authority welcomes the opportunity of working with other local authorities to review direct payment policies and practices to provide further clarity and transparency, if required. This will ensure a consistent approach is in place for all direct payment recipients throughout Wales.	<p>The progress of this recommendation is dependent on Welsh Government's engagement with local authorities, and if Welsh Government need to provide additional guidance on the administration of direct payments.</p> <p>A timeframe for this piece of work, will be confirmed by April 2024 and reported to Gwent Directors of Social Services</p>	<p>To be achieved jointly between Welsh Government and LA</p> <p>Lead Officer – Andrea James, Direct Payments Manager and Andrew Day, Adults Service Manager</p>	Tier 1 Safeguarding and Commissioning
R9	Work together to establish a system to fully evaluate Direct Payments that captures all elements of the process – information, promotion, assessing, managing and evaluating impact on wellbeing and independence.	The Authority welcomes the opportunity of working with Welsh Government and other local authorities to explore the options of establishing a system that captures all elements of the administration of direct payments throughout Wales, thus providing a streamlined and consistent approach	A timeframe for this piece of work, will be confirmed April 2024 and reported to Gwent Directors of Social Services	<p>Lead Officer – Andrea James, Direct Payments Manager and Andrew Day, Adults Service Manager</p> <p>To be achieved jointly between Welsh Government and LA</p>	Tier 1 Safeguarding and Commissioning

R10

Annually publish performance information for all elements of Direct Payments to enable a whole system view of delivery and impact to support improvement.

The Authority welcomes the opportunity of working with Welsh Government and other local authorities to explore the creation of meaningful performance management information for direct payments throughout Wales

A timeframe for this piece of work, will be confirmed by April 2024 and reported to the Gwent Directors of Social Services

To be achieved jointly between Welsh Government and LA

Lead Officer –
Andrea James,
Direct Payments
Manager and
Andrew Day, Adults
Service Manager

**Tier 1
Safeguarding and
Commissioning**

Agenda Item 10

Executive Committee and Council only

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: **Governance and Audit Committee**
Date of meeting: **18th October 2023**
Report Subject: **Blaenau Gwent Council Self-Assessment 2022/23**
Portfolio Holder: **Cllr Steve Thomas, Leader / Cabinet Member
Corporate Services and Performance**
Report Submitted by: **Damien McCann, Interim Chief Executive**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder	Governance and Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
	28/09/23	08.10.23	18/10/23		12/10/23		24/10/23	Cabinet CLT 18/09/23

1. **Purpose of the Report**
 - 1.1 For the Governance and Audit Committee to be provided with the Council's Self-Assessment report 2022/23, found at appendix 1.
 - 1.2 The Self-Assessment provides a retrospective and factual account of the activity undertaken by the Council during the previous financial year 2022/23. It has been developed in line with the requirements as outlined in the Local Government and Elections (Wales) Act 2021.
2. **Scope and Background**
 - 2.1 The Self-Assessment is a new requirement for all local authorities across Wales as outlined within the Local Government and Elections (Wales) Act 2021. The Act requires each council in Wales to keep under review, through self-assessment, the extent to which it is meeting the 'performance requirements', that is the extent to which:
 - It is exercising its functions effectively;
 - It is using its resources economically, efficiently, and effectively;
 - and
 - Its governance is effective for securing the above.
 - 2.2 Local authorities are required to produce a self-assessment once every financial year in order to assess activity over the past year and to consider the required activity for the coming year.
 - 2.3 Self-assessment is a way of critically, and honestly, reviewing the current position in order to make decisions on how to secure improvement for the future.
 - 2.4 Self-assessment of how the council is meeting the performance requirements places ownership of performance and improvement firmly with local government. Considering the extent to which the council is meeting the performance requirements is a corporate, organisational assessment, rather than an assessment of individual services, aimed at

ensuring the council's ability to respond to the changing environment in which it operates.

- 2.5 The council needs to have an evaluative culture and mindset embedded in all it does, rather than see self-assessment as a standalone process to be completed once a year. The self-assessment process has been embedded as part of the council's performance management framework and is aligned to the Council's Corporate Plan and Business Planning process.
- 2.6 The Well-being of Future Generations (Wales) Act 2015 is also a key piece of legislation when undertaking self-assessment. The Council is required to meet the duties under this Act in accordance with the sustainable development principle, the Well-being Goals, the core set of corporate governance activities and the five ways of working.
- 2.7 The Self-Assessment will be provided in a number of ways:
- Full assessment detailing all statutory requirements for reporting;
 - An easy read summary of the full assessment;
 - A visual, engaging and user friendly infographic; and
 - Each chapter to be made available separately for easy access to certain information.
- 2.8 A further requirement of the Local Government and Elections (Wales) Act 2021 is for each local authority to hold a panel performance assessment once in an electoral cycle, providing an opportunity to seek external insights (other than from auditors, regulators or inspectors) on how the council is meeting the performance requirements. This will be progressed in years 3 to 4 of the political cycle.

3. **Options for Recommendation**

3.1 **Option 1**

The Committee is assured that the Council's Self-Assessment 2022/23 is an accurate account of the effectiveness and performance management arrangements of the Council.

Option 2

For the Governance and Audit Committee to make any recommendations for changes to the conclusions or actions the council intends to take.

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

- 4.1 The Self-Assessment is a requirement as part of the Local Government and Elections (Wales) Act 2021.
- 4.2 The Self-Assessment must follow the requirements as outlined as part of the Well-being of Future Generations (Wales) Act 2015.

- 4.3 The Self-Assessment is aligned to the Council's Corporate Plan and performance management framework.
5. **Implications Against Each Option**
- 5.1 ***Impact on Budget (short and long term impact)***
There are no direct impacts on the budget for the production of the Self-Assessment, but budget information has been provided at the relevant sections within the document.
- 5.2 ***Risk including Mitigating Actions***
- 5.2.1 There is a risk to the Council if they do not abide with the legislative requirements to produce a self-assessment report on an annual basis.
- 5.2.2 Risk considerations have been provided at the relevant sections within the document.
- 5.3 ***Legal***
There is a legislative requirement for the Council to produce a self-assessment report on an annual basis.
- 5.4 ***Human Resources***
There are no direct impacts on the workforce for the production of the Self-Assessment, but workforce information has been provided at the relevant sections within the document.
- 5.5 ***Health and Safety***
There are no direct impacts on Health and Safety for the production of the Self-Assessment, but information has been provided at the relevant sections within the document.
6. **Supporting Evidence**
- 6.1 ***Performance Information and Data***
- 6.1.1 Performance information has been provided at the relevant sections within the document.
- 6.1.2 The learning and evaluations from the self-assessment will be used to inform future planning activity as identified within the Council's Corporate Plan and business planning process.
- 6.2 ***Expected outcome for the public***
Providing a transparent assessment of performance during 2022/23 in order to inform future planning.
- 6.3 ***Involvement (consultation, engagement, participation)***
- 6.3.1 Involvement is a key area within the Self-Assessment and information has been provided at the relevant sections within the document.
- 6.3.2 There are legislative requirements for engagement as part of the Local Government and Elections (Wales) Act 2021. Information on this has been

included in the self-assessment and will be aligned in future to the agreed engagement and participatory priorities of the Council.

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

Long term is a key area within the Self-Assessment and information has been provided at the relevant sections within the document.

Learning from the self-assessment is used to inform future planning, including the 5 year Corporate Plan.

6.5 ***Preventative focus***

6.5.1 Prevention is a key area within the Self-Assessment and information has been provided at the relevant sections within the document.

6.5.2 Learning from the self-assessment is used to inform future planning and to prevent problems for becoming greater in the future.

6.6 ***Collaboration / partnership working***

Collaboration is a key area within the Self-Assessment and information has been provided at the relevant sections within the document.

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

Integration is a key area within the Self-Assessment and information has been provided at the relevant sections within the document.

6.8 ***Decarbonisation and Reducing Carbon Emissions***

Decarbonisation is a key area within the Self-Assessment and information has been provided at the relevant sections within the document.

6.9a ***Socio Economic Duty Impact Assessment***

This report is an evaluation of previous performance and activity throughout 2022/23 and is not seeking a decision that would have an impact on this area.

6.9b. ***Equality Impact Assessment***

6.9.1b This report is an evaluation of previous performance and activity throughout 2022/23 and is not seeking a decision that would have an impact on this area.

Equalities is a key area within the Self-Assessment and information has been provided at the relevant sections within the document.

7. ***Monitoring Arrangements***

7.1 Self-assessment is part of the Council's performance management framework of ongoing assessment and review and is aligned to the Corporate Plan and Business Planning process.

Background Documents /Electronic Links

- *Blaenau Gwent Council Self-Assessment 2022/23*



Blaenau Gwent County Borough Council's Self-assessment 2022/2023



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

Contents

Introduction	<u>3</u>
Our Understanding of Blaenau Gwent	<u>4</u>
Overall Council Self-Assessment	
• <i>Is the Council exercising its functions effectively?</i>	<u>7</u>
• <i>Is the Council using its resources economically, efficiently and effectively?</i>	<u>12</u>
• <i>Are the governance arrangements of the Council effective for securing continuous improvement?</i>	<u>15</u>
Overall Progress of the Council's Well-being Objectives 2022/23:	
• <i>Maximise learning and skills for all to create a prosperous, thriving, resilient Blaenau Gwent</i>	<u>20</u>
• <i>Respond to the nature and climate crisis and enable connected communities</i>	<u>37</u>
• <i>Empowering and supporting communities to be safe, independent and resilient</i>	<u>46</u>
• <i>An ambitious and innovative council delivering the quality services at the right time and in the right place</i>	<u>58</u>
Overall Progress of the 7 Corporate Planning Areas:	
• <i>Corporate planning</i>	<u>67</u>
• <i>Financial planning</i>	<u>68</u>
• <i>Workforce Planning (people)</i>	<u>68</u>
• <i>Procurement</i>	<u>70</u>
• <i>Assets</i>	<u>71</u>
• <i>Risk Management</i>	<u>73</u>
• <i>Performance Management</i>	<u>75</u>
Overall Progress of the Sustainable Development Principles:	
• <i>Long term</i>	<u>75</u>
• <i>Prevention</i>	<u>76</u>
• <i>Integration</i>	<u>78</u>
• <i>Collaboration</i>	<u>78</u>
• <i>Involvement</i>	<u>79</u>
Overall Progress of the Well-being Goals 2022:	
• <i>A Prosperous Wales</i>	<u>82</u>
• <i>A Resilient Wales</i>	<u>84</u>
• <i>A More Equal Wales</i>	<u>84</u>
• <i>A Wales of Cohesive Communities</i>	<u>86</u>
• <i>A Wales of Vibrant Culture and Thriving Welsh Language</i>	<u>88</u>
• <i>A Globally Responsible Wales</i>	<u>91</u>
• <i>A Healthier Wales</i>	<u>94</u>
Progress made against 2021/ 2022 actions	<u>95</u>
Feedback	<u>103</u>

Introduction

The Local Government and Elections (Wales) Act 2021, requires councils to keep their performance under review through self-assessment, with the need to publish a report setting out the conclusions of the self-assessment once every financial year.

This is the second annual self-assessment report of Blaenau Gwent County Borough Council covering the year 2022/23. The focus of the self-assessment is the Council's Corporate Plan priorities, known as Well-being Objectives, and providing an assessment of how well the Council feels it has achieved these and where further improvement is required. The Corporate Plan 2022/27 Well-being Objectives 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; and**
- **Empowering and supporting communities to be safe, independent and resilient.**

To align to the requirements of the Well-being of Future Generations (Wales) Act 2015, the Council has also provided an assessment against the:

- **Sustainable development principle;**
- **Seven corporate areas of planning; and**
- **Well-being goals.**

Throughout all sections of the self-assessment the Council has considered:

- **How well are we doing? Narrative of the activity that has taken place;**
- **How do we know? Qualitative and quantitative evidence provided; and**
- **What and how can we do better? Actions to implement over the coming years.**



This self-assessment has been developed at a point in time and includes the information available at that time. The Council's approach to self-assessment is an ongoing and fluid process of review, and the assessment will be updated as and when more information becomes available. The Council also recognises that the self-assessment process will evolve over time to meet the requirements of the Local Government and Elections (Wales) Act 2021 and the arrangements will be amended, as appropriate moving forward, so that there is an effective programme of review and evaluation in place to challenge the effectiveness of the services provided. As part of this process, the Council actively promotes and partakes in participation and engagement activities with various groups and the community, however, further work will be undertaken throughout the year to enhance our reach and to promote transparency aligned to our new Engagement and Participation Strategy due for approval in early 2024.

As a council we work to a 'One Council' approach, and this is seen throughout the document with various examples and evidence of activity fitting under a number of the strategic priorities and themes. Progress and challenges are also identified throughout the document.

The Council welcome any feedback you might have about the Self-assessment 2022/23. Your views are important to us, and we want to know what information you would like to see and how you would like to see it reported. Please contact the team on the details at the end of this document if you would like to give feedback on the Assessment or if you require this document in a different format e.g. large print, Braille, audio version, etc.

Our Understanding of Blaenau Gwent

Overview of Blaenau Gwent

Blaenau Gwent is a place like no other. It is a place of heritage and dramatic change, with a sense of its past but its eyes firmly on the future. At the head of the Gwent Valleys – Blaenau Gwent provides a unique environment to live and work. The Tech Valleys Vision, Valleys Regional Park and Cardiff Capital Region City Deal combined with new transport links through the soon to be completed Heads of the Valley Road and rail routes to Cardiff bring a bright future. Together with the amazing location and surrounding parkland our people and communities make Blaenau Gwent great. Our people have influence on the local, national, and international stage in the arts, sport and politics for many generations – putting Blaenau Gwent on the map for all the right reasons.

The Blaenau Gwent Area

The Blaenau Gwent area is relatively small geographically. It is 42.09 sq. miles being, at most, 15 miles north to south and 8 miles east to west. Blaenau Gwent is defined physically by high hillsides dividing the three main valleys. These valleys are home to towns and villages which seem to merge into one. However, each community proudly maintains its own character and traditions. Although the towns give the area a busy, urban feel, Blaenau Gwent is actually a largely rural area. Wherever you are, beautiful countryside is never far away.



The Blaenau Gwent Population

Results of the Census 2021 show that the resident population of Blaenau Gwent is 66,900, which is a decrease of 4.2% from the 2011 Census when the population was 69,800. As of 2021, Blaenau Gwent was the sixth most densely populated of the 22 local authority areas, with around four people living on each football pitch-sized area of land. The population change by age group in Blaenau Gwent shows that there has been an increase of 9.0% in people aged 65 years and over, a decrease of 7.5% of people aged 15 to 64 years, and a decrease of 5.4% of children aged under 15 years. The population is projected to continue to decrease, including a 9.9% decrease in the number of children, a 6.1% decrease in the number of working age population and a 24.2% increase in the number of people aged 65 and over (Source: Stats Wales).

The percentage of residents aged 16 years and over who are economically active and in employment in Blaenau Gwent is at 52.2% an increase of 2.7% since 2011. The 2021 Census showed that Blaenau Gwent had the highest proportion of residents aged 16 to 64 years who were economically inactive and long-term sick or disabled across the whole of England and Wales at 36.1%. 49% of women and 55.7% of men, aged 16 years and over were in employment. 2.7% of women and 4.1% of men in Blaenau Gwent were unemployed.

21% of Blaenau Gwent Adults with a disability were economically active and employed. However, in contrast, Neath Port Talbot and Blaenau Gwent have the joint-third highest proportion of economically inactive disabled residents (76.9%) across both England and Wales, and the highest in Wales.

The 2021 Census identified that there are 4,035 Welsh speakers living within Blaenau Gwent, which equates to 6.2% of the population. The aims of Blaenau Gwent's Welsh Language Promotion Strategy 2022/27 are linked with the Welsh Government's vision to create a million Welsh speakers in Wales by 2050. To meet this aim, Blaenau Gwent would need a 46% increase in speakers which equates to 1,856 people.

As at 31st March 2023, the Council headcount was 2,892. A total of £188.7 million was spent on providing services during 2021-22, which is the 3rd lowest spending of the 22 unitary councils in Wales. (Data Cymru - Revenue Outturn Expenditure 2021/2022).

Blaenau Gwent Council

The Council continues to be the largest employer within the borough, employing 2,953 people (including school based staff). Almost 80% of the Council's workforce are in permanent roles which provides a stability within the establishment. Vacancies remain consistent with last year, however, there has been an improving position for Social

Services where there has been success with recruitment days. The Catering and Cleaning services have been asked to consider similar action to address recruitment and retention difficulties. There are recruitment and retention difficulties in pockets of professional and technical areas. Over half of the workforce remains 'service based' with the remaining staff split between home workers at 8%, and agile workers at 34%. The Council has a low level of diversity amongst its workforce with 69% identifying as 'British/Welsh/English/Scottish/Northern Irish', which is reflective of the community. Promoting diversity in the workforce will continue to be a key priority as part of the Council's Workforce Strategy. The Council has an ageing workforce where 58% of the workforce is over the age of 46, with 10% of the workforce aged 29 and under.

Democratic Arrangements in Blaenau Gwent

In 2021, the Local Democracy and Boundary Commission for Wales reformed the ward boundaries of Blaenau Gwent. The changes meant that the number of Blaenau Gwent councillors reduced by 9, taking the council from 42 to 33



Comisiwn Ffiniau a
Democratiaeth Leol
Cymru

Local Democracy and
Boundary Commission
For Wales

members. This equates to an average of 1,545 electors per councillor. The number of wards also reduced from 16 to 14, with each ward electing more than 1 councillor. 9 wards have 2 councillors, while 5 wards have 3 councillors and 5 wards saw no change under the reforms. These changes came into being from May 2022, as part of the local government election. Following the election there was a change to the political make up of Blaenau Gwent Council, moving from being Independent to Labour. The political make-up of the Council is currently:

- Labour 22; and
- Independent 11.

The Council operates a democratic structure where effective decision making can take place. The Cabinet is effectively the decision making body of the Council. It has responsibility for making decisions which are in line with the Council's overall policies and budget. If it wishes to make a decision which is outside the budget or policy framework, this must be referred to the Council as a whole. Members have the responsibility to ensure that the necessary business of the Council is carried out efficiently, effectively, and in a manner appropriate for the proper conduct of public business. The Cabinet carry out all of the Local Authority functions which are not the responsibility of any other part of the Authority, whether by law or under the Constitution.

The 33 Blaenau Gwent elected members are collectively the decision making body for the Authority. This is complemented by an officer structure of trained and experienced people. Most policy decisions are developed by the Cabinet, which comprises the Leader of the Council and four Cabinet Members with individual portfolio responsibilities. In addition to the Cabinet, the Authority's Committee structure also comprises three decision making Committees: 1 x Planning and 2 x Licensing; four Scrutiny Committees; a Standards Committee; a Democratic Services Committee; and a Governance and Audit Committee.

Scrutiny is made up of non-Cabinet Members who are appointed to sit on the Committees to support the work of the Cabinet and the Council as a whole. The Committees have no decision making powers; however, they act as a check and balance on the powers exercised and decisions taken by Cabinet. Scrutiny enables non-Cabinet Members to have a greater say in Council matters.

Corporate Leadership Team

The Council has a structure in place to support the delivery of services and decision making via its Corporate Leadership Team (CLT). During 2022/23, CLT underwent a number of changes with the appointment of a new Corporate Director of Regeneration and Community Services. It has operated with an interim Chief Executive and interim Corporate Director of Social Services throughout the year. The Council also has in place a Wider Corporate Leadership Team (WCLT) who support CLT in its role of providing strategic direction to the organisation. It is a forum to disseminate information and to communicate messages, ensuring a 'one council' approach.

External Audit

The Council is subject to numerous external audits and regulatory reviews each year. These are undertaken to ensure the Council provides value for money, services are being run efficiently and effectively, and that improved services are being delivered. The Council is monitored by a number of regulatory bodies, the main of which are: Audit Wales; Care Inspectorate Wales; and Estyn.

Audit Wales

Engagement arrangements with Audit Wales are in place with meetings held with the Head of Governance and Partnerships, with the Section 151 Officer and also the Chief Executive. Quarterly meetings are also undertaken with the Leadership.

Audit Wales Reporting during 2022/23 include:

Local Reports	National Audit Wales Reports	Audit Wales Reports still in Progress (with the outcome of each expected in 2023/24)
<ul style="list-style-type: none">• Springing Forward• Assurance and Risk Assessment Review• Corporate Safeguarding Follow up	<ul style="list-style-type: none">• Learning from Cyber Attacks• Time for Change – Poverty in Wales• A Missed Opportunity – Social Enterprises• Together we can – Community Resilience and Self Reliance	<ul style="list-style-type: none">• Examination of the Setting of Well-being Objectives• Unscheduled Care Project• Review of Planning Service• Building Safety• Brown Field Sites• False Fire Alarms• Digital Strategy Review• Use of Performance Information – Service User Perspective and Outcomes

The Annual Audit Summary for 2022 from Audit Wales is expected following the signoff of the Blaenau Gwent accounts in 2023. The report will include a synopsis of each review undertaken by Audit Wales over the year.

Estyn

The Authority's Education Services have regular Local Authority Link Inspector (LALI) meetings convened with Estyn in line with inspectorate requirements. The Education Directorate reports progress against the Local Government Education Services (LGES) framework to Scrutiny and Cabinet. The Authority has update meetings between the Corporate Director Education, Members, and the Welsh Government officials as and when required and the Education Achievement Service (EAS) also provides updates on the school improvement agenda to the Cabinet/CLT and Scrutiny Committee.

In late 2022, the Local Authority were subject to an Estyn inspection, in line with the Local Government Education Services (LGES) framework. The outcome of the Inspection was positive and there was no requirement for follow-up activity. Three recommendations were received and there will be regular reporting on progress against these to Members in 2023. You can read the Estyn report in full [here](#).

Care Inspectorate Wales

The Social Services Directorate is subject to audit, inspection and review by Care Inspectorate Wales (CIW). On a quarterly basis, the Corporate Director of Social Services and Heads of Adult and Children's Services meet with CIW to discuss achievements, performance and key challenges.

As Blaenau Gwent last received their performance evaluation and assurance check in November 2021, no further local reports were received throughout 2022/23. However, during the year, three national reports were received:

- National review of the use of Deprivation of Liberty Safeguards (DoLS) in Wales 2021-22 – received February 2023;
- Updated Code of Practice for our local authority inspection activity – published May 2023; and
- How we inspect local authority social services and CAF/CASS Cymru.

Overall Council Self-assessment

2022/23 was the first year that the Council undertook an annual self-assessment following the requirements of the Local Government and Elections (Wales) Act 2021. As stated at the time, the year one report has been used as a learning tool in order to further develop and enhance the self-assessment process in future years. Alongside this, Welsh Government also undertook a review of all 22 Local Authority self-assessments and, whilst they do not have a role to 'sign off' the self-assessments, they did identify areas of good practice and learning points. For Blaenau Gwent, the following has been included for this year:

- A BRAG rating and scoring of our overall performance against each section of the report;
- More consideration of what has not gone so well to identify areas for improvement;
- More use of infographics and pictures; and
- Recognition that public engagement could be improved and identifying our commitment to strengthen these arrangements for future assessments.

The self-assessment process has identified areas in which the council is progressing well, areas of challenge and areas for further development. The Council's assessment and conclusion of how it has performed is set out on pages 7- 19 and responds to the following areas of self-assessment:

- *Is the Council exercising its functions effectively?*
- *Is the Council using its resources economically, efficiently and effectively?*
- *Are the governance arrangements of the Council effective for securing continuous improvement?*

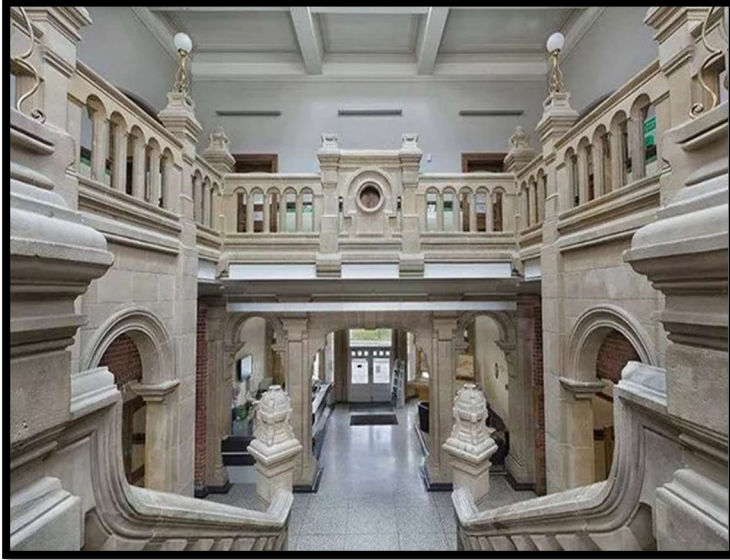
An assessment score has also been provided against the above three questions as well as the evaluation of the Corporate Plan Well-being Objectives using the following scale:

Score	Definition	Description
6	Excellent	All areas of performance and activity are achieving, actions completed, and targets met.
5	Very Good	The majority of actions and measures are being achieved.
4	Good	Strengths with some areas of weakness, however, strengths outweigh the weaknesses.
3	Adequate	Strengths just outweigh weaknesses. Some actions and targets are behind schedule or falling short.
2	Weak	Weaknesses identified in the majority of actions and targets.
1	Unsatisfactory	Weaknesses identified in the majority of actions and targets with performance moving in the wrong direction and delivery is unlikely.

Is the Council exercising its functions effectively?

How Well We Are Doing and How Do We Know

<p>Evaluation Rating 3: Adequate</p>	<p>Evaluation Narrative:</p> <p>The Council has implemented key changes throughout the year, including the development of our new Corporate Plan, aligning the priorities with the Gwent Well-being Plan and Marmot Principles. The Plan has also been embedded within our effective business planning arrangements which ensures that the work undertaken as an authority has a direct link to our key objectives and vision. Changes have been made across the organisation through the Local Government and Elections Wales Act and we continue to work differently to ensure we meet the needs of residents. Although good work has taken place, budget and finance continue to be a challenge for not only the Council but others Council's across Wales. The number of data breaches has increased throughout the year which is an area that we will be actively working on to reduce. We will continue to work differently including working more closely in partnership to help meet challenges, as well as progressing to become a more commercially and digitally minded organisation. Actions to address these areas of work can be found on pages 34, 44, 57, and 69 and will be reported on as part of the 2023/24 Council Self-Assessment.</p>
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Blaenau Gwent Council

The role of Blaenau Gwent County Borough Council and its partners is to maximise the assets we have, doing more with less and doing it better. The historical decline of heavy industry continues to impact on employment prospects and intergenerational opportunities across the borough. As a Council we face increasing demand for some of our services, putting pressure on budgets but we are tackling these issues with partners, businesses, and the local community. We are looking at how we spend our money to achieve the best outcomes for residents, supporting new and existing businesses, looking at our assets to achieve new income streams, and removing barriers to enable residents to access what they need.

Across Gwent, all councils, including Blaenau Gwent, will work towards becoming a region that aims to tackle and reduce inequalities, based on the Marmot principles (further detail on page 16). We will work across all public services in our area to ensure that our policies, approaches, and resources are geared towards creating a fairer, more equal society for today's residents and future generations. As an anti-poverty council, we will do everything within our power to support people trapped in poverty and those who are most vulnerable. By valuing and promoting good health, education and learning we can help people to reach their full potential. This in turn will contribute to creating better informed and connected communities throughout Blaenau Gwent that are fair, open and welcoming to all; where everyone gets to play an active part.

Legislation

The Council is embracing the principles of the Well-being of Future Generations (Wales) Act 2015. As part of this, we are working collectively to adapt the culture of the organisation and embed the ethos of the Act into all that we do. It is recognised however that we are still in the early years of implementing the Act and there is still more to do over the coming years. In late 2020, the Council underwent a review of its Well-being Objectives with Audit Wales, the outcome of which is expected in 2023.

The corporate reporting format has been designed to guide officers and members to consider the key implications of any proposals put forward. The report has defined areas for considering options appraisal, risk, staffing and financial impact, along with the contribution to the Sustainable Development Principles. A recent addition to the template is an integrated impact assessment section which combines the Equalities Impact Assessment with the Socio Economic Impact Duty. This assists in the process for making informed and transparent decisions and ensures the links between budget and planning are considered as well as legislative requirements.

The Sustainable Development Principles, Environment Act and Decarbonisation have also been included within the business planning template used across all service areas.

In 2021, the Local Government and Elections (Wales) Act came into force. The intention is for councils to be proactive in considering how internal processes and procedures should change to enable more effective planning, delivery and decision-making to drive better outcomes. The Council is actively working to implement this Act which will also replace the current improvement duty for principal councils set out in the Local Government (Wales) Measure 2009. As part of this, an action plan is in place to ensure that the Act is fully implemented by 2024.

A Governance and Audit Committee has been established as part of the Local Government Act that has the primary functions of reviewing financial reports and challenging governance arrangements. The Committee aims to seek assurance that the governance framework operating within the Authority is robust, effective and efficient.

Corporate Plan

The Corporate Plan is a very important strategic document for the Council which clearly sets out the priorities, known as Well-being Objectives, and how we will target our limited resources in order to support implementation of these. The Objectives have been developed using extensive research and understanding of local community need following various engagement activities. Owing to the timing of the development of the Gwent Well-being Plan and the development of the Council's Corporate Plan, evidence from the Well-being Needs Assessment and Public Consultation were used as evidence for the Council Plan. The main areas of priority emerged as:

- Reducing the inequalities that exist within our communities – this directly links to the Corporate Plan priority - Maximise learning and skills for all to create a prosperous, thriving, resilient Blaenau Gwent as well as the targeted work being undertaken by the Council's Cost of Living working group.
- Creating safe communities – this directly links to the Corporate Plan priority - Empowering and supporting communities to be safe, independent and resilient.
- Protecting and enhancing the natural environment - this directly links to the Corporate Plan priority - Respond to the nature and climate crisis and enable connected communities.
- In order to work towards delivery of the priorities the Council needs to be able to do this effectively and within resources, therefore, a fourth priority has been developed specifically for the Council - An ambitious and innovative council delivering quality services at the right time and in the right place.

Finance and Resources

The governance arrangements of the Council have established effective and regular monitoring of budgets which is reported to Scrutiny Committee and then Cabinet. Reports include detail on Capital and Revenue spend as well as the use of general and earmarked reserves. Monitoring of the Medium Term Financial Strategy and Bridging the Gap Programme is also reported to Members. Overspending portfolios or specific projects are pulled out for scrutiny and consideration. This transparent reporting enabled Members and the public to have an understanding of the financial management of the Council and what arrangements are in place to support any budget gaps.

The Annual Audit Summary for 2022 from Audit Wales is expected following the signoff of the Blaenau Gwent accounts later in 2023. The report will include a synopsis of each review undertaken by Audit Wales over the year.

Commercial

Progress continues to be made with both internal and external partners to position and build digital innovation into how we plan and deliver services. The focus is to develop services around the user with explorations taking place on how digital solutions can support this moving forward.

Work is progressing to further embed the Council's commercial and business ambitions. Officers have undertaken a midterm review of the Commercial Strategy, which will be presented to the Strategic Commercial Commissioning Board in 2023. An officer group to progress commercial and business opportunities (BaCON) has been established. Terms of Reference have been agreed and an initial meeting was held on 1st March 2023. Officers have engaged with SOLACE & CIPFA to develop a commercial framework to support the development of project specific business cases.

A position statement against the objectives set out in the business case on the Shared Resource Service (SRS) Wales were shared with Governance and Audit Committee 8th March 2023. Key risks highlighted in the business case were global supply chain issues, cyber security awareness, and- the recruitment and retention of SRS staff. A risk register is in place to mitigate these risks.

Information Governance

Annual reviews of the Information Security and Acceptable Use Policies have been undertaken and accepted at the March 2023 Information Governance Forum.

During 2022, Audit Wales provided Councils with its findings from their national study on Cyber Resilience. To provide assurance, the Chief Information Security Officer provided an overview of the Council's arrangements to the Governance and Audit Committee. As part of a planned approach to raise awareness of the importance of Information Security and Data Protection, as well as highlighting individual responsibilities, a number of online

events have taken place throughout the year led by the Data Protection Officer and the Chief Information Security Officer. These culminated in a Phishing exercise being undertaken with Blaenau Gwent’s results being very pleasing. However, owing to the reliance that the Council has on ICT for service continuity, it has been recognised that the corporate risk, regarding ICT and cyber-attacks, be increased from a score of high to critical.

Challenges the Council have experienced throughout the year

Cost of Living

The area faces issues with health and wealth inequality, alongside social issues affecting our families and young people. The cost of living crises put significant pressure on budgets and services during 2022/23 which is expected to continue into further years. As a council we will need to support our communities and citizens to navigate and overcome the worst impacts of this crisis. It is anticipated that these increasing pressures are being felt by those households whose budgets have the least capacity to absorb financial pressures. We recognise however, that we do not control all the necessary levers to mitigate against the full impact of this crisis, but we will focus on the steps we can take. A Cost of Living Member Group, supported by an Operational Officer Group, has been established to prioritise this important agenda and implement actions to try and ease the impacts on the area. Officer meetings take place monthly, prior to Member Led Group, in order to update against the action plan and consider proposals for new actions moving forward.

The action plan has focussed on:

- Warm hubs and the maximisation of the Welsh Government grants to support these;
- Distribution of £100K to the Blaenau Gwent foodbank and other smaller food banks;
- £50K donation from the Council to the Citizens Advice Bureau;
- Development of an information booklet to provide information on what support is available in relation to food, housing, fuel and general support;
- Supporting local businesses via monies received from the shared prosperity fund; and
- Supporting the workforce by providing information and practical support in relation to the cost of living so managers and staff are clear on what support is available to staff.

Finance and Resources

As a Council we are facing a time of significant financial turbulence and change within the public sector. The Council has had to take some tough decisions on where to prioritise spending, ensuring vital services are maintained for the most vulnerable in our communities. If the Council does not utilise alternative methods of service delivery and other approaches to mitigate the impact of financial pressures and demand challenges, the result will be reductions to services which will significantly impact their availability and quality. Transformational change projects will be required reflecting the ambitions within the Corporate Plan as well as in addressing the financial pressures associated with increasing demands and expectations for services. There will be challenges associated with developing the new skills and capacity required to manage significant change at a time of diminishing resources and using approaches that are relatively new concepts to the Council. As part of this process, the Council has in place the, ‘Bridging the Gap’ programme which has identified a number of projects and service efficiencies that will support the overall Council budget. The Council has a good record of delivering but these are unprecedented times and, in facing these challenges, the Council needs to ensure that its governance arrangements for savings proposals are robust.

The 2023/24 Budget was approved on 23rd February 2023. As part of the budget, Members agreed Strategic Business Reviews of £3M and £4.26M use of reserves to fund the approved budget. Members were also presented with initial suggestions for commercial opportunities and investment proposals for progression into 2023/24 onwards. Business cases for these proposals will be developed and constructively challenged by multi-disciplinary teams from across

Blaenau Gwent Community Hubs

Blaenau Gwent Community Hubs offer residents easy access to services in local communities operating out of town centre libraries.

Services Available include:

- Council Tax and Non-Domestic rates information and advice.
- Benefits information and advice including Universal Credit, Council Tax reduction, free school meals, school clothing grants and benefit overpayments.
- Apply for a Blue Badge.
- Make bulky waste bookings, get waste/recycling timetables, make a booking at a HWRC site and order new recycling receptacles.
- Pick up waste bags - including dog waste, food waste and hygiene waste.
- Requests for information on many other Council services.
- Offering help and guidance on many other organisations.

Opening Times:

Location	Opening Hours	Day
Aberbryeri Library	10am - 5pm Tuesday, Thursday & Friday Closed: 1pm - 2pm 10am - 5pm Wednesday Closed: 1pm - 2pm	Tuesday, Wednesday, Thursday & Friday
Brynmaer Library	10am - 5pm Closed: 1pm - 2pm	Monday, Tuesday, Thursday & Friday
Elbow Vale Library	10am - 5pm Closed: 1pm - 2pm	Monday, Tuesday, Thursday & Friday
Tonteg Library	10am - 5pm Monday, Tuesday & Friday Closed: 1pm - 2pm 10am - 5pm Wednesday Closed: 1pm - 2pm	Monday, Tuesday, Wednesday & Friday
Blaina Library	10:30am - 5pm Closed: 1pm - 2pm	Monday
Crum Library	10:30am - 5pm Closed: 1pm - 2pm	Thursday
Llanfyllbach Institute	10am - 5pm Closed: 1pm - 2pm	Wednesday

For further information visit your local Community Hub or call 01495 311556. Website: www.blaenau-gwent.gov.uk

the Council (external expertise may also be required in some cases). To develop capacity and capability in this area CIPFA delivered two bite size 'better business case' training sessions on 29th March 2023 attended by 36 staff members from across the Council.

Further work will be undertaken throughout 2023/24 and beyond to further consider where cost savings can be made as the Council. Alongside all other Council's across Wales, will be facing unprecedented budget pressures, therefore need to act now in order to mitigate the impact as much as possible.

Integrated Impact Assessment (IIA)

As part of their 'Springing Forward' Review, covering the 2021/22 year, Audit Wales found that the Council made significant changes to its assets and the way that its workforce operates, but identified that further work was needed for the Council to understand its future asset and workforce needs and to ensure that future Council decisions are appropriately informed by Equality Impact Assessments and the sustainable development principle. As part of this, the Council received the following recommendation for implementation: *'Ensure that all decisions are informed by a timely equality impact assessment where required'*.

In July 2023, a retrospective IIA was approved by Council. The IIA set out the benefits and dis-benefits of the closure of the Civic Centre and the move to a Community Hub based model. There are a number of services that have benefited from being delivered closer to the customer within the Hubs, although, as the Civic Centre was a well know Council centre, it has taken some time for communities to use the Hubs as their main contact points. Overall, the changes have resulted in a positive approach to Customer Service delivery, with services moving closer to customers provided across six Hubs.

Transport is limited in Blaenau Gwent but as the Hubs are closer to the communities, and are based in the local towns, it is felt from the IIA evidence that overall, it is generally easier to travel to access services from Hubs than just from the Civic Centre. Lastly, the services being offered from the Hubs have encouraged other activities like children doing homework from the Hubs which wouldn't have happened if they had been delivered from the Civic Centre.

Information Governance

The council has a reliance on ICT for its service continuity, owing to this, and the potential increase of cyber-attacks, it has been recognised that a corporate risk needs to be established, raising the score from high to critical. As part of this, the corporate risk register is considered by CLT on a periodic basis.

If the Council does not manage its information assets in accordance with requirements set down within legislation, then it may be faced with financial penalties and possible sanctions that hinder service delivery. For quarter 4 there were 11 data breaches identified and the total for the year was 45. This is higher than the previous 12-month period where there were 37 data breaches in total. No pattern or single cause for this increase as been identified but this will continue to be monitored. No breaches during quarter 4 were reported to the ICO.

Is the Council using its resources economically, efficiently and effectively?

How Well We Are Doing and How Do We Know

<p>Evaluation Rating 3: Adequate</p>	<p><u>Evaluation Narrative:</u></p> <p>The Council, like all local authorities in Wales, is facing a wide range of financial pressures which will impact the way we deliver our services now and in the future. Areas outside of the Council’s control, such as, energy costs, inflation and demand create a significant challenge for the organisation, and we will not be able to deliver services in the same way as we have in the past. The Council will continue to do what it can through engaging with residents when setting our budget, as undertaken during the 2022/23 budget setting process where more than 5.5% of the community contributed to and assisted in shaping the decisions made by Council. We will also continue to implement our bridging the gap programme, review the assets that the Council has and also identify commercial opportunities to generate income. As part of their audit of accounts for 2020/2021, Audit Wales identified errors within our Fixed Asset Register. Work is underway to remedy this, and the progress made in this area will be reported in our next self-assessment. Actions to address these areas of work can be found on pages 34, 44, 57, and 69 and will be reported on as part of the 2023/24 Council Self-Assessment.</p>
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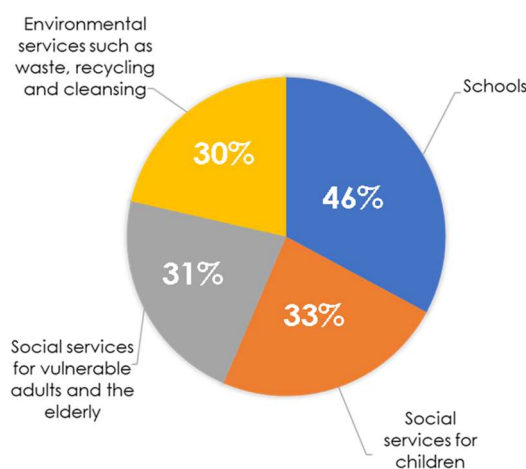
Finance and Resources

The Council will have to make some difficult decisions about services following its financial settlement from the Welsh Government, which, at 6.5%, is significantly below the All Wales increase of 7.9%. Like all organisations, the Council is facing some well-publicised financial pressures, despite increased funding from Welsh Government to almost £140 million. These pressures include the global pandemic, cost pressures, rising inflation, soaring energy and fuel costs and social care demands.

The Budget for 2023/24, was agreed by Council in early 2023 following widespread engagement with residents on savings ideas and spending priorities. Our engagement programme gave people the opportunity to share their views to help us plan our budget and services from April 2023 until March 2024 and beyond. The programme consisted of a number of public events, surveys and other ways to engage people to help shape the decision-making process. A total of 3,736 questionnaires were returned which equates to over 5.5% of the area’s population. This is by far the highest level of response witnessed for a budget engagement survey carried out by the council (previous response levels have never been above 600).

Councillors actively listened to and considered residents’ concerns about savings proposals when preparing and setting the Council budget. A range of savings, efficiencies, and income-generating projects worth just over £3million was agreed upon at the meeting to close the budget gap, as well as a draw on reserves of £4.3 million. A number of proposals which would have affected frontline services valued by residents were rejected by councillors. Schools in the borough were provided with a 4.2% uplift in funding after councillors voted to increase this to take into account the cost pressures they face as they recover from the pandemic. A 3.45% increase in Council Tax was also agreed upon.

A set of Financial and Contract Procedural Rules have been adopted to ensure consistency, transparency and value for money in financial management and procurement. The Chief Officer Resources ensures the Authority’s financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016). An annual Statement of Accounts is produced and presented to Members for scrutiny. A period of public consultation is held where members of the public can inspect the accounts.



Budget monitoring and management is a key feature at the Council. Effective arrangements are in place whereby budget holders meet regularly with finance partners to consider expenditure and any areas of overspends, with appropriate actions identified early on to tackle any areas in deficit.

The financial challenges facing Local Government are expected to continue into the medium to long term as the cost of living crisis continues with inflation at 7.9%, whilst reducing, remains well above the Bank of England target of 2%, higher than expected pay costs, increased energy and borrowing costs, all continuing to put pressure on budgets. Whilst the Revenue Settlement for 2023/2024 was positive with an increase in Aggregate External Finance of 6.5% (£8.5m), the impact of high inflation combined with soaring energy prices and increased pay costs was significant and based upon the assumptions in the Medium Term Financial Strategy (MTFS) and cost pressures identified, a budget gap of £23.2m is forecast over the next 5 years as follows:

MTFS Budget Gap					
2023/2024 £m	2024/2025 £m	2025/2026 £m	2026/2027 £m	2027/2028 £m	Total £m
6.7	2.1	4.7	5.2	4.5	23.2

The Council's Bridging the Gap programme remains as the Council's strategy for delivering financial efficiencies to ensure that the Council continues the journey of improving its financial stability and setting a balance budget year on year. An update on the overall current financial assessment towards the budget gap is currently assessed as £6.2m over the period of the Medium Term Financial Strategy (MTFS) as follows:

	Estimated Achievement			
	2023/2024 £m	2024/2025 £m	2025/2026 £m	2026/2027 & 2027/2028 £m
Strategic Business Reviews	4.2	1.3	0.7	0

Based on the current estimated achievement from the Strategic Business Reviews compared to the budget gap identified in the MTFS, there is a residual budget gap of £17m as follows:

	2023/2024 £m	2024/2025 £m	2025/2026 £m	2026/2027 & 2027/2028 £m
Residual Budget Gap	2.5	0.8	4	9.7

The strategic business reviews identified are insufficient to fund the budget gap included within the MTFS. As a result, a funding gap remained for 2023/2024 of £2.5m and £17m over 5 years. Proposals for the 2023/2024 budget setting process totalled £4.2m, of which £3m was approved for implementation.

There is a potential risk that the current Strategic Business reviews do not identify sufficient financial benefits to 'bridge the gap' in the medium to long term. Additional or alternative proposals will therefore be required to mitigate the possible residual funding gaps in future years. Also, the Council has seen price increases for fuel and energy which in turn have a 'knock on' impact on other goods and commodities purchased by the Council. This, alongside other cost pressures being seen by the Council, will need to be planned and managed accordingly.

Challenges the Council have experienced throughout the year:

Finance and Resources

Blaenau Gwent Council, like other Councils, faces extreme financial challenges as the Government continues to reduce the amount of money that is spent on our public services. The after effects of the Covid pandemic and the monetary crisis as a consequence of the war in Ukraine have caused a 'perfect storm' of soaring inflation, energy costs and material prices that have impacted how we deliver our services to the public. At the same time, the UK Government continues to make reducing the national debt a priority with strict spending policies in place. Its latest Spending Review for 2023-24 did not deliver for Wales. Also, there are significant cost increases for pay awards, and increased demands on service areas such as social care, homelessness, additional learning needs and home to school transport. To meet these challenges, we must think about the way we provide services to make

savings, and how we can generate income. This may mean us having to reduce, change or stop some services or look at alternative delivery models.

The results of the 2021 Census have had an impact on the Local Government Settlement received by the Welsh Government. The reduction in our population by 4.2% has meant a reduction in the amount of monies the Council receives. Services such as Education for school places, the Local Development Plan (LDP) for housing and Social Services for social care will also need to consider how this will impact service provision and funding in future years. Alongside this, the population is projected to further decrease. Not only is the Blaenau Gwent population decreasing, it is also aging and has the highest proportion of residents aged 16 to 64 years who are economically inactive and long-term sick or disabled across the whole of England and Wales at 36.1%. This is all likely to have an impact on services moving forward.

The Council is working collaboratively with the Office for National Statistics to further understand and investigate the information from the 2021 census and what this means for Blaenau Gwent moving forward as more Census data is released.

The Council's Medium Term Financial Strategy was reviewed in December 2022 and a number of assumptions around future pay and inflationary uplifts were changed to reflect the expected financial environment for 2023/24 onwards. The Welsh Government provisional settlement for Blaenau Gwent is 6.5% (the lowest increase in Wales). Whilst this increase is above the 3% indicative increase announced in 2021 it is not sufficient to fund the forecast cost increases resulting in budget gaps increasing to in excess of £23m over a 5-year period.

Significant budget gaps remain to be addressed during the year in preparation for 2024/25 onwards. The Authority's reserves have improved over the last few years. However, in order to balance the 2023/2024 budget, a net draw from reserves of £4.26M was required. Reliance on the use of reserves to balance the budget in future years will impact on the financial sustainability of the Council. To mitigate this further, strategic business reviews will be developed and implemented to support a balanced budget moving forward. The use of reserves will be monitored and reviewed during the financial year in order to ensure that they are maintained as a sustainable level in the medium term. For 2023/24 as part of the agreed budget, assumptions around pay and inflation have increased and other specific cost pressures have been built in also, costs are expected to outstrip income such that £4.26m use of reserves will be required to fund the approved budget. This is not sustainable in the longer term and new / emergency pressures could exacerbate the position. The Cost Pressure sub group will be re-established for 2023/24 to monitor and challenge overspending areas.

Audit Wales

The Draft Statement of Accounts for 2021/2022 were presented to the Governance & Audit Committee on 16th November 2022. The principal reason for the delay in submission of the accounts related to the resolution of a significant issue identified by Audit Wales. As part of their audit of accounts for 2020/2021, Audit Wales identified issues in relation to errors identified within the Fixed Asset Register which resulted in a misstatement of the Capital Adjustment Account and Revaluation Reserve. Given that, Audit Wales indicated that there is a high probability for the accounts to receive a qualified opinion. This would have an adverse reputational impact on the Council in demonstrating that appropriate governance arrangements are in place to manage the reporting of its strategic financial affairs. However, in order to conclude the audit of the 2021/2022 Accounts, the Council could accept the qualification of these accounts on the understanding that the causes of this qualification are remedied for the 2022/2023 financial year, i.e., a programme of asset revaluation and re-lifting is implemented.



As it is not possible to undertake and review the revaluation of assets internally in compliance with RICS requirements, external valuers will be required to provide this service. Valuations are also required for the procurement of insurance cover, the absence of which would be a material risk for high-value assets.

Over time it is possible that the value of assets may become materially misstated, for example during periods of rapidly changing prices. In order to reduce the potential for this type of misstatement, the Council’s rolling programme of revaluations will be actioned over a period of 3 years instead of 5 years.

A procurement exercise is being undertaken to commission external valuers to provide the required asset information, including revaluations for financial accounting and insurance purposes, alongside an annual review of asset lives.

The Council is awaiting confirmation from Audit Wales that qualification of the 2021/2022 Accounts with appropriate correction in 2022/2023 is an acceptable course of action. If this is agreed, the financial audit can recommence in order to conclude the work required in relation to Property Plant and Equipment.

The work by Audit Wales and the Council to conclude the 2021/2022 Accounts combined with the timescales required for the revaluation process may have a consequential impact on production of the Statement of Accounts for 2022/2023.

Are the governance arrangements of the Council effective for securing continuous improvement?

How Well We Are Doing and How Do We Know

<p>Evaluation Rating 4:</p> <p>Good</p>	<p>Evaluation Narrative:</p> <p>The Council continues to have a clear Corporate Plan in place with four key objectives that have been developed to improve the lives of residents across the Borough. A new Gwent Public Services Board (PSB) has been established which has strengthened our partnership work with other local authorities and partner organisations in Gwent. This will provide a more joined up approach to delivering actions and to tackle the significant challenges faced by the region, such as climate change, poverty, and health inequalities. Strong links have been made between the objectives in the Corporate Plan and the priorities of the Gwent PSB. This approach will be strengthened in the year ahead through our local Well-being Partnership and a local Well-being Plan which is being developed to provide a local approach to meet these challenges. Work is currently being undertaken to ensure we are a commercially and digitally minded organisation and work will begin on a new Strategic Equality Plan which will continue to put fairness and equality at the heart of everything the Council does. Actions to address these areas of work can be found on pages 34, 44, 57, and 69 and will be reported on as part of the 2023/24 Council Self-Assessment.</p>
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Blaenau Gwent Corporate Plan and Planning Arrangements

The Corporate Plan acts as the Council’s business plan and sets out the vision, values, and priorities for 2022/27. It outlines not only what the people of Blaenau Gwent can expect from the Council, but equally, what the Council is asking from its citizens and partners.

The Plan has been developed at a time of significant financial turbulence and change within the public sector. The Council has had to take some tough decisions on where to prioritise spending, ensuring vital services are maintained for the most vulnerable in our communities.

Through focusing on delivering against the main priorities set out in the Corporate Plan we can begin to transform Blaenau Gwent into a more prosperous and welcoming area and that plays a part on a regional and national stage. It is about achieving real outcomes for the people of Blaenau Gwent and is underpinned by solid and sustainable business plans, ensuring the Council can be held to account for what it has promised to deliver.

The Corporate Plan is a requirement of the Well-being of Future Generations (Wales) Act 2015. The primary aim of the Act is to improve the social, economic, environmental, and cultural well-being of Wales. The Act sets out seven

national well-being goals that we have a duty to contribute to. The Act intends to make the Council think more about the long term, work better with people and communities, look to prevent problems, and take a more joined-up approach.

The Corporate Plan identifies four priorities, known as Well-being Objectives, which set out the direction for action and agenda for change over the next five years. The Plan sets out an ambitious programme of activity for the Council over the next five years and beyond. The priorities have been developed in order to support our communities to thrive. The people of Blaenau Gwent are at the heart of all that we do, and the Corporate Plan is our commitment to the communities of Blaenau Gwent to provide modern and high quality services which support economic growth and well-being. As part of the development of the new Plan, the Council also undertook a review of its Vision and Values:

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

Values – respectful, inclusive, collaborative, accountable and supportive

Our Corporate Plan 2022/27 Priorities 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**

The Gwent Public Service Board (PSB) and Blaenau Gwent County Borough Council, through its Corporate Plan, have agreed to become a Marmot Region, and to adopt the eight Marmot principles in order to reduce health inequalities across Gwent and to work in partnership with the Institute of Health Equity (IHE) to address the social determinants of health. Gwent is the first area in Wales to become a Marmot region. Alongside the Marmot Principles, the Corporate Plan has also been aligned to the priorities within the Gwent Well-being Plan, a Plan owned by the Gwent PSB.

The table below highlights the links between the Corporate Plan 2022/27, the Marmot Principles and the Gwent PSB’s Well-being Plan:

Corporate Plan 2022/27	Marmot Principle	Gwent Well-being Plan
Maximise learning and skills for all to create a prosperous, thriving, resilient Blaenau Gwent	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • We want to create a fair and equitable Gwent for all
Respond to the nature and climate crisis and enable connected communities	<ul style="list-style-type: none"> • 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’. 	<ul style="list-style-type: none"> • We want to create a Gwent where the natural environment is protected and enhanced

An ambitious and innovative council delivering quality services at the right time and in the right place	<ul style="list-style-type: none"> • Create fair employment and good work for all 	<ul style="list-style-type: none"> • We want to create a fair and equitable Gwent for all
Empowering and supporting communities to be safe, independent and resilient	<ul style="list-style-type: none"> • Tackle racism, discrimination and their outcomes 	<ul style="list-style-type: none"> • We want to create a Gwent that has friendly, safe and confident communities

Council Governance Framework

A governance framework is in place which sets out the standards and processes to be adopted by both Members and Officers. Codes of Conduct, detailing Member and Officer relations, are contained within the Constitution and all are required to make declarations of any interests that impact on their positions or functions. Members' declarations are retained by the Monitoring Officer and Officers' declarations are held by Service Managers. All Council meetings are conducted in accordance with the agreed democratic process and have declarations of interest as part of the agenda.

A Policy Framework exists to guide both Members and Officers in fulfilment of their roles. This includes a Whistle-Blowing policy enabling Members, Officers, and the public to report any concerns regarding the integrity and operations of the Authority. In addition, policies such as disciplinary or grievance procedures have been formulated for dealing with breaches to the codes.

Both Officers and Members are advised through the induction process of the standards of behaviour required by the Council throughout their term of office or employment. Continued adherence to the ethical values of the Authority is confirmed through a performance review protocol for all Officers and a Personal Development Review and Competency Framework in place for Members.

The Authority's Constitution includes a Scheme of Delegation which details subject areas, and identifies the bodies or individuals responsible for decision making.

During 2022/23, the Council set up a group to review its governance and oversight arrangements in respect of other companies in which it has an interest to ensure the arrangements are adequate and effective. This work will continue into 2023 and will be reported through the democratic process.

Becoming a Commercially Minded Council

As a Council we are working towards our ambition of becoming commercially minded. As part of this, a Commercial Strategy 2020/2025 has been developed which looks to identify commercial approaches, and highlight the conditions required for the Council to behave as a commercial organisation. This is written within the context of maintaining the Council's core purpose to provide public services delivering social value. There are a number of related strategies and programmes that contribute to the delivery of our Commercial Strategy and ambitions. These are:

- A Communications Strategy, 2020 – 2025;
- A Digital and Customer transformation programme; and
- The Workforce Strategy.

In addition to the supporting strategies and programmes highlighted above, there are 5 specific commercial ambitions:

- Commissioning and Procurement;
- Developing an investment Portfolio;
- Creating true commercial activities – profit and loss;
- Commercial and Entrepreneurial Culture;
- Contract and Supplier Management.

These will be driven by the Commercial Section but clearly involve all services, suppliers and partners. The building of knowledge, skills and capacity in the commercial approach will be key for us moving forward.

Digital

Another area of focus for the us is becoming digitally minded, providing a robust digital infrastructure and being innovative in our digital endeavours. An ICT Roadmap and Digital Solutions process has been established which looks to create long term, sustainable and relevant ICT infrastructure throughout the Council and its services, including Office 365, and a review of the current software. The delivery of these processes has been recognised externally.

The Digital Strategy identifies where the Council is as an organisation now and what our future aspirations will be. Through internal and external collaboration, we will improve how we work, learn, adapt, and live to ensure our residents are not digitally excluded. Digital technologies and online services are transforming the way in which we interact, live and work. A digital Council will:

- make services easier to access,
- make services efficient and convenient,
- improve engagement with our customers,
- improve the skills and efficiency of our staff.

Whilst the emphasis of the strategy is not on large scale investment in infrastructure and development projects, there is however a need for some public funding. Bids to future Welsh Government programmes, such as the future Targeted Regeneration Investment (TRI) funding, and the future funding announced for an Automotive Technology Park in Blaenau Gwent. The Cardiff Capital Region City Deal programme should also establish a budget to support the evolution of digital technology that provides a direct contribution to well-being through digital activity.



Equalities

The Council is committed to implementing the Equality Act 2010 and is currently working on the development of a new Strategic Equality Plan (SEP) to cover the years 2024/2028. The current SEP will come to an end in 2024. The SEP aims to put fairness and equality at the heart of everything the Council does, and this is central to maximising well-being outcomes for residents, local communities, staff and visitors, now and in the future. As public service providers it is recognised that there is a key role to play in making a real difference to people's lives.

Corporate Safeguarding

Safeguarding the most vulnerable people in the community continues to be a top priority for the Council. Safeguarding is recognised corporately as being everybody's responsibility. Safeguarding our citizens is central to the work of the Council and good progress has been made to strengthen the corporate safeguarding arrangements in place. This includes the development of a corporate safeguarding training framework being implemented across the council and compliance monitored. The Blaenau Gwent website has been

updated making it easy for the public to access safeguarding information and our corporate safeguarding report has been enhanced to provide a full council performance picture, as it is recognised that safeguarding is everyone's responsibility. Audit Wales reviewed the safeguarding arrangements which found that the Council needs to take action to fully comply with previous recommendations and also to strengthen its monitoring arrangements of third parties, which will be tested by Internal Audit to evidence and strengthen monitoring and safeguarding arrangements.

Self-Evaluation and Assessment

Self-evaluation is a key aspect of review and learning undertaken across the Council. As well as having an approach corporately, the Education Directorate also undertakes a self-evaluation process. The Self-Evaluation Report (SER) is developed to secure ongoing improvement in educational outcomes and effectiveness of provision. The findings from the SER are reflected as actions for improvement in the Directorate's Business Plans at Directorate, Service and Team levels. Effective self-evaluation means that the Directorate remains focussed on improving the right areas of work. As part of the Estyn inspection undertaken in late 2022, Estyn identified a recommendation for the Council to take forward, 'Improve the quality of self-evaluation, strategic planning and performance management'. In order to

respond, work is being undertaken by the education directorate with support from Corporate to review the business planning and self-evaluation arrangements.

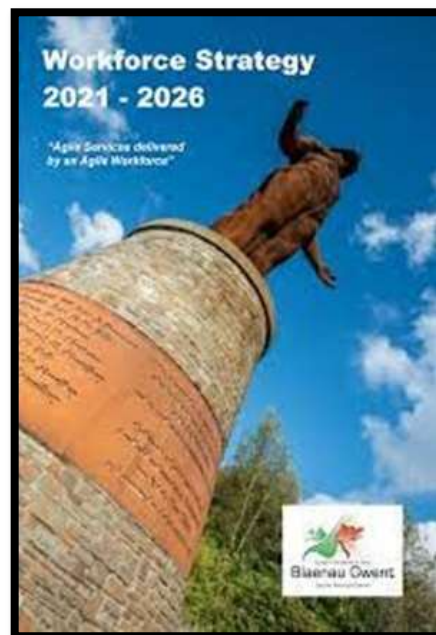
Challenges the Council have experienced throughout the year

Recruitment and Retention

The Council is experiencing the impact of recruitment and retention difficulties, owing to this, a corporate risk has been identified. All directorates have developed a workforce plan for 2022/23 with a detailed action plan to put in place measures to address these issues. In addition, the ongoing work corporately will support directorates to recruit and retain staff by further modernising the Councils approach and marketing the Council as an 'Employer of Choice'.

Whilst the risk remains high with no significant changes, staffing pressures in some services have eased with successful recruitment to vacant roles. In addition, other measures that will support in the longer term include effective workforce and succession planning, the management of sickness absence and, where appropriate, working regionally/nationally.

Particular difficulties have been experienced in Children's Services. Vacancies in the locality teams have been filled by a combination of staff seconded onto the Social Work degree course and newly qualified workers. The challenge will now be retaining these staff. Despite good progress being made, low vacancy rates will now need be sustained, and, in addition, there are savings targets attributed to the workforce which could impact of the departments safeguarding ability moving forward.



Maximise learning and skills for all to create a prosperous, thriving, resilient Blaenau Gwent

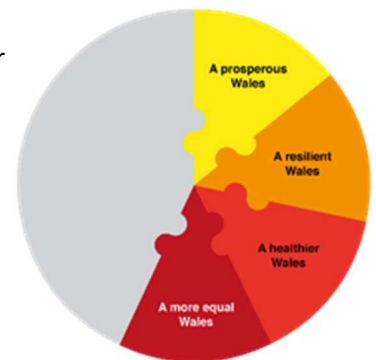
<p>Evaluation Rating 4: Good</p>	<p>Evaluation Narrative:</p> <p>The Council remains committed to supporting resilience in the community and this can be evidenced through the proactive work being undertaken to support those facing difficulties owing to the cost of living crisis. As an anti-poverty council, we are working to support people trapped in poverty and those who are most vulnerable. A Cost of Living Member Group, supported by an Operational Officer Group, has been established to prioritise this important agenda. To further support communities the Aspire Shared Apprenticeship Programme has continued to enhance skills development within the manufacturing and engineering sectors supporting business growth; whilst tackling unemployment and providing aspirational opportunities for young people across the local authority. Progress is continuing with improving the corporate commercial property portfolio through initiatives such as the Shared Prosperity Fund HiVE which will support the objectives of the Tech Valleys programme and support the manufacturing sector with a highly skilled and flexible workforce able to deliver the products, services, and technologies necessary for our future economy. The recent Estyn inspection of our educational services highlighted that good progress has taken place, although it is recognised that challenges remain including the education budget, attainment, and attendance in our schools. Destination of learners post 16 is an important area for us and data is showing an increase in the number of females started engineering courses, supporting our ambition to becoming an advanced engineering location. Actions to address these areas of work can be found on pages 34, 44, 57, and 69 and will be reported on as part of the 2023/24 Council Self-Assessment.</p>
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Why This Is Important as an Area of Focus:

Improving the quality and provision of teaching and learning is vitally important to ensure the service is achieving ambitious outcomes for all. The Council will continue to invest in services in order to support economic development and regeneration in order to provide opportunities for local people and businesses.

Identified Need:

- Tackling the cost of living and supporting residents and families
- Examining the potential for further economic improvement and growth for Blaenau Gwent:
 - Maximisation of opportunities and income levels
 - Children, young people and adults with the right qualifications and skills for life
 - Skills / employment
 - Job prospects
 - Growth
- Community:
 - Independent living
 - Thriving and Resilient
 - Aging population
 - Access to services



What We Aim to Achieve – An increase in the resilience of the community, providing high quality educational and skills opportunities to create a thriving economy from birth onwards, minimising dependence and maximising independence. The authority aims to ensure that all children and young people are given the best start in life, enabling them to grow into fruitful adults living a healthy and fulfilling life whilst contributing to society and forming a valuable part of their community.

How Well We Are Doing and How Do We Know:

DID YOU KNOW ...

Blaenau Gwent saw Wales's largest percentage-point rise in the **proportion of people aged 16 years and over who were employed**

48.2% in 2011 to 51.1% in 2021.

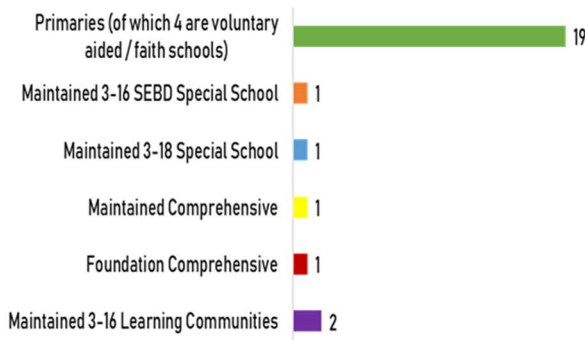
During this period (2011 to 2021) Blaenau Gwent saw an improvement in the percentage of people aged 16 years and over who were employed (excluding full-time students).



In 2021, Blaenau Gwent had the lowest **percentage of adults in employment working 15 hours or less** (out of all 22 Welsh local authority areas).

Education and Schools

Blaenau Gwent is a relatively small geographical area, with big ambitions for our schools and learners. We are determined to play our part in Wales being a first class education system with a clear ambition to increase the skills and standards of education across the borough. We fully support and are committed to the Welsh Government's national mission for educational transformation, including Curriculum and ALN Reforms.



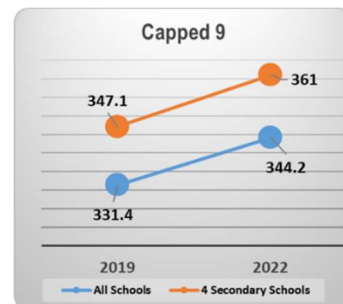
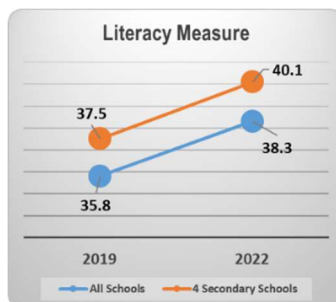
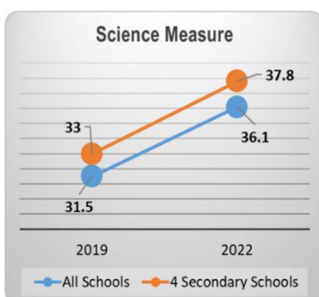
Blaenau Gwent has 25 schools across 31 school sites and there are currently circa 9,000+ pupils on roll across all Blaenau Gwent schools. The Education Directorate provides services to support children and young people's educational learning opportunities whilst working collaboratively with schools. The Education Directorate has developed a new purpose statement, which is to deliver '**Better Schools, Better Citizens and Better Communities**'. The Education Workforce Plan 2021-26 contributes to the purpose statement by prioritising key strategic and operational activity to support the workforce at all levels. The plan covers the Directorate's three main aspects of core service delivery, namely:

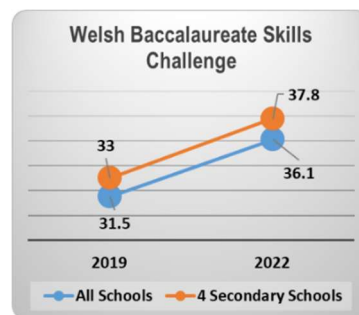
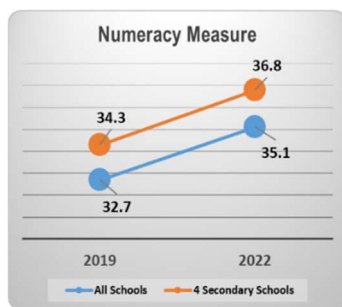
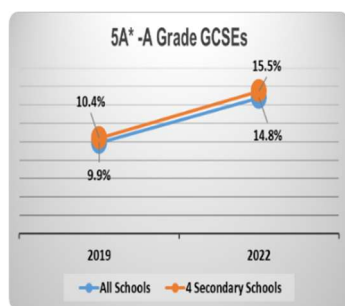
School Improvement and Inclusion; Education Transformation and Business Change; and Young People and Partnerships.

The Education Directorate aims to ensure that all children and young people are given the best start in life, enabling them to grow into fruitful adults living a healthy, fulfilling life whilst contributing to society and forming a valuable part of their community. We deliver this by ensuring higher levels of language acquisition and reading across the board, and overall enabling positive outcomes and attainment. We support children and young people to be in a good position to find skills and employment at the appropriate times and our NEET figures demonstrate our achievements in this area.

Educational Outcomes

Summer 2022 Key Stage 4 (KS4) results were positive and in line with the School Development Plan targets set by the 4 secondary settings. There were improvements in 29 out of 32 key measures. Some examples are shown below:





(Note: only 2019 and 2022 comparison data shown due to routine data collection suspended / 2022 data included for self-evaluation purposes only)

A Strategic Post 16 Partnership has been established to ensure that learner pathways into further education are further strengthened. The Blaenau Gwent Learning Zone's performance at Key Stage 5 (KS5) continues to be good. A-level A*-C and A*-E grades continue to be strong and were in line with the all-Wales means at 98.4%, a small reduction from last year when the figure was 99.1%.

Free School Meals

There is an increasing number of pupils eligible for free school meals (eFSM) in all areas of Gwent. These numbers have accelerated in the last year, showing increasing inequality in the region. There are noticeable variations in attainment and qualification levels between areas in Gwent. Similarly, there are differences in attainment between less and more disadvantaged groups of children. Lower attainment can affect well-being throughout the life course. Overall, the 2019 Welsh Index of Multiple Deprivation figures and high eFSM eligibility reflect very high levels of deprivation within Blaenau Gwent. They also indicate the significant consideration required to improve educational outcomes to levels similar to other Local Authorities and to consistently match the all-Wales averages.

During the period 2010 to 2016, the proportion of pupils eligible for eFSM in Blaenau Gwent was almost 30%, the highest of all Local Authorities in Wales by a significant margin. The proportions declined during 2016 to 2019, but Blaenau Gwent remained the 2nd highest in Wales for all Local Authority schools and highest for secondary schools during 2018-19. During 2021-22, the eligibility for FSM has again increased to circa 30%. Given the evidential relationship between pupil performance and deprivation (using eFSM as a proxy indicator), pupil outcomes in Blaenau Gwent would be expected to be among the lowest in Wales. However, there is a high level of ambition for all learners and the socio-economic standing is a challenge that the Council is working to overcome in order to benefit all children and young people.

Indicator	2019	2020	2021	September 2022	Comments
Entitlement to FSM/Transitionally Protected (%)	21.1	24.6	30.4	30.4	FSM numbers higher than pre-Covid levels. This may take some time to show recovery due to the FSM entitlement being protected.

Children Looked After

A small proportion of children looked after experienced a change of school during the course of the year. This is an increase when compared with the previous year. Consistency of schooling continues to be considered as part of the matching process when a child looked after moves placement. Transport is provided where necessary to ensure the stability of schooling. When a child does have to move school, processes are in place to ensure that delays in admissions are avoided, wherever possible.

At the end of academic year 2021-2022:

- 142 children of statutory school age were looked after by Blaenau Gwent local authority, this is a decrease compared with the previous academic year when there were 154 children.

- The majority of children continue to be educated within Blaenau Gwent and attend mainstream schools with a small proportion attending more specialist education settings.
- Almost all learners achieved recognised qualifications at the end of their statutory school studies with the majority now engaged in post 16 educational and or training opportunities.
- 54% of Personal Education Plans for newly accommodated children were initiated within statutory timescales and a total of 11 plans were not initiated within 10 days:
 - Eight were as a result of delay in the Children Looked After education team being notified at the point that the children became looked after; and
 - Three were as a result of the learners being unaccompanied Asylum Seeking Children who were not in school at the point of becoming looked after.

Safeguarding in Education

The 2023 Estyn report of the Local Authority confirmed that ‘Officers and elected members are committed to safeguarding young people in their local authority and there is an appropriate safeguarding culture within the local authority where all officers and elected members receive suitable safeguarding training. The way in which education and children’s services work together has contributed well to improving multi-agency working and the support schools receive to manage the needs of pupils and their families more effectively’.



School Categorisation

Close monitoring of school and learner progress, and educational outcomes has continued and the number of schools that we have that are causing concern has reduced from 6 schools in 2019 to only 2 in 2022. School categorisation in relation to ‘Step 3 – Level of Support Required’, demonstrated an improvement in the number of schools identified as being Green (needing the least amount of support).

Additional Learning Needs (ALN)

The Council are well on track for implementing the Additional Learning Needs (ALN) reform. The Council is currently undergoing a proposal to increase the capacity of ALN Resource Bases across the County Borough, accommodating the demand for places in both Primary and Secondary settings. There are currently Resource Bases across Blaenau Gwent accommodating 61 learners in Primary settings and 62 at Secondary settings. There is an increasing need for Resource Base placements in mainstream settings for children and young people within the Borough both at Primary (aged 3-11) and Secondary settings (aged 11-16). All current resource bases in the County Borough are full to capacity. The recent Estyn inspection highlighted ‘In the planning of provision for pupils with additional learning needs (ALN), data is not always used effectively enough to inform long-term planning’. The Education Transformation and Inclusion teams have therefore undertaken a review of the current provision and have used this data to project the demand going forward, under this proposal Education are seeking to set up new Resource Bases in line with the projected demand, with the aim of also reducing Out of County placements in the medium term and having a more localised strategy for learners.

The Council is committed to providing all children and young people with high quality education and training tailored to meet their needs, which will develop their potential, extend aspirations, promote social inclusion and contribute to the economic regeneration of the area. Resource Bases are essential for pupils with identified ALN requirements to enable them to fulfil their potential.

The Council proposes to increase the capacity for Additional Learning Needs (ALN) Resource Bases across the County Borough in both Primary and Secondary settings for Autism Spectrum Disorder (ASD) and Additional Learning Needs Resource Bases (ALNRB) pupils. The Council will work with the schools to develop a long-term plan to support sustained growth and development. It is proposed for this to be delivered in two phases:

- **Phase 1** - To increase resource base capacity in primary schools from 61 to 86 places (including 15 Welsh-medium places) and to increase secondary school capacity from 62 to 80 places.
- **Phase 2** - The development of a Medium-term plan to secure additional capacity to facilitate sustained growth and development in Primary and Secondary settings.

Surplus Places and Band B

The local authority works to make sure that suitable education provision is provided in order to meet the needs of every child and young person. Over the past decade, the local authority has successfully reduced surplus places which are reducing to the targets as set out in the School Organisation Policy at 15%. The Local Authority does have some elements of sufficiency of school places emerging that will need to be monitored closely, especially in the secondary and special school sectors.

The delivery of the Sustainable Communities for Learning Band B programme is well underway with an investment of circa £26m into the school estate. The suitability and condition of the school estate is improving with circa 61% categorised as A/B.

Digital and ICT in Education

The Educational Digital Standards are designed to assist schools to understand, manage and implement their digital environment. The Standards also provide guidance on how schools should future-proof their digital environment to meet the needs of a more digitally focused school curriculum. The standards suggest all infrastructure work undertaken to meet the standards should be carefully considered, planned and procured in compliance with national procurement regulations and installed by professional organisations.

In 2016 Blaenau Gwent invested approximately £650K in ICT infrastructure as part of the Infrastructure and Connectivity Project:

- In 2019/2020 Welsh Government launched the HwB Ed Tech Programme which enabled the Authority to continue to further improve our network infrastructure and to replace all end of life devices within Schools
- Device sustainability- Schools are now using a 20% plan to refresh devices over 5-year period in order to maintain the standard of devices achieved through the Hwb Ed Tech Programme.
- In collaboration with the Shared Resource Service (SRS) Education have worked alongside all schools within the Service Level Agreement to standardise all infrastructure to ensure adherence to the Education Digital Standards. This includes broadband connectivity, data network cabinet standards, routers and switches, cabling standards, wireless network standards, device management standards and web filtering standards.

Education Finance

The Education Directorate aim to deliver effective and efficient services within financial constraints. The Local Authority has a track record of spending within its education budget in recent years, with relatively small underspends for the past three years against the overall education budget. Education were also provided with an 8.4% uplift in budgets via the Individual School Budget in 2022-23. The 2023-24 revenue budget included an overall increase for Education of which:

- Individual School Budget received an uplift of 4.2% (£2,02m) and awarded cost pressures totalling £0.115m
- Local Education Authority Budget received cost pressures totalling £0.923m mainly in relation to Home to School transport and ALN Reform

Collaborative Working with the EAS

The Education Directorate support children and young people's educational learning opportunities whilst working collaboratively with an aim to ensure that all children and young people's well-being and educational needs are catered for. As part of this, the Council commissions the Education Achievement Service (EAS) to deliver a wide range of school improvement services to all schools (all key stages, including all through schools and special schools), pupil referral units and funded non-maintained nursery settings on behalf of each local authority. This plan supports the council's role in delivering their statutory function, addressing their individual improvement priorities and promoting improved pupil outcomes.

Deprivation and Educational Outcomes

There are many strengths in the local authority's work to reduce the impact that deprivation has on educational outcomes by providing support to low-income families and households. This work includes providing free school meals, period equity, vulnerable learners support, Youth Service and youth support services, family engagement officers, school holiday provision and post 16 transport. There are also many strengths in the services to support the well-being of children and young people and to promote positive relationships. Support has been provided to schools to provide an environment where health and well-being is at the heart of the curriculum, ensuring support and appropriate interventions are accessible to all, with a specific emphasis on vulnerable and disadvantaged learner categories. A whole school approach self-evaluation tool pilot has been introduced which encourages schools to assess the key barriers to learning and to provide specific support relating to the emotional and mental well-being of the child. It encourages schools to question how inequality can impact on the learning and life outcomes of a child and fosters an inclusive and caring environment.

Estyn Inspection

In September 2022, Blaenau Gwent Council received a letter from Estyn, His Majesty's Inspectorate for Education and Training in Wales, stating that the Local Authority will be subject to an Estyn inspection, in line with the Local Government Education Services (LGES) framework. The letter confirmed that the inspection would take place between 28th November to 2nd December 2022. The inspection was carried out in accordance with the inspection framework and the guidance 'for the inspection of Local Government Education Services'. The three inspection areas of the LGES inspection framework are:

- Inspection Area 1 – Outcomes
- Inspection Area 2 – Education Services and Provision
- Inspection Area 3 – Leadership and Management

In the lead-up to the inspection, Estyn identified Blaenau Gwent's 4 Local Questions for the Inspection, including:

- 1) How well does the local authority challenge and support non-maintained settings and schools to improve?
- 2) How well does the local authority tackle inequalities in education experiences and outcomes for children living in poverty?
- 3) How well does the local authority support schools to promote respectful relationships and address negative behaviour effectively?
- 4) How well does the local authority ensure that the interests of learners are above all others in its planning for schools and other education provision?

The report provides a high-level summary of the main findings and some of the key considerations, including:

- The local authority has made good progress with its education services since it was last inspected around ten years ago as important areas for improvement have largely been addressed. Senior officers and elected members have a strong commitment to education, and this is reflected in the funding given to schools and education services.
- The local authority generally plans well to make sure that it has suitable education provision to meet the needs of every child and young person. Over the past decade, the local authority has successfully reduced surplus places in schools and improved the conditions of its school buildings. The local authority is suitably developing its Welsh-medium education provision. Whilst there have been some positive developments in provision for pupils with additional learning needs, the quality of planning for future provision is variable.
- There are many strengths in the local authority's work to reduce the impact of deprivation on education outcomes and its support for families in low-income households. There are also many strengths in the services to support children and young people's well-being and promote positive relationships.
- The authority has worked with its regional school improvement service to strengthen the challenge and support it provides to schools. This work has greater impact for children in non-maintained and primary age settings than for young people in secondary age settings. Provision for young people was too slow to improve in two schools placed in statutory categories.
- Despite strengths in education services, corporate leaders have not ensured that their vision and strategic aims for education are fully understood by other officers, elected members, school staff and external partners. Also, corporate leaders have not ensured that the corporate plan is supported by coherent delivery plans for

education that include related actions and measurable success criteria. Overall, the quality of self-evaluation, planning for improvement, and performance management is not strong enough.

The inspectorate has identified 3 recommendations for improvement that the local authority will use to update its improvement plans:

- Improve the corporate leadership of education services;
- Improve the quality of self-evaluation, strategic planning, and performance management; and,
- Accelerate improvements in provision for secondary age pupils in schools causing concern.

The outcome of the Inspection is positive overall, progress since the last inspection has been made and there is no requirement for follow-up activity. The 3 recommendations identified can be used to facilitate leverage at a corporate level to deliver continued incremental change. However, it needs to be acknowledged that the LA's areas for improvement are of paramount importance in supporting our children and young people to improve their education, skills and life chances. There will be regular update reporting on progress to Members and the Education Directorate will work with Estyn through the Local Authority Link Inspector (LALI) termly meetings to provide assurances to the inspectorate that improvements continue to be made both corporately and operationally across the range of LGES services. You can read the Estyn report in full [here](#).

Youth Service

The number of 11-25 year olds supported by the Youth Service during 2021/22 is 1961 (Reach of 17%). This is lower than the 2019/20 pre Covid data, but shows that the reach has almost returned to pre-pandemic levels, despite still working within restrictions at the beginning of the year.

Out of the number of 11-25 year olds supported by the Youth Service above, the % that have gained nationally recognised qualifications has decreased:

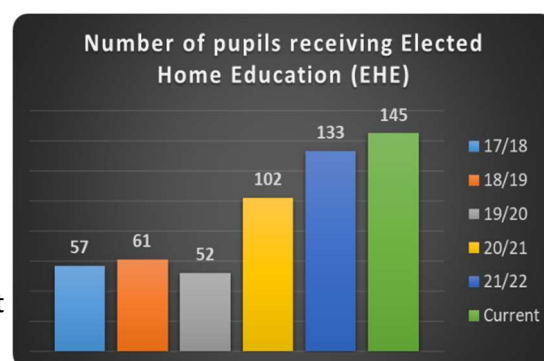
	2017/18	2018/19	2019/20	2021/22
Number of young people supported (11-25) that gained accredited qualifications	306	301	847	86
Number of qualifications achieved	448	456	851	188

Numbers Not in Education, Employment or Training (NEET)

Between 2010 to 2021 there was a significant reduction in the numbers of young people becoming NEET (not in employment, education or training) in Blaenau Gwent. This reduction was due to the work of the Youth Service's strategic multi-agency Raising Aspirations Group, and implementation of the Early Identification Tool. The early identification of those at risk of becoming NEET allows for timely intervention, by means of additional support, which has been proven to reduce the risk of, and in many cases prevent, young people becoming NEET.

Blaenau Gwent continues to deliver a number of services that offer support for young people aged 11-25 who at risk of becoming, or who are currently not in education, employment or training. The Youth Service exceeded that of the all-Wales means for reach and accredited learning outcomes. The levels of NEETs at 1.6% are at their lowest level with nine young people.

The Youth Service is established as an accreditation centre with Youth Workers also providing support for parents of Elected Home Education (EHE) young people wanting to deliver units. The service currently has contact with 18 EHE young people, to provide a link with the service. As demonstrated in the chart there has been an increase in the number of home educated children within Blaenau Gwent over the past few years. EHE pupils continue to be supported by the Education Welfare Service, however, this needs to be monitored closely going forward to ensure that the number of visits increase in line with the above. There are currently 145 pupils on the EHE database (16/02/23) compared to 137 for the same



period last year. This is an increase of 5.8%. Twenty-nine of these pupils are from the Gypsy Roma Traveller Community.

The Gypsy Roma Traveller Community 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.

Tech Valleys

Ebbw Vale has one of Wales's eight Enterprise Zones, meaning it's a priority area for business support, skills, first-class infrastructure, financial incentives, and property and development opportunities. It's part of the wider Cardiff Capital Region, a project that's investing £1.2bn of public money to leverage another £4bn of private investment across South East Wales. The Welsh Government is investing £100m over 10 years to create 1,500-plus jobs and is working with the Council to achieve this under the banner, Tech Valleys.

The Welsh Government has worked with the global technology company Thales to establish a £20m cyber centre at the heart of the Tech Valleys. The National Digital Exploitation Centre (NDEC) was founded in 2019, in its new purpose-built home. It's the first Research and Development facility of its kind in Wales, and provides the perfect setting for Small Medium Enterprises and microbusinesses to test and develop their digital concepts.

The Tech Inward Investment continues to be championed through the Tech Valleys Initiative. This supports our vision for the South Wales Valleys to be a globally recognised centre for developing new technologies to support cutting-edge industry by 2027. Hybrid units have been completed and are fully occupied with tech firms and an immersive classroom has been developed for both education and skills development on the Works site, Ebbw Vale.

To assist with enhancing and stimulating economic development within Blaenau Gwent, we have progressed with improving the corporate commercial property portfolio as part of a Joint Venture with Welsh Government, under the Tech Valleys initiative. A facility called Regain II will enable us to house two Small Medium Enterprises on the Works site, one of the key inputs for the UK Competitive Index, and provide some managed workspace in the Thales Campus situated on Lime Avenue.

The council has worked with the Cardiff Capital Region City Deal to achieve two large investment deals for companies in Blaenau Gwent and, in turn, improve our competitiveness. The UK Competitive Index 2023 has shown that Blaenau Gwent is no longer ranked as the least competitive locality in Britain with the UKCI score increasing between 2019 and 2023. Blaenau Gwent is now ranked 361 out of 362 in the average of competitiveness across Britain.

The Council was successful with a bid to the Shared Prosperity Fund HiVE - the facility will cost in the region of £12M and will support the objectives of the Tech Valleys programme and the aims of the Welsh Government Manufacturing Action Plan (2021) which highlights steps needed to develop a resilient, high value manufacturing sector with a highly skilled and flexible workforce able to deliver the products, services and technologies necessary for our future economy. The facility is supported by the findings that manufacturing is the largest skills gap by sector in Wales (21%) and the need to improve higher vocational and technical education. There is currently no advanced engineering facility of this kind across the Heads of the Valley region. The Well-being of Future Generations (Wales) Act 2015 specifies two highly relevant challenges for places like ours, namely, equipping everyone with the right skills for a changing world and the need to build capacity for lifelong learning.



The Tech Valleys programme has a vision; 'In 2027 the South Wales Valleys and Blaenau Gwent in particular, will be a globally recognised centre for the development of new technologies, to support cutting edge industry'. In support of this vision the Council and Coleg Gwent are developing an Advanced Engineering Centre which will create an environment that will attract hi-tech inward investors within the Advanced Manufacturing sector. Funding to deliver this project is broken down as follows:

- Welsh Government Pre Approval 1 (Money to develop scheme prior to Tender): £200K;
- Welsh Government Pre Approval 2 (Money to develop scheme prior to Tender): £160K;
- Welsh Government Tech Valleys: £2,989,082; and
- Levelling Up Funding: £9,360,000.

Progress of the project so far includes:

- Levelling Up Funding (LUF) has been awarded;
- Contracts with the preferred contractor ISG, are in the process of being signed with the aim of being on site towards the end of July 2023 and contract completed end of May 2024. The contract period is 42 weeks;
- The date the campus will be open and welcoming students is anticipated to be September 2024; and
- Contract sum £12,709,082.

The STEM (Science, Technology, Engineering and Mathematics) Facilitation Project, created as a result of Tech Valleys, is a co-ordinated programme of support, centred on 'industry in schools' within a cluster of Blaenau Gwent schools, raising aspiration and preparing children for their journey into the world of work, whilst remaining complementary to the school curriculum. The project is also seeking to support and develop a sustainable relationship between local businesses and schools, via the industry liaison element of the role. Employers can provide a real-world context for a wide range of learning experiences across the curriculum, showcasing the very many employment opportunities and sign-posting young people to the types of skills that are both in demand now and will be more-so in the future. Key to securing the workforce of tomorrow are the links between businesses and education, in order to connect children to the full range of vocational and academic career paths.

This year Blaenau Gwent had two finalists at the Wales STEM (Science, Technology, Engineering and Mathematics) Awards 2022:

- The STEM Facilitation Project in the category of STEM Educational Programme of The Year (Public)
- Team Leader, in the STEM Woman of The Year category which recognises inspirational women and their work as ambassadors within the STEM industry.

Digital

The digital interventions of the Ebbw Vale project, the first to be implemented, include:

- 5G connectivity throughout the town centre with 5G classroom at the Works site (more detail below);
- Creating a digital high street through development of an app that allows interaction with Ebbw Vale and provides access to local businesses;

- Establishing a brand and marketing strategy for the town, that consistently promotes the leisure, tourism and retail offer that is available in the town and wider region; and
- Creating or linking to existing digital resources (online maps/council website/app) to aid way-finding for the cycle and walking opportunities through the town.

5G Wales Unlocked is the innovation project behind the new immersive 360-degree immersive environment in Ebbw Vale – just one of several trials demonstrating how ultrafast technology like 5G could transform rural communities, from powering tech innovations in agriculture, to improving rural transport and education and bolstering the tourism industry. Using a localised 5G network by project partners BT, the classroom uses the high-speed connectivity to project inspiring and educational video content onto all four walls in a 360-degree format, providing an immersive experience.

Kick Start

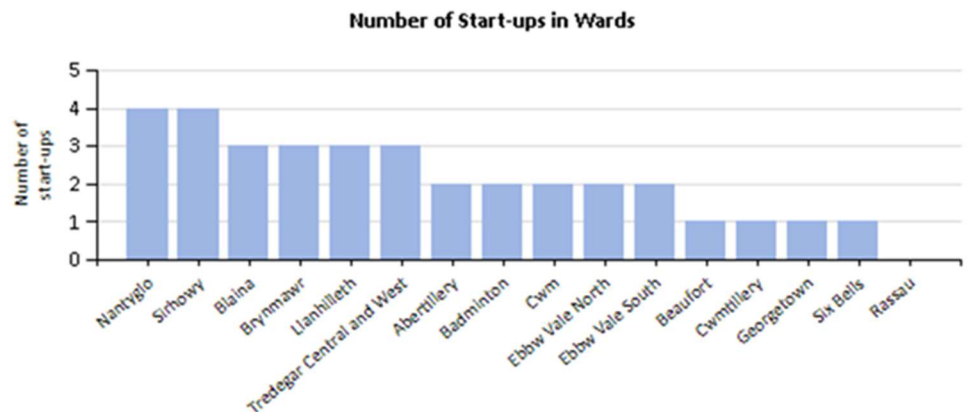
Kick Start was a 2-year programme (2021 & 2022) which was aimed at supporting new businesses from 6 months up to 3 years old, to help them develop and expand. The implementation of the programme has been very successful with 21 Blaenau Gwent businesses receiving this funding to support work placements. This scheme will be replaced with the Quickstart Programme from April 2023.

Business Start Ups

There were 25.8% more businesses start-ups in Blaenau Gwent during the first three months of this year compared with the corresponding period of last year, according to latest data from BankSearch. This growth rate ranks Blaenau Gwent at 2 out of the 22 Welsh districts. The makeup of start-ups is Limited Companies 67.6%, Sole Traders 29.4%, Other For Profit Start-ups (mainly Partnerships) 2.9% and Not For Profit 0.0%.

The top 3 industries account for 70.6% of start-ups. The types of areas that start-ups were established include; Hard-Pressed Living 67.6%, Constrained City Dwellers 23.5%, Suburbanites 5.9%, Rural Residents 2.9%, Cosmopolitans 0.0%, Ethnicity Central 0.0%, and Multicultural Metropolitans 0.0%. Growth in the number of start-ups across Wales has risen. So far this year, Merthyr Tydfil (67.4%), Blaenau Gwent (25.8%) and Swansea (21.3%) have seen the strongest growth compared to the corresponding period in 2022.

In Blaenau Gwent 34 new businesses started up in March 2023, 15 more than the previous month and 7 more than in March 2022. Nantyglo saw the most start-ups; Rassau saw the least. Blaenau Gwent accounted for 2.3% of all start-ups across the Wales.



In March 2023 there were 7.8 start-ups for every 10,000 working age in Blaenau Gwent and this compares with a business start-up rate of 7.6 for the whole of Wales

Shared Prosperity Fund

Following the withdrawal of the UK from the European Union in 2020, the Shared Prosperity Fund (UKSPF) is the UK Government replacement for the European funding. The UKSPF is a key part of the UK’s Levelling Up agenda, forming part of complementary funding, including the Levelling Up Fund and Community Ownership Fund. The primary aim of the fund is to build pride in place and increase life chances across the UK. Underpinning this aim are three investment Priorities: communities and place; supporting local business and people and skills. As part of the People and Skills priority there is a dedicated and ring-fenced element of the UKSPF called ‘Multiply’ which seeks to improve adult numeracy skills.



The 10 Local Authorities in the City Deal Region have a combined conditional allocation of £230,432,573 and £48,100,003 for Multiply. Blaenau Gwent have £23M allocated for expenditure across three priorities and an additional £5M for Multiply. This amount is allocated over three years starting from April 2022, with a substantial amount in year three (2024/25). The funding has been broken down to yearly allocations; 12% in year 1 (22/23), 24% in year 2 (23/24) and 64% in year 3 (24/25). UK Government have advised that any funding not utilised in each year cannot be carried forward.

Emphasis is being placed on gathering local evidence to substantiate local (and regional) spend of the SPF. To access the local SPF funding allocations, each local authority has developed a

local Investment Plan which identifies a range of interventions that meet the 3 investment priorities and reflect local evidence, challenges and opportunities. Each local Investment Plan will contribute to one South East Wales Regional Investment Plan which will need to outline:

- Local context: showing evidence of opportunities and challenges using the three investment priorities for UKSPF.
- A selection of outcomes and interventions: identifying the outcomes based on local evidence and need, and the interventions to prioritise, under each priority.
- Delivery; detailing:
 - a. Approach to delivery and governance
 - b. Expenditure and deliverables
 - c. Capability and resource
- Engagement with wider local partners, stakeholders, local MP's and Members of the Senedd.

Rhondda Cynon Taf (RCT) Council will manage the regions allocation and will submit the Regional Investment Plan. As the lead authority they will also have responsibility for a single funding agreement with the UK government for the full South East Wales SPF allocation of £278.5M and will be accountable for all aspects of monitoring and claiming the allocation. There will be a requirement for Service Level Agreements between RCT and Blaenau Gwent Council to pass on accountability and the terms and conditions of the funding.

The Shared Prosperity People and Skills investment priority will help reduce the barriers some people face to employment and support them to move towards employment and education. Places can also target funding into skills for local areas to support employment and local growth. Blaenau Gwent's funding allocation over the 3-year delivery programme against this investment priority is £8,599,836.

CiNER Glass Property

CiNER Glass Property Limited will be building a bottle manufacturing facility in Ebbw Vale which aims to bring around 600 jobs to the area. The first part of the facility is expected to be operational late 2024. Once operational, the Ciner plant will help provide a range of long-term benefits to the local community, including:

- A £390m investment in a state-of-the-art glass recycling manufacturing plant;
- Up to 600 jobs when the plant is operational plus an additional 400 jobs during the construction phase;
- Create a centre of engineering excellence in glass technology in Wales competing with the best in the world;
- Provide thousands of new job opportunities for young people over several decades; and
- Contribute to both Blaenau Gwent and the Welsh Government's net-zero ambitions by drastically reducing the levels of glass imported.

Council Business Property Portfolio

The Council own and manage a portfolio of 15 estates and a population of 191 business units. The portfolio is largely made up of workshop and factory units, with a small offering of office units (sizes range from 160 Sq. Ft – 32,000 sq. ft.). High tech units have recently been added to the portfolio on The Works, Ebbw Vale. The table below provides an overview of the Portfolio by Estate:

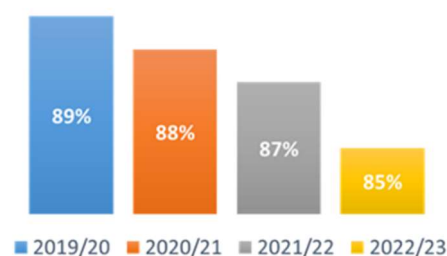
Business Park/Industrial Estate	Key	Units		
		Total number of units	Number of units occupied	% of total number of units occupied
Barleyfields	14	7	7	100%
Blaenant	13	15	14	93%
Blaenau Gwent Workshops	15	35	23	66%
Crown	2	16	15	94%
Cwmdraw	9	15	11	73%
Cwm SBC	21	25	17	68%
Cwmtillery	20	12	11	92%
Gwent Court	11	4	4	100%
Hybrid Units	10	9	9	100%
Llanhilleth	23	19	18	95%
Roseheyworth Business Park – North	19	8	8	100%
Roseheyworth Business Park – South	19	14	14	100%
Victoria	11	2	2	100%
REGAIN	10	8	8	100%
Waun-y-pound	5	2	2	100%
		191	163	85%

The Council's property portfolio is at:

- 93% occupancy rate and increase of 1% from last year;
- supporting 807 jobs, an increase from 736 jobs last year and 114 businesses accommodated;
- 320,543 sq. ft. total floorspace occupied; and
- £1,004,272 received in total rent over the year.

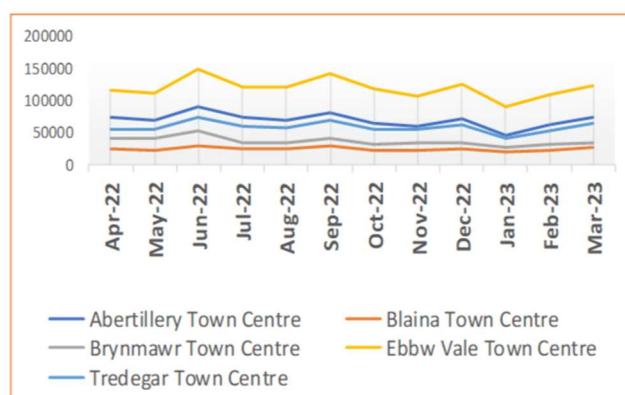
In order to enhance and stimulate economic development within the Borough it has been identified that it is a priority to support the Industrial portfolio management and development and in turn support inward investment, business start-up, retention and growth.

The percentage of occupied Blaenau Gwent Industrial units is shown in the graph -



Town Centres

Footfall is an important factor influencing our town centre vitality and viability. Sensors count the number of shoppers visiting our town centres and provide analytical data on how individual town centres are performing and how shoppers are using them. The data from footfall monitoring allows the Council to be better equipped to make evidenced based decisions on the popularity and effectiveness of current and future projects in Town Centres. During the year footfall has fluctuated each month with the busiest month in all towns being June. There was a total Blaenau Gwent town centre footfall of 3,648,028 people over the year.



All placemaking plan processes are underway and the Council is now able to apply for Transforming Towns Funding from Welsh Government to support implementation. The placemaking plan embraces the digital and technological revolution trying to establish town centres with world-class connectivity which will support businesses and provide a means for retailers to trade online. The technical and digital measures include developing a digital presence for the town, strengthening the quality of WI-FI coverage, creating a favourable commercial

environment for businesses to survive and grow, and establishing a regular series of events and initiatives that raise interest in the towns as a destination to increase visitors.

- Work on Ebbw Vale Placemaking Plan has continued during 2022/23 and further stakeholder engagement has been held on potential projects to be taken forward for implementation. Some work on development options for key sites has commenced. Further engagement with Design Commission for Wales is to be undertaken.
- The Brynmawr Placemaking Plan has also been progressed and builds upon the Brynmawr and Nantyglo Masterplan that was approved in late 2020. The placemaking plan will seek to recognise the commercial developments that have taken place on the periphery of the town centre and consider how these developments can become better connected and support the long term viability of Brynmawr Town Centre. A draft of the placemaking plan has been prepared. Engagement took place with Elected Members in advance of it being submitted to Scrutiny for approval in March 2023.
- Funding was secured to undertake a Placemaking Plan for Abertillery and consultants have been appointed to help with its development. Initial stakeholder engagement has been undertaken to start to shape the placemaking plan and based on lessons learned for the other placemaking plans earlier stakeholder consultation has taken place along with work on the vision, ambition and strategy. Public consultation took place in January 2023.
- The Tredegar Placemaking Plan was approved in 2022. Work continues on development of a delivery plan that will list the projects that need to be done to achieve the overall vision for the town.
- A funding application has been prepared to cover costs of developing a Blaina Placemaking Plan.

Challenges the Council have experienced throughout the year

Elected Home Education (EHE) Pupils

There has been an increase in the number of home educated children within Blaenau Gwent over the past few years. Elected Home Education (EHE) pupils continue to be supported by the Education Welfare Service; however, this needs to be monitored closely going forward to ensure that the number of visits increase in line with the figures. There are currently 145 pupils on the EHE database (16/02/23) compared to 137 for the same period last year. This is an increase of 5.8%. Twenty-nine of these pupils are from the Gypsy Roma Traveller Community (GRT).

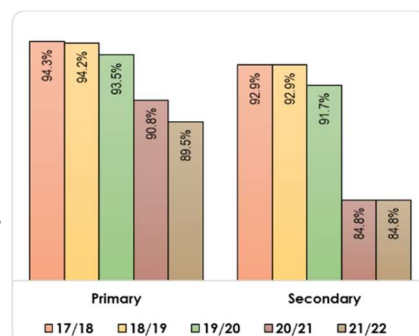
Attendance and Exclusions

On an annual basis school attendance is showing a decrease in both primary and secondary schools. Attendance figures in Blaenau Gwent are mirroring those of national trends. Incidents of exclusions and the number who received fixed term exclusions during the year, issued in respect of children looked after, increased compared with the previous year. The primary reason why exclusions are issued continues to be for persistent disruptive behaviour particularly in respect of secondary aged pupils.

The exclusion data is showing the increase and the levels are higher than they were pre Covid. However, similar patterns of increases are being experienced by areas across Wales post Covid. Positively, only 7 primary schools issued exclusions this year compared to 13 schools for the same period last year. However, the number of exclusions and the days lost are higher in 5 out of the 7 schools that are issuing exclusions. The Education Welfare Service are working closely with those schools in order to support early intervention to further reduce exclusions. One of the schools has developed a nurture base which has had a positive impact on the amount of exclusions.

This period has only seen exclusions from one of our special schools. There has been an increase in the number of exclusions in this school and days lost. The Education Welfare Service are working in partnership with the school to look at support that can be provided to address reasons behind exclusions. The 3 main reasons for exclusions across all settings are persistent disruptive behaviour (279), verbal abuse/threatening behaviour against an adult (198) and physical assault against a pupil (98). When

Attendance Figures



analysing exclusion data, it would be important to take into account that it may involve a small number of learners who are excluded more than once.

A key action for the Education Directorate and Schools is to work together to reduce school exclusion levels.

Data analysis	Number of Exclusions (Increase)	Days of Exclusion (Increase)	Permanent Exclusion (Increase)
Secondary	221	196.5	4
Primary	8	36	0
Special Schools	2	20.5	0
Increase	231	253	4

Schools Causing Concern (SCC)

A priority will be to continue to work with Schools Causing Concern (SCC), particularly the two schools currently in an Estyn category.

- Brynmawr Foundation School (BFS) - continues to be subject to a Local Authority Warning Notice to improve and intervention is in place. The revisited Statutory Warning Notice was released to Brynmawr Foundation School on 8th March with a focus on the pace of improvement required. A further Estyn monitoring visit will take place in the last week of March 2023. The Education Directorate is working with the EAS and the school in relation to the pace of progress in improving teaching and learning and a review was undertaken in March 2023 with Cardiff High School (support school). Wellbeing support set up with BFS, first learner to start in January 2023. Agreed the school will receive support as a Team Around the School (TAS) in addition to the multi-agency approach, first TAS will be in April 2023.
- The River Centre (RC) - Governing Body of the school remains under statutory intervention because of the Statutory Warning Notice to improve following an Estyn inspection July 2022, where the school was placed in Special Measures. The Post Inspection Action Plan has been submitted to Estyn and an initial monitoring visit took place on 15th December 2022 which reviewed the PIAP and the LA Statement of Action. The outcome of this visit was that the PIAP was viewed as appropriate for addressing the setting's recommendations.

Estyn

The Council received the final report from the Estyn Local Government Education Services Inspection which identified 3 recommendations for improvement that the local authority will use to update its improvement plans. One of the areas being a recommendation to 'accelerate improvements in provision for secondary age pupils in schools causing concern'. The areas for development take account of shortcomings identified through the inspection process. The local authority's plans are to be updated during the Spring term and the revised Education Improvement Plan (EIP) and Self-Evaluation Report (SER) will be reported to the People Scrutiny Committee and Cabinet early in the summer term for both scrutinisation and to seek approval. Development work has already begun on addressing the recommendations.



Education Budget

Local Education Authority Budget received cost pressures totalling £0.923m mainly in relation to Home to School transport and ALN Reform. Home to School Transport budget is indicating an overspend of £1m, which can be attributed to an increase in pupil numbers utilising mainstream and ALN settings in both primary and secondary schools and pupils attending out of county placements.

Reliance on external funding is a risk for the Youth Service. However, securing European Social Funding until 2023 has provided some stability with the most vulnerable young people in the community having support for the past five years. SPF applications have been submitted which includes funding to continue the support for young people through the Inspire programmes. Welsh Government Youth Support Grant funding has

now been given as a 3-year indicative allocation. This has allowed better planning for the future, both internally and with external partners.

What Evidence is Available

- Performance Data
- Auditor Reports
- Tech Valleys and the Cardiff Capital Region City Deal
- Service Business Plans
- Agendas and Recordings of Democratic meetings all available on the Council Website - <https://democracy.blaenau-gwent.gov.uk/ieDocHome.aspx?Categories=>

Actions Identified to Support Future Improvement

As a council we are looking to 'Maximise learning and skills for all to create a prosperous, thriving, resilient Blaenau Gwent'. Alongside the many achievements detailed throughout this report we recognise that the following areas will require further development and improvement. In our next annual Self-Assessment, we will include detail of how we have progressed these actions throughout the 2023/24 year.

- Improve attendance and attainment rates and reduce school exclusions in both Primary and Secondary sectors;
- Focus on Higher levels of language acquisition and reading across the board, but particularly in our very young children in early years;
- Focus on improving the pace of change for Schools Causing Concern;
- Develop a vision and strategy for the future provision of ALN;
- Respond to the recommendations from the recent Estyn Inspection;
- Continue to monitor and improve on attainment levels;
- Focus on improving the pace of change for Schools Causing Concern (SCC);
- Increase capacity at Pen-Y-Cwm and River Centre and reduce out of county placements, in turn reducing annual financial loss;
- Monitor Home to school transport funding issues;
- Secure external funding for European Social Fund (ESF) programmes e.g. Inspire;
- Monitor closely school place and sufficiency of all schools, use data more effectively to inform long term planning;
- Continue to examine the opportunity for new industrial space across the borough;
- Supporting the community to gain the right skills for a changing world and build capacity for lifelong learning;
- Progress with the development of CiNER and Regain 2 to support growth and investment into the area; and
- Work to further improve our competitiveness across the UK.

What Our Data is Showing - A trend narrative has been provided to show the direction of travel of each indicator with colours provided to show: **Green – Improvement Made; Red – Performance had Reduced; Blue – Performance has been Maintained; and Grey – there is no trend identified or required.**

Performance Indicator – An indicator that is managed or collected by Blaenau Gwent Council	Data				Trend Narrative for 2022/23
	2019/20	2020/21	2021/22	2022/23	
% of Pupils entitled to Free Schools Meals (eFSM) BG	25.5	31.4	33.3	24.6	Large reduction of 8.7% from last year
% of Pupils entitled to Free Schools Meals (eFSM) Wales	19.9	22.9	23.3	22.2	
% Attendance – Primary	N/A	89.9%	89.0%	90.4%	Improved
% Attendance – Secondary		84.8%	84.8%	85.8%	Improved
Number of Pupils being Electively Home Educated in BG <i>*Data available in Autumn</i>	70	89	132	*	Increase year on year
Number of Schools in the category of Causing Concern (out of a total of 25)	4	2	2	2	Maintained
Number of pupils in LA maintained schools (across 25 schools)	9378	9527	8828	9392	Increased this year from lower position last year
% of pupils with Special Educational Needs (SEN)	19.2	17.9	15.7	13.8	Reduction Year on year
Number and % of young people who are NEET <i>*Data gathered June and verification in October</i>	1.9%	1.5%	1.6%	*	2021/22 data showing performance maintained
Aspire Internal Apprentices - LA Apprenticeships	N/A	5	10	12	
Aspire External Apprentices- Apprenticeship offered in industry	13	9	8	17	
Average % of planning applications determined on time (cumulative average over a year)	-	96%	91%	93%	Improved
% Occupancy of Blaenau Gwent Industrial Units	89%	88%	87%	85%	Decreased
% Occupancy floorspace of Blaenau Gwent Industrial Units	81%	92%	93%	93%	Maintained

As well as the indicators above there are also a number of additional data development items that the Council will be looking to add to the data set in future years.

Population Indicator – An indicator of the population. The Council, as well as other partnership organisations can contribute to this but not one area is responsible for the outcome data.	Data			
	2019/20	2020/21	2021/22	2022/23
Percentage of working age people who are economically active	72.8	71.8	76.0	72.7
Male	75.5	73.3	80.0	78.8
Female	70.0	70.0	71.9	67.2
Percentage of adults 16-64 with no qualifications	16.3	11.1	14.6	
Working age population (16-64) with NVQ level 4 and above*	28.5	26.7	Sample Size too small	Not yet available
Number of children living in working families in absolute low income in Blaenau Gwent	1,601	1,850	Not yet available	
Average gross annual pay for people who live in the area and work full time (£)	23,549	26,204	27,756	28,040
Average gross annual pay for people who live and work full time in Wales (£)	27,858	28,530	28,886	30,821
Blaenau Gwent Business:				Not yet available
• Business birth rate	13.6	14.6	14.4	
• Business death rate	11.7	8.9	12.8	
• Active business enterprises	1,365	1,405	1,490	
UK Competitive Index Blaenau Gwent ranking	2021 – 362/362 (1.5 increase in competitiveness level (but not changed in ranking)) 2023 – 361/362			

Respond to the nature and climate crisis and enable connected communities

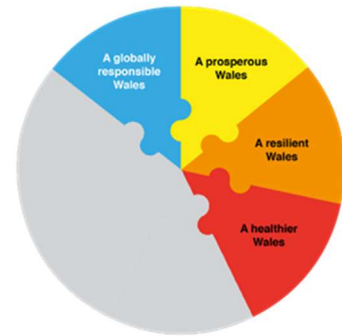
<p>Evaluation Rating 4: Good</p>	<p>Evaluation Narrative:</p> <p>The Council has made good progress to respond to the nature and climate crisis through the production and implementation of its Net Zero Report which is showing that our carbon footprint has further reduced this year. There are financial challenges associated with supporting the public sector to become net zero, as many of the changes required will be costly and, as outlined throughout the document, the Council is facing significant financial challenges. The authority is keen to take this important area forward, but it will require a joint effort across governments and partners to have a greater and a more sustainable impact. Our waste and recycling figures have exceeded the Welsh Government statutory recycling target of 64% with a recycling rate figure of 66.78% for 2022/2023. We continue to have good levels of air quality across the Borough and grants have been fully utilised to help implement the Greater Gwent Nature Recovery Action Plan. Wind, hydro, and solar generation initiatives are in progress and support this important agenda. The Council is also looking at innovative designs for our buildings and those of our partners such as our community housing provider Tai Calon. Actions to address these areas of work can be found on pages 34, 44, 57, and 69 and will be reported on as part of the 2023/24 Council Self-Assessment.</p>
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Why This Is Important as an Area of Focus:

Blaenau Gwent has a rich heritage, and its buildings and countryside are what make it an attractive place to live, work and visit. The local environment should be used to help improve the health and well-being of families and communities and be enhanced for future generations to continue to enjoy. There is a real desire to see the communities where people live kept clean, tidy and useable, creating areas that people can be proud of.

Identified Need:

- Connectivity -
 - Digital Infrastructure
 - Digital Skills
 - Transport
 - Prioritising active and safe transport
- Community –
 - Natural and built environment
 - Attractive area to live
 - Minimising air pollution
 - Building energy efficient homes
- Decarbonisation –
 - Net zero by 2030
 - Building Adaptions (including schools)
 - Tackling climate change
 - Energy provision



What We Aim to Achieve – For Blaenau Gwent Council to greatly reduce its carbon emissions, and provides an environment which supports growth and well-being and connects communities

How Well We Are Doing and How Do We Know:

DID YOU KNOW ...

Of Blaenau Gwent households, in 2021 **16.0% were rented privately, up from 12.8% in 2011.** Blaenau Gwent was ranked **11th-highest** out of the 22 Welsh local authority areas for the percentage of households **private renting.**

Latest Air Quality Exposure Data shows-
Average micrograms of NO2 at residential dwelling locations per m3:
2017/18 – 8
2018/19– 7
2019/20 – 8
2020/21– 6



Blaenau Gwent is **responsible for maintaining 416km of public highway.**

Waste and Recycling

Our recycling figures have improved again this year, moving closer to our target figure. Achieving the 70% target is going to be a huge challenge; the aim being to reduce the amount of residual [black bag] waste being collected, and increasing recycling participation across the Borough. Assuming the total municipal waste remains constant, to achieve 70%, the Council would need to reduce residual waste and increase recycling by 1562.44 tonnes. For every 1% increase there would be a need to divert 308.66 tonnes from the residual tonnages to recycling/composting tonnages. This is made more difficult by things like smaller gardens in the area overall so green waste figures are generally lower than other areas. This is the first full year of operation for the integrated front line service, and we have established the frontline enforcement service alongside; this has resulted in a decrease in the numbers of fly-tipping incidents.

During 2019/20, 2020/21 and 2021/22, Blaenau Gwent exceeded the Welsh Government statutory recycling target of 64%, achieving 65.31%, 64.29% and 64.94% respectively. For 2022/23, that success has been maintained and the target of 64% has again been exceeded, attaining 66.78%. It is imperative that the council maintains and improves its recycling targets as there is a financial penalty imposed by Welsh Government if these are not met. The current fine for not achieving the target is £200 per tonne for every tonne below the required amount to achieve the target. A breakdown of the annual 2022/23 performance is provided in the table below:

Quarter	2021/22	2022/23
Quarter 1 (April – June)	66.51%	67.76%
Quarter 2 (July – Sept)	67.01%	68.29%
Quarter 3 (Oct – Dec)	63.47%	64.66%
Quarter 4 (Jan – March)	62.55%	66.32%
Annual (as at 31st March not yet verified by Natural Resources Wales)	64.94%	66.78%

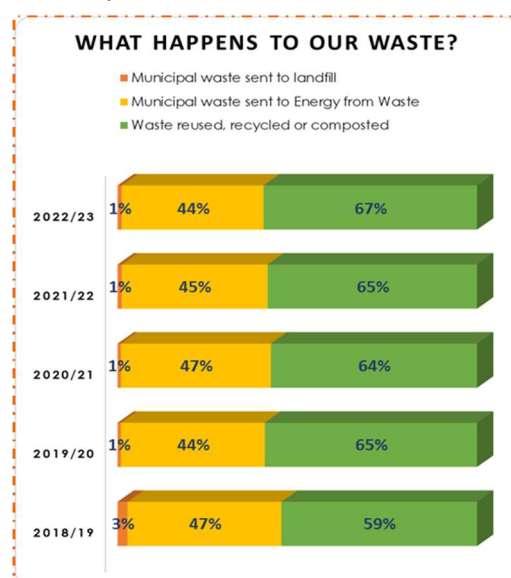
When looking at the breakdown of tonnage figures for 2022/23 compared to 2021/22, it shows a drop in residual, recycling, food and a slight increase in green waste. The thinking behind this is owing to there being less people being at home compared to last year (linked to Covid-19 and working from home etc) and there being an increase in the tonnages at the HWRC.

- Residual waste has decreased by 579.63 tonnes (4.85%);
- Food waste has decreased by 100.91 tonnes (2.82%);
- Kerbside Recycling has decreased by 522.19 tonnes (8.72%);
- Garden waste has increased by 11.728 tonnes (0.70%); and
- HWRC Recycling has increased by 223.822 tonnes (4.88%).

Side Waste Enforcement – By utilising in cab devices, refuse and recycling crews are now electronically recording excess side waste and recycling contamination issues for referral to the Authority’s Enforcement Wardens, who are following up these referrals with enforcement action or advice visits as appropriate. This is freeing up officer time to allow more proactive initiatives to be conducted such as the current Food Campaign.

Keeping Up with The Joneses (KUWTJ) – The campaign, which looks to reduce the amount of recyclable material placed out by householders in their residual waste, has been completed in two of the Authority’s four refuse rounds, with a third partially completed. The campaign has been suspended while officers progress the current engagement and education Food Campaign.

The data in the table shows what happens to our waste which does not calculate to 100% as energy from our Waste indicator is based on collected waste and we claim a % back from the Incinerator Bottom Ash which also contributes to our recycling rate.



Food Campaign - Following a recent waste analysis exercise, which identified that 23% of the contents of black refuse bags during the sampling period was food waste, the Authority is conducting a monitoring and engagement exercise across the 14 recycling rounds to identify those households which don't currently place food waste out for recycling in order to encourage participation in future.

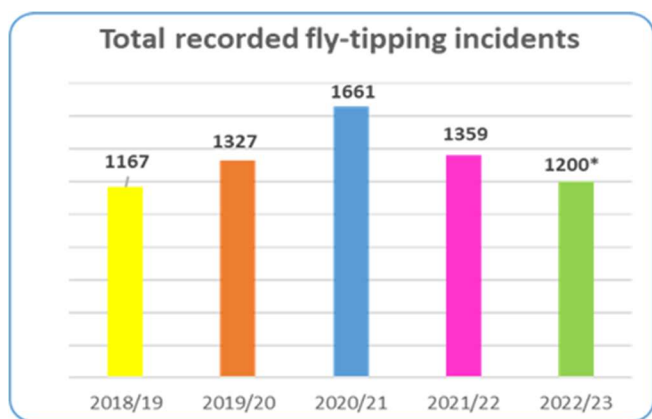
Unfortunately Keep Wales Tidy (KWT's) "Caru Cymru" scheme came to an end on 31st March 2023. Although KWT continue to provide resource support, the funding for the proactive officer engagement ceased. However, a successful application for SPF (Shared Prosperity Funding) has meant the council can employ a dedicated full time LEQ Officer. The role of the LEQ Officer is to increase the engagement programme within Schools, the community and businesses. As engagement forms only one element of the Strategy objectives, the officer will also deliver the other objectives of the Strategy being: raising awareness; community empowerment; and education. As part of the education programme the officer also works closely with the Waste Strategy team to support the delivery of the Waste Strategy to promote and encourage recycling behaviours within schools, workplaces and communities. The officer continues to work in collaboration with KWT along with other internal and external agencies to create an environment that is clean and attractive for current and future generations.

Commercial Waste - Having been compliant with the new Welsh Government (WG) regulations for non-domestic waste since May 2021 (separated collection at the kerbside section), the service has struggled to retain customers as the four-year delay in implementation of the regulations has allowed the private sector to continue to offer a cheaper commingled recycling option. After a number of consultations by WG in the latter part of 2022, a new implementation date of April 2024 has been announced and after that date, commingling of non-domestic recycling will be outlawed in Wales. Despite concessions to the private sector where they are not required to offer all the specified streams, if the new regulations are robustly enforced (NRW), Local Authorities should have a better chance to compete. The Council service continues to cover its costs despite the challenging economic landscape.

Regional Wood Facility - Work continues on the Regional Wood Facility project at Silent Valley with support from WG. The project has been through a second health check with Local Partnerships so the project Team is working to develop a financially viable facility which will provide value for money for public funds.

Education Centre - A new Educational Suite has been built at Roseheyworth Recycling Centre utilising WG Circular Economy Funding. A bid has been made to KWT for a Wildlife pack to develop the grounds outside the centre with help from local community groups. The Centre will be used from September to accommodate visits from school children and is a potential venue for future Repair Cafes in the area.

Fly Tipping and Street Cleansing



942 fly tipping incidents were reported during the year, the average number of days taken to clear was 4.3 days. There has been a 28% reduction in fly tipping since 2020/21 which is the lowest level recorded in 4 years. During the year (April 22 to March 2023) there were 79 fixed penalty notices issued for fly tipping and there has been over 400% increase in fly tipping fixed penalty notices issued since 2021/22 to 2022/23.

During the period April to March 2023, 180 streets were inspected by the Council and Keep Wales Tidy. Of these, 98% were rated at a high or acceptable standard on cleanliness.

Energy Provision

We are at the start of our energy journey, building upon the successful heritage of our former steel and coal mining industry. With Welsh Government support, collaborative partnership ventures including the Cardiff Capital Region City Deal of £1.25Bn and Tech Valleys investment we are in a strong position to support future energy growth. We want to create an environmentally friendly and sustainable retail and business environment, diversifying the evening and night time economy, creating improved transport connectivity through the Borough and energy is central to our ambitious programme. We have experience in low carbon heat and power networks, improving energy efficiency of

homes, public and commercial buildings and highways infrastructure. In Blaenau Gwent, we recognise that increasing the choice of energy provision and security of renewable energy supply is integral to our wider social and economic regeneration plans. Having a strong environmental programme not only meets Welsh Government carbon reduction targets but is essential to creating sustainable and vibrant communities for the future.

The Council is actively seeking to reduce both energy costs and carbon emissions across our property portfolio. We have considered a range of alternative delivery models to improve our buildings. Adopting the RE:FIT model offers the Council a commercial model to achieve financial savings, improve energy performance of buildings, and importantly, reduce their CO2 footprint. By using the RE:FIT model, the Council will place an obligation on the contractor installing energy conservation measures to guarantee potential energy savings the specific technologies will bring through robust monitoring, measurement and verification measures to assess savings. A portfolio of buildings across the Council portfolio have been selected as having the potential to benefit from the RE:FIT model. These include Council Buildings, Leisure Trust Locations and Schools.



Gwent Local Authorities have also recently commissioned a carbon reduction fleet review, and this included collecting data about mileage driven, fuel used by the directly operated fleets (owned, leased and rented), along with the business mileage driven by the staff owned grey fleet. Each of the Authorities received a report for their area alongside a Gwent wide report. Alongside current targets in Wales for us all to reduce carbon emissions by 95% by 2050, there is also a target whereby Welsh Public Sector Fleets should transition to Ultra Low Emissions Vehicles (ULEV) by 2025 for cars and small vans, 2030 for all other vehicles and 2040 is the target date for ending

the sale of new petrol or diesel vehicles. Next steps following the review are to develop a plan for the transition of our current fleet to ULEV when making decisions around the purchase of new or replacement fleet.

Wind Generation Projects are ongoing. A planning application has been submitted for the installation of a wind turbine at Silent Valley former landfill site. The application is being considered by Planning Officers and will go through the normal determination process. Work will be undertaken on a business case for investment alongside the planning process. If planning consent is achieved the Council will be asked to consider a business case for investment.

Hydro Generation - Initial investigation and feasibility studies for small scale hydro generation opportunities within the wards of Cwm and Llanhilleth presented two sites with some potential for hydro generation. These were presented to Scrutiny and Cabinet for consideration, and it was determined that the potential returns and payback were not sufficiently positive for the projects to be developed further at this time. Funding is being sought to further develop the feasibility of a hydro generation scheme at Silent Valley. If the funding is secured work will be undertaken to investigate the option to utilise hydro generation to power electric pumps. This would provide renewable energy to support local energy demands, however, the level of production is extremely low when compared to the level of investment required for its initial development and ongoing operations. The Council is also looking into the potential that the hydro scheme could provide power to electric pumps at the leachate lagoon. This would then enable the Council to replace the diesel pumps, which are currently hired, which is something Natural Resources Wales (NRW) are pushing for. The next steps will include identifying suitable electric pumps and creating a model to reflect how much of the hydro energy can be used by the pumps.

Initial scoping study has started for a potential solar scheme at Bryn Bach Park. A Grid application has been submitted jointly with Caerphilly County Borough Council before taking the work on the project any further. This is being delivered by Welsh Government Energy Service.

Further funding has been secured for a phase 2 rollout of Electric Vehicle charge points at an additional 10 sites across Blaenau Gwent. This is in addition to the 11 sites delivered under phase 1 which are now live and available

for public use. A further regional funding bid is due to be submitted to the Office for Zero Emission Vehicles and, if approved, will provide charge points at a further 11 sites across Blaenau Gwent.

Cardiff Capital Region City Deal secured funding from Welsh Government to install rapid charge points for taxi ranks and to purchase 44 wheelchair accessible electric taxis for trials to take place across the region. The taxis were to be offered under a 30-day free trial for taxi drivers. Two of the 44 taxis have been made available for Blaenau Gwent and the trial will run until 30th November 2023.

Air Quality

The Environmental Health Section is responsible for monitoring air quality within Blaenau Gwent. Air quality is the term used to describe and classify the concentration of certain pollutants in the air. These pollutants have the potential to adversely affect human health at elevated concentrations. The Air Quality Assessment 2022 has been completed and submitted to Welsh Government. We currently carry out air quality monitoring at 28 locations within the borough at residential properties and schools. These locations are selected by officers due to them being in close proximity to busy roads, industrial estates and specifically at schools due to the school run effect. An air quality management is declared when there is an exceedance of air quality standards and the local authority must take legal steps to improve the situation. In Blaenau Gwent we have good levels of air quality, so we have not declared any air quality management areas.

Housing

The Council works to improve homes across Blaenau Gwent with the aim of increasing energy efficiency and reducing fuel poverty. Schemes are in place to make improvements to social rented homes, bringing together home improvements and clever technologies to make these homes as easy and cheap to heat as possible. Making homes more energy efficient helps to tackle the climate emergency and also helps people living in poverty save money on energy bills.

The Optimised Retrofit Programme, funded by Welsh Government, was introduced this year as part of the Innovative Housing Programme Funding to improve the energy efficiency and reduction of fuel poverty of social rented homes in Blaenau Gwent. All 4 partner Registered Social Landlords in Blaenau Gwent are taking part (Tai Calon, Linc Cymru, United Welsh and Melin).

The regeneration team have worked together with Tai Calon to bid for funding to assist with a grant for a property modification at Solis One to enable a start-up heat pump business to move into the rear of the Registered Social Landlords offices. This will help to build the local decarbonisation economy in the area and offer new skills to the local community. Alongside this, initiatives like ECO4 are being delivered; the primary goal of this grant is to support low-income households who are unable to upgrade their homes and heating systems.

Bio Diversity

Resilient Greater Gwent, a Gwent wide collaborative project supporting Ecology, Invasive Species and Sustainable Communities, which was led Blaenau Gwent, concluded in July 2022. The final full month of the Welsh Government ENRAW funded Resilient Greater Gwent project saw actions associated with the Nature Recovery Action Plan being implemented in addition to the coordination of Gwent wide activities on urban biodiversity, sustainable communities, rivers, and invasive non-native species.

Our Local Places for Nature grant have been fully spent, delivering the following strands of work:

- Nature on your Doorstep – funding value of £90,809;
- Greening the public service estate – funding value £52,691; and
- Revenue funding of additional £62,400

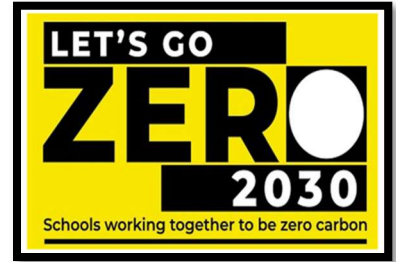
Woodland management plans have been completed for Trevor Rowsen, Six Bells and a number of other sites and work to implement those management plans has been completed, including tree thinning and Ash removal. Work completed on all sites, with the exception of ongoing works at Six Bells Local Nature Reserve.

To celebrate the 3 year Resilient Greater Gwent programme, a 'Go Wild' event was held in Bryn Bach Parc in May 2022. Some of the key projects that have been implemented as part of the programme include:

- The production of the Greater Gwent State of Nature Report; and
- Gwent Nature Recovery Action Plan.

Education

We aim to ensure that decarbonisation measures are at the forefront of our future planning, and this includes educating our young 'future adults' in order for them to lead the way to a bright net zero future. Environment and biodiversity considerations form the basis of all new school buildings and existing school upgrades and we encourage nature friendly management on school grounds. Effective partnership working enables us to provide advice and guidance to support our children and young people around biodiversity, decarbonisation, equalities, diversity and inclusion. These partnerships with schools and the Children's Grand Council are very effective and not only inform but support our children and young people to have a voice. We are and will continue to deliver effective sustainable communities for learning which are environmentally friendly and support the delivery of our educated young people who will in the future form our connected communities.



Highways

The Highways Maintenance and Works Annual Plan has been completed for the year 2021/22 and funding has been identified to consider the future work programme for A, B and C roads as well as auxiliary works. Alongside this, funding has been received to undertake some specific work such as:

- £300k Resilient Road Funding to undertake a feasibility study of the condition of the A4047 between Aberbeeg and Cwm;
- Welsh Government (WG) Grant to improve A roads; and
- £990k received from the Local Transport Fund to improve the junction on the A4048 at Tredegar.

Significant progress has been made over the past 10 years on improving the highway network however the absence of Welsh Government funding for 2023/24 and the end of Blaenau Gwent Prudential Borrowing Programme has curtailed Capital investments in the highway network. The Highways Asset Management Plan 2023 – 2028 has been developed in order to drive the Authority's approach to maintenance over the next 5 years. To support this fully, Council deferred the report so that Officers could identify appropriate funding sources to implement the Plan.

Public Transport

A £70M transformation of the Ebbw Vale railway line by contractors Amco Giffen and Siemens is nearing completion as the railway reopens to passenger train services. This investment will allow a new hourly passenger service between Ebbw Vale Town and Newport.

The Department for Transport (DfT) and Network Rail are also providing a further £17M to deliver signalling upgrade and renewal work. This work, still to be conducted, includes the continuation of upgrading the signalling in the Gaer and Rogerstone areas of Newport, closing the Park Junction signal box and moving control of the signalling to the Wales Route Operating Centre in Cardiff.

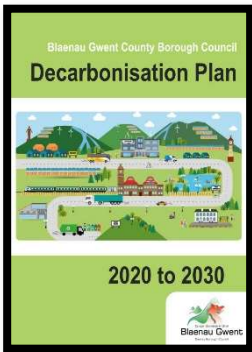
Work that has been completed by the contractors includes the construction of new platforms at both Newbridge and Llanhilleth stations, one at each station, and the installation of new signal posts. Engineers have also regraded and stabilised an embankment and made headway replacing more than 3km of track between Aberbeeg and Crosskeys to create an 11km passing loop which will be brought into use later in the year. Part of a new access ramp and waiting shelter was also constructed at Newbridge station while a lift mechanism and motor rooms were installed at Llanhilleth station.

The fflecsi bus service has been running since June 2021 operated by Stagecoach and Transport for Wales (TFW) on behalf of Blaenau Gwent County Borough Council. The fflecsi bus service offers a more convenient bus service across a wider area from early in the morning through to late in the evening. Booking for the bus can be made through an app, over the phone, or visiting the website.

This pilot project trialled a new approach to bus services to enable residents to get to work, education, attend appointments, connect with other public transport, socialise and shop from early in the morning until late in the evening. Following feedback from customers and residents after the pilot, changes were made to the service in July to ensure that the service was based around needs of the customer.

Challenges the Council have experienced throughout the year

Decarbonisation



Most of our activity is based on external funding, as a result, reflects the priorities of a number of programmes supporting the decarbonisation agenda. Some funders have negative reactions to the higher costs associated with zero carbon needs. Tight deadlines significantly constrain innovation. Both short lead in times and tight spend profiles mean that we are often condensing design processes more than we would like at moment.

Partnership working will need to take place in order to effectively and efficiently deliver this agenda, the Blaenau Gwent Nature Recovery Action Plan, currently being developed, may help to address this. The role of collaborative procurement services will also be important in order to support a reduction in our regional carbon footprint. In many cases we are already doing things in procurement that reduce carbon, but we need to make sure that we promote awareness of decarb principles and ensure these are having meaningful impact on decisions. It also needs to be understood that not all decarbonisation options will lead to immediate savings, the challenge of higher up-front costs for longer lasting products is a familiar one.

The Council will need to identify low carbon alternatives for their vehicle fleet. At present, the required large vehicle types are not available to deliver services, particularly with the topography of the area. There are examples of Local Authorities procuring vehicles that were not able to deliver the service and we aim to not be in this position. Significant decisions about the replacement of the refuse fleet will need to be taken soon as all refuse vehicles are coming to the end of their working life at the same time.

There are concerns that there is currently not the capability within the overall regional workforce in order to support the required work to support a reduction in carbon emissions. Alternatively, if large number of organisations start to carry out similar decarbonisation work at the same time, then costs will rise, and capacity may not meet demand.

Digital Inclusion

Progress continues to be made with both internal and external partners to position and build digital innovation into how we plan and deliver services. The focus remains building services around the user, the organisation is now exploring how digital solutions can form part of that, for the benefit of residents and the organisation. This work supports the commitment to decarbonisation as well as the potential for avoiding costs or realising efficiencies. External partners and projects include the WLGA digital transformation fund, where Blaenau Gwent are leading on a project looking at how people access our services and how we can improve, as well as being involved in a number of projects on the programme. A key focus of this area of work is understanding barriers to digital participation within our communities and developing support for those who wish to improve their digital skills.

With Blaenau Gwent being one of the most highly deprived areas in Wales and with a high proportion of its residents on benefits, becoming digitally active is extremely important, working in conjunction with the Department for Work & Pensions (DWP), with regards to applying for benefits online (Universal Credit, Universal Job Match). Blaenau Gwent has the lowest levels of access to the internet compared to other areas across Wales and the UK, therefore, there is a high number of people who are digitally excluded. The Council's Benefit Section has participated in the 'Get Blaenau Gwent Online' project over the last 5 years to promote Digital Support Services. The project has steadily gained support and assisted individuals on a one to one basis over the years with the help of support providers.

The importance of supporting people who are still struggling with internet access and lack of digital technology is a key priority for the PSB, 50+ partners and stakeholders, to promote existing and introduce new digital inclusion programmes in order to help older people, or anyone unfamiliar with I.T., to stay involved with their hobbies and

interests. Promoting volunteering by working with partners could also develop more opportunities for people to volunteer as befrienders and/or digital inclusion trainers. Our vision for an Age-Friendly Blaenau Gwent is, 'Developing digital skills amongst our communities can lead to greater economic opportunities, a more equal society and improved socio-economic development, whilst reducing the impact of loneliness and isolation by enabling people to stay more connected with one another online'.

What Evidence is Available

- Waste Strategy Plan 2018-2025
- Performance Data
- Environment Act Actions
- Highways Maintenance and Works Annual Plan
- Litter and Fly Tipping Strategy and Data
- Keep Wales Tidy programme
- Decarbonisation Plan 2020/2030 and Blaenau Gwent Net Zero Annual Report
- Energy Prospectus
- Auditor Reports
- Service Business Plans
- Agendas and Recordings of Democratic meetings all available on the Council Website - <https://democracy.blaenau-gwent.gov.uk/ieDocHome.aspx?Categories=>

Actions Identified to Support Future Improvement

As a council we are looking to 'Respond to the nature and climate crisis and enable connected communities'. Alongside the many achievements detailed throughout this report we recognise that the following areas will require further development and improvement. In our next annual Self-Assessment, we will include detail of how we have progressed these actions throughout the 2023/24 year.

- Our Climate group will work to prioritise key actions from the Decarbonisation plan in order to work towards achieving the Welsh Government Net Zero Targets of reaching a 63% reduction by 2030, an 89% reduction by 2050 and a 100% reduction by 2050;
- Continue to work towards the recommendations made by our climate assembly;
- Continue to support the national campaign to tackle Fly- Tipping (not up my street);
- Continue with the delivery of the Energy Prospectus to interest in energy development across the borough to facilitate a supply of renewable energy to meet the future energy needs of the area including consideration of wind and hydro generation projects; and
- Continue to work towards meeting the Welsh Government statutory recycling target 70% by 2024-25.



What Our Data is Showing - A trend narrative has been provided to show the direction of travel of each indicator with colours provided to show: **Green – Improvement Made; Red – Performance had Reduced; Blue – Performance has been Maintained; and Grey – there is no trend identified or required.**

Performance Indicator – An indicator that is managed or collected by Blaenau Gwent Council	Data				Trend Narrative for 2022/23
	2019/20	2020/21	2021/22	2022/23	
Carbon Footprint Total tones CO2e/year <i>*Provisional Figure</i>	14,750	11,793	13,087	12,332*	Improved*
Number of Fly-tipping £400 fixed penalty notices issued	2	0	18	79	Increased
Number of household duty of care £300 fixed penalty notices issued	7	0	5	6	Increased
Number of commercial duty of care £300 fixed penalty notices issued	1	0	1	1	Maintained
Number of fly-tipping incidents on private land investigated	7	44	77	54	Reduced
Number of Enforcement Warden enquiries received	900	464	471	717	Increased
Number of first stage warning letters issued for misplacing domestic waste at unofficial waste collection points.	0	0	13	237	Increased
Total number of recorded fly tipping incidents in Blaenau Gwent	1,327	1,661	1,395	1,200	Decreased
Clearance costs of fly tipping per incident (£)	64.35	66.45	64.29	57.09	Decreased
% of municipal waste reused, recycled or composted (statutory WG target 70% by 2025)	65.31%	64.29%	65%	66.74%	Improved
Average amount of waste produced per resident during a financial year	447kg	449kg	443kg	443kg	Maintained
Average amount of waste disposed of through residual waste disposal streams during the financial year	155kg	160kg	155kg	147kg	Reduced
The percentage of municipal waste collected by local authorities sent to landfill	0.3	0.6	1.3	0.31	Improved
The percentage of municipal waste incinerated with energy recovery	34	34.8	33.5	44.30	Improved
Amount invested into active travel routes (£)		234,000	295,000	766,154.73	Improved

Empowering and supporting communities to be safe, independent and resilient

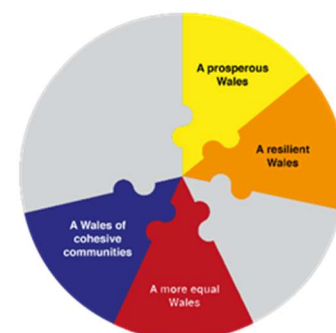
<p>Evaluation Rating 4: Good</p>	<p>Evaluation Narrative:</p> <p>The Council continues to strengthen its approach to empower communities supporting them to becoming more resilient and independent. Working in partnership with the West Gwent Community Cohesion Programme and local Community Safety Partnership, the Council continues to deliver a range of projects and initiatives which promote increased awareness and understanding; encourages and celebrates diversity; and brings people and local communities together to strengthen community spirit and resilience. 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 sector organisations, to deliver a holistic package of support for those requiring resettlement. The Council has supported this approach whilst maintaining positive community cohesion across the borough. Preventative service delivery continues to be a priority for the authority and our Social Services Directorate in particular works preventatively to support independence and safeguarding to our communities. Recruitment and retention in social services continues to be a challenge which is similar to the national picture. Workforce strategies have been developed to address these challenges and an officer has been recruited to promote career development opportunities to our social work staff. In Children’s Services two residential properties have been purchased to provide residential care for children with more complex needs so they can be looked after closer to home as opposed to outside of Blaenau Gwent and even Wales. Although our safeguarding performance is good, due to the pandemic, there has been a delay in fully addressing recommendations made by Audit Wales. Directorates across the authority will undertake the implementation of the recommendations which will be reported in the next self-assessment. Actions to address these areas of work can be found on pages 34, 44, 57, and 69 and will be reported on as part of the 2023/24 Council Self-Assessment.</p>
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Why This Is Important as an Area of Focus:

The Council wants to encourage and support people to make healthy lifestyle choices to enable children, young people and families to thrive. Research has proven people demonstrating positive health behaviours from birth throughout their life will lead to greater independence, and people being free from complicated health conditions later in life. This in turn could reduce demand on services and ensure the services that are provided are high quality, efficient and responsive to local people’s needs. With reduced funding and increasing demand on services the Council can no longer do everything it has done in the past. The focus must be on those actions that will have the greatest impact. Safeguarding the most vulnerable people in the community continues to be a top priority for the Council alongside transforming the aspirations of residents and valuing fairness and equality in everything we do.

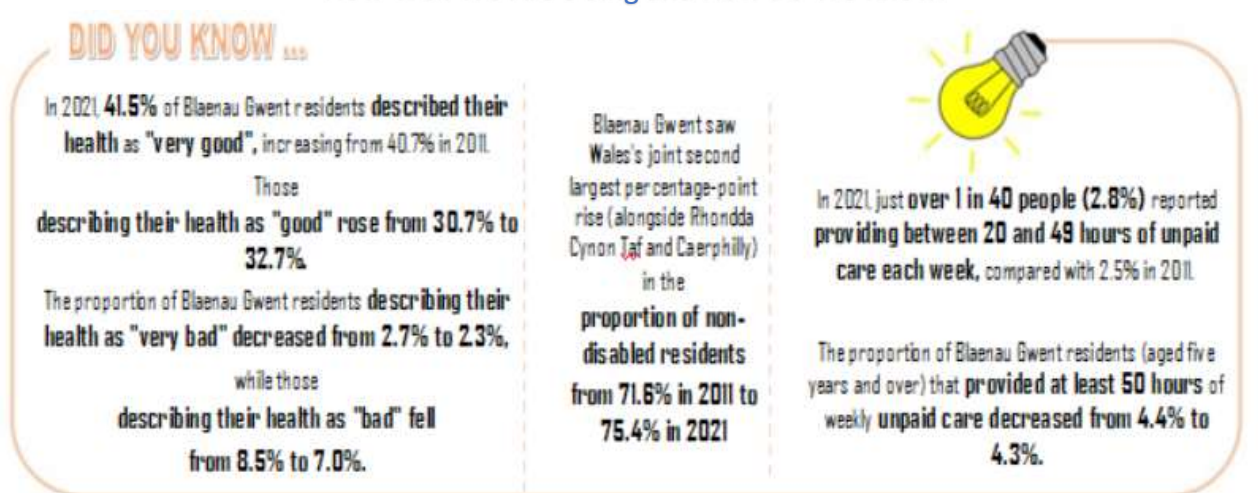
Identified Need:

- Promote awareness and understanding and encourage and celebrate diversity;
- Strengthen community spirit and resilience;
- Community Safety;
- Blaenau Gwent: Is a welcoming, diverse and thriving place to live and visit; and
- Creating volunteering opportunities to empower residents to have control over their own communities.



What We Aim to Achieve - An increase in the resilience of communities, where everyone is welcome and safe and which minimises dependency and maximises independence.

How Well We Are Doing and How Do We Know:



Information Advice and Assistance

The Social Services Directorate continues to have dedicated Information Advice and Assistance (IAA) Teams for both Children and Adult Social Services. These teams are the first point of contact for the public who wish to access advice and support and for professionals making referrals. The teams take a preventative approach to ensure needs are met at the earliest opportunity, by providing the right services to prevent needs from escalating. In relation to Adult Services this also includes contacts for some health functions. A range of other professional's work within these teams.

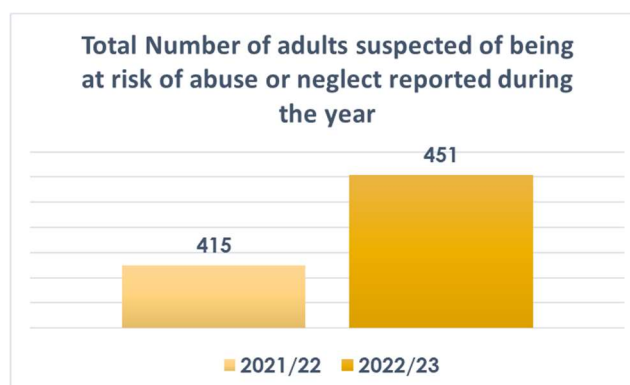
The Children's IAA Team is funded by a mixture of core and grant funding which is a risk if future grant funding is removed. However, the new Adult Services IAA structure went live in April 2022 and is no longer reliant on grant funding creating a more sustainable service.

Preventative service delivery continues to be a priority across all services. Children's Service's IAA teams have seen a significant rise in referrals, but, despite this, all referrals have been dealt with within statutory timescales. All contacts across both Adult and Children's Services take an outcome based approach by establishing 'what matters' to the customer and the number of referrals being allocated continues to be stable, evidencing that the preventative work, undertaken at the 'front door', continues to be successful.

Adults Services IAA received 4,610 enquires at the 'front door'. The number of referrals resolved at IAA was 2,767 (made up of those enquiries signposted, closed down before progressing to assessment, and those that led to an IAA). The remainder 1,843 went to the Safeguarding Team, Community Resource Team or the Unpaid Carers Team. Children's Services IAA received 6,755 referrals with 772 of them being referred to preventative services (Families First).

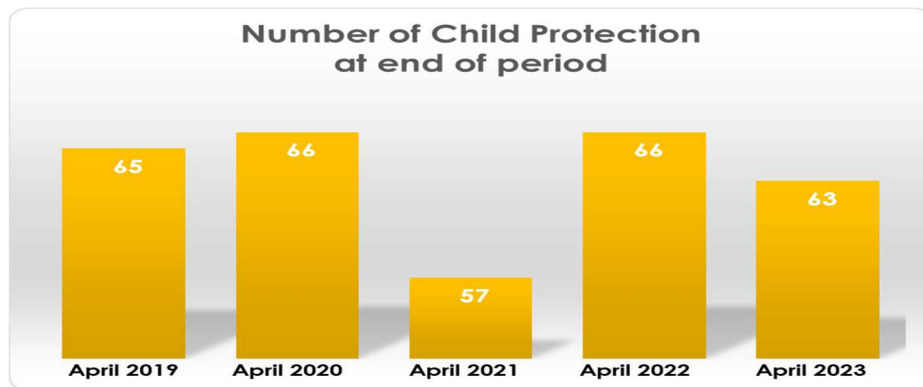
Safeguarding

The Department recognises the importance of having a robust and sustainable Safeguarding Teams across both Adult and Children's Services to ensure we not only meet our legislative requirements, but that we are also able to protect our most vulnerable citizens. All safeguarding referrals continue to be managed in line with the Wales Safeguarding Procedures and statutory requirements. Adult Services has implemented a new adult safeguarding staffing structure which is now operational and working effectively. An additional senior practitioner for safeguarding has been created to create additional capacity and also provide decision making resilience. The service has seen an increase in numbers of referrals of safeguarding during 2022/23 compared to 2021/22.



Safeguarding performance is good. Child Protection conferences have been held within statutory timescales as have all Child Protection statutory visits for children on the register.

The graph shows the number of children on the Child Protection Register at the end of each year since 2019.



Having a suitably qualified and skilled workforce is paramount when ensuring that vulnerable people are safeguarded.

The department has developed a workforce strategy to ensure that we recruit and retain staff across Adult, Children and Provider Services and also support their development, progression and well-being. To assist in the delivery of the workforce strategy the department has successfully recruited a lead officer to support managers in progressing and promoting the opportunities that we can offer staff in Blaenau Gwent.

Staff safeguarding training is ongoing with different models of learning offered to different staff groups. Refresher training has been provided to Provider Services which has included commissioned sessions from the Workforce Development Team and also bespoke learning sessions provided by our Safeguarding Team.

The Early Years Child Protection Training programme is created annually and checked monthly to ensure that it is up to date. Safeguarding is always a standing item in the Network Meetings and six monthly meetings are held with the Safeguarding Lead and the Early Years Child Protection Manager.

All new Council staff are informed of the Council's safeguarding arrangements as part of their induction programme. All staff within teams have completed the relevant level of safeguarding training. Within the Children's IAA team all Safeguarding referrals must be responded to within 24 hours and we are continuing to respond accordingly. All safeguarding concerns are responded to with appropriate decision making and all strategy discussions are usually held within 24 hours. The issue with Police meeting this timescale remains an issue when they deem it 'non-urgent' they will arrange for this to be held out of this timescale.

We continue to be a key partner of the Gwent Safeguarding Strategic Board and relevant operational sub groups. As a partner of the Gwent Deprivation of Liberty Safeguards (DoLS) Board we continue to prepare for the implementation of the Liberty Protection Safeguards legislation (LPS) and, during the year, have contributed to the consultation on the long-awaited codes of practice. As a partnership, we have submitted a Welsh Government Regional (Gwent) bid to support capacity for the development of LPS in order to provide important rights and protections for people who lack the mental capacity to agree to care, support, or treatment arrangements, where these arrangements amount to a deprivation of liberty. In addition to this, a new Social Work senior practitioner with responsibility for Mental Capacity Act support and DoLS has been recruited and due to start in July 2023. The number of people waiting for a DoLS assessment within Blaenau Gwent has reduced considerably during 2022/23 as a direct result of the local monitoring and as a result of coordinated resource to address the back log via both the Gwent DoLS team and externally commissioned assessments.

In 2022 Audit Wales undertook a follow up review of the Council's Safeguarding Arrangements, following reviews undertaken in 2014 and 2019. In November 2022 the Council received the outcome of the report. Audit Wales found that, *'the pandemic further delayed the Council's response to the 2019 report. Although it has taken recent action to strengthen its corporate safeguarding arrangements, the Council has not yet fully addressed our previous recommendations. The Council recognises the need to strengthen corporate safeguarding arrangements beyond the Social Services and Education directorates. The Council developed an action plan to address the outstanding recommendations but, due to the pandemic, most of the planned work did not begin until early 2022'*. From this, a further two recommendations were received for implementation.

The Audit Wales Safeguarding report was presented to Governance and Audit Committee on 8th March 2023. The Strategic Safeguarding Leads Group, chaired by the Interim Head of Children's Services, with representation from

each directorate across the Council, will undertake implementation of the recommendations identified by Audit Wales. An internal audit has also taken place in relation to safeguarding processes across the directorate and reasonable assurance was given.

Working in Partnership

The council ensures that it provides a varied range and level of preventative services. To ensure that the correct services are in place, a population needs assessment was completed for 2022/23. Extensive consultation took place when undertaking this assessment, and based on the data, priorities were set for each part of the population including children and young people, older people, including those with Dementia, people with physical disabilities and sensory impairment, people with learning difficulties, people with Autism, people with mental health issues and carers in need of support. A regional action plan has now been developed to meet the needs identified for each population group. The RPB has agreed an Area Plan 2023/28 which sets out the response of the RPB to the findings of the regional Population Needs Assessment and has been prepared to meet the requirements of the statutory guidance in relation to Area Plans under section 14A of the Social Services and Well-being (Wales) Act 2014. The Plan will align to other strategic drivers such as the Gwent Public Service Board Well-being Plan, Aneurin Bevan University Health Boards Integrated Medium Term Plan and supporting Integrated Service Partnership Board plans.

The Supporting Change Team has been working collaboratively with the Youth Service to run a small trauma informed, activity based group for some of the hardest to reach young people open to the team. This includes the establishment of a sports session and the continuation of the Carers Support Group. The team has also concluded a group work project working in partnership and alongside a targeted group of young girls looking at raising aspirations, self-esteem, and self-worth. The project has been very well evaluated and the team are looking into how they can run further projects.

Workforce

Staff are supported with access to training on 'what matters'. New staff have also attended training sessions on Collaborative Communication and accessed other learning opportunities available in order to support outcome focused practice, and deliver interventions based on an outcomes/strengths based approach. Monthly reflective practice sessions continue in each of the service areas and refresher training is available to all staff through Workforce Development.

Adult Service staff have been undertaking learning and development opportunities in collaboration with colleagues from Aneurin Bevan University Health Board (ABUHB) as part of a project facilitated by Social Care Wales (SCW) and there has been a strong emphasis on focussing on changing the conversation with patients during assessments within our acute and community settings. This work was evaluated by Social Care Wales in the Autumn of 2022, the outcome of which will be presented to the Gwent Adult Strategic Partnership Board as part of showcasing across the RPB.

Having a skilled and motivated workforce is essential in order to provide high quality services. As part of this, the Council has a Joint Workforce Development Team with Caerphilly County Borough Council with responsibility for delivering a training and development strategy that supports development opportunities for staff at all levels in Social Services.

A full programme of learning is provided for the whole social care sector. All statutory, legislative, and registration linked requirements are planned and accounted for. The offer includes developmental opportunities for the workforce and support for resilience and well-being.

The challenges for the workforce to fully embrace learning opportunities remain high. The current recruitment environment has a major impact on the sector and forces harsh choices that without doubt impact on the capacity available to fully embrace development opportunities beyond the essentials.

The first half of the year continued its support for the registration of residential workers ahead of October. The Social Work Strategy continues to deliver qualified professionals, and at a rate above the national norm.

The way the workforce wants to learn has changed, they expect choice and flexibility. Various initiatives within the

organisation are in place to support improving digital confidence and access to digital learning. The authority underpins its approach with the recognition of barriers that exist for parts of the social care workforce, so the offer includes the traditional classroom route.

Classroom activities use digital devices to provide safe space learning with facilitator and peer support:

- The authority has co led the All-Wales project on securing an organisational level, fit for purpose, future proof, digital learning platform that will meet the needs of the whole sector, communities and volunteers. The authority, one of four in the first phase, are demonstrating nationally to others the benefits to the workforce of sharing across boundaries
- The power of social media is used to engage and communicate with the sector
- The learning delivery model, currently blended learning approaches and a choice of digital or face to face, will shortly include hybrid delivery – the required investment in technology having been funded by a successful bid to Social Care Wales

The engagement from the workforce with new ways of learning is exceptional and they continue to reward the community with their ongoing resilience and determination.

Disability Services

A Worcester University Evaluation of the 0 -25 Disability Service has been undertaken. The Evaluation evidences good use of the disability index and the disability Facebook page and these services continue to be offered within the team.

This year, Augusta House requested registration from our regulator CIW to provide respite support to young children in addition to adults which was agreed. This has now enabled the Disability Team to have access to a residential respite provision which is proving successful for children with a disability and supporting the needs of their parents and carers, as well as outcomes for the young people.

Work-based services within our Community Options and Day Activities teams have continued throughout the year with students returning to placements within our catering enterprise in partnership with Vison 21. As part of our employment and training opportunities for people with a Learning Disability or living with poor mental health, we continue to scope new opportunities for development including the development of additional catering enterprises including a new community café.

Adult Services

There have been ongoing reviews of the care management waiting lists due to capacity demands and reduced availability of domiciliary care to support people safely at home. We have proactively utilised the DASH emergency domiciliary care service to cover unplaced packages of care and this has ensured that no citizens have been without their domiciliary care packages and that they are safely supported at home.

The council has contributed to a regional Winter Plan with the aim of preventing people entering hospital, and when in hospital, facilitating discharge as soon as possible. Work has also taken place with providers of residential care to enable early discharge from hospital for those with short term nursing needs.

A Gwent Dementia Action Plan has been developed and aligns to the 20 All Wales Dementia Pathway of Standards which will also include performance measures. Work stream subgroups have been developed to take forward this programme of work. Discussions continue with the Alzheimer's society regarding dementia advisors for the dementia reablement programme in line with the Dementia action plan and this new service is due to commence in April 2023.

We have continued to see increasing demands placed on the Health and Social Care system including at our community and acute hospital sites. We have been working with our Gwent Local Authority colleagues and ABUHB to revise current models of support to enable patients who are ready for discharge to either safely return back to their own homes or to utilise alternative accommodation, on a temporary basis, whilst waiting for support to enable them to return home. We are using current partnership Regional Integrated Fund (RIF) grant funding to develop a menu of support services including, increasing the use of Step Closer to Home beds to reduce the dependency on

hospital stays and reduce length of stays, providing additional care home capacity as well as additional capacity within our assessment teams in order to address both the current and future demand. Alongside this, a review of the Hospital Social work team has created additional capacity to support patients to avoid unnecessary lengthy stays in hospital. This team works closely with the hospital ward staff, discharge assistants and therapists to ensure that patients can return home as quickly as possible. The team also supports family unpaid carers through the discharge process and provides statutory carers assessments to enable carers to maintain their caring role alongside their work, health, leisure and family commitments.

The reduction in Covid restrictions has enabled our residential care homes, supported living services, and Augusta Respite Centre to re-engage with wider community activities and welcome visitors back to support our residents. Cwrt Mytton has welcomed learners from a number of our schools as part of our intergenerational work streams.

Respite is an important part of maintaining caring responsibilities. The department is currently working with our neighbouring authorities to develop enhanced respite offers alongside the more traditional offers of care home placements, Augusta House Respite Centre and Day Opportunities. The new scheme is due to be launched in Summer 2023 and is a partnership arrangement with NEWCIS, a large North Wales provider of carer services. The Augusta PODS were completed in March 2023 and will give people with learning difficulties the opportunity to develop their independence skills in a purpose built supported environment.

We continue to aim for the delivery of modern flexible and responsive services that enable older people to maximise their independence and live with appropriate support within their communities. The development of our SMART flat will assist this by further promoting assistive technology to professionals, individuals, and their families/carers. The Service Manager for Preventative Services and the Supporting People Team Manager have delivered presentations on the SMART flat to a number of organisations. We are continuing to add to the TEC equipment at the Smart Flat to ensure we continue to broaden awareness and knowledge of TEC services.

The Local Authority has utilised equipment purchased as part of the Welsh Government Promoting Independence Grant to provide the latest equipment (beds / hoists/ standing aids) to support the ethos of single handed care. The CARIAD (Collaborative Assessment Reducing Interventions, Admissions and Delayed transfers of care) bariatric flat was completed in September 2022 and now forms part of the Blaenau Gwent CARIAD offer. The coordination and monitoring will be facilitated by our Community Resource Team as part of the review of the functions and to ensure that we have a reablement and promote independence for our most vulnerable people.



Our Better Care / Single Handed care project continues to promote people’s independence and reduce their reliance on staff for manual handling and personal care tasks. The Better Care Team have developed a comprehensive training and support package for all staff across the Blaenau Gwent Health and Social Care community who provide frontline care.

Children’s Services

The South East Wales Adoption Service (SEWAS) is supporting the review and implementation of the National Adoption Service 2025 plan in respect of building capacity for access to records, and ensuring that Welsh

Government investment monies promote multi agency work. 'Understanding the Child' Days are taking place for all children referred to the service from 18 months old, and transitions continue to follow the good practice guides to ensure all care plans are outcome based. Support workers are in the process of being recruited to support delivery of the objective in respect of trauma nurture timelines and adoption support check ins. The SEWAS Contact Worker continues to promote sibling contact which involves speaking to child care social workers at an earlier date with regards to sibling contact arrangements and reviewing existing arrangements. One off birth parent meetings are increasing.

SEWAS are working with the National Adoption service central team and other regions to ensure marketing is targeted to increase the number of adopters for more complex children. We have been able to provide in house adopters for a number of siblings in a timelier manner. At present, the number of children waiting for placements is decreasing as is the rate of referrals from prospective adopters. This could be linked to the cost of living crisis and will need to be monitored more closely moving forward.

The Life Journey Work Coordinator is rolling out training to childcare social workers. Improvements have also been made to the quality of materials provided to adoptive parents. The understanding of child days and trauma nurture timelines are completed for children aged 18 months + and this provides adoptive families with enhanced analysis of the impact a child's early years.

A special guardianship order (SGO) is a way of providing stability for a child who cannot return to live with their birth parent and for whom adoption is not appropriate. It is a legal way of giving the person caring for the child, clear, long-term responsibilities for the child's upbringing. As at 31st March 2023, there were 145 children subject of SGO living in 107 families open to the service.

In April 2022, Blaenau Gwent established its own MyST (My Support Team) to provide greater capacity within the service. Since this time, staff from MyST have been attending News and Networking events and meeting mentors in order to embed the service fully within Blaenau Gwent. Positively, the service is now working with children, under each of the operational teams, suggesting that the service is being utilised by all. MyST are operating at full capacity providing support to 15 children and young people as well some additional bespoke pieces of work. The MyST service also continue to work with a number of young people in residential care on a 'step-down' basis as well as working with a number of young people who are at risk of entering residential care on a preventative basis. In order to improve the service, offer discussions have taken place between the MyST and Placement Team in order to work collaboratively and have joint marketing going forward.

A formal consultation process for foster carers has been implemented with the deadline for submission of the survey 31st March 2023, the outcome of the consultation will be processed and reported going forward. Teams continue to practice in an outcome focused way where we identify family options early in the intervention process, which we prioritise if children have to be admitted into the care of the Local Authority. However, there are situations when appropriate placements are not available locally leading us to access Independent Fostering Agency placements and residential care for young children. Supervision is used consistently to review the plans of Children Looked After (CLA) and consider opportunities for discharging the Care Orders. Regular review of care planning for these children is a priority and for those with a high level of needs referrals to the MyST are considered and prioritised.

Work has taken place to ensure that mandatory safeguarding training for foster carers is being delivered on a face-to-face basis rather than virtually. The training needs of foster carers continue to be monitored and promoted during annual reviews, appraisals and supervision sessions, a programme of training/reflective sessions for foster carers commenced in January 2023 and is being delivered by the MyST.

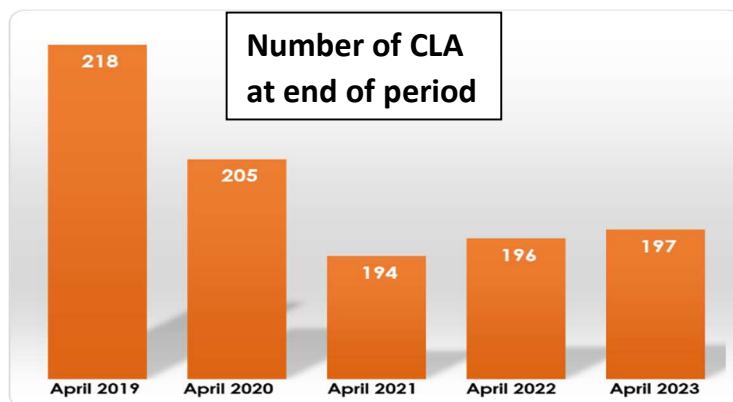
A Circle of Security Parenting Programme has been delivered to a small number of parents with young children, in collaboration with the Psychologist and Support Worker. Additionally, Circle of Security has been delivered to a cohort of foster carers, helping to stabilise children in care and preventing a risk of breakdown in placement. Feedback is that they have found the parenting programme to be very beneficial and are adapting their parenting styles accordingly.

There continues to be a slow but steady reduction in the number of CLA. New children are still coming into care, but

we are also progressing with discharging Care Orders for children living at home or with kinship carers.

We are now part of the National Transfer Scheme and responsible for a cohort of Unaccompanied Asylum Seeking Children who are CLA. We currently have 8 children placed, mostly in England. The team is learning to develop their skills in working with this group as this is very new to Blaenau Gwent.

The Welsh Government has continued to provide funding for a set number of children to participate in the Letterbox Club each year. The Letterbox Club encourages reading for pleasure and learning at home. It helps to improve the educational outlook for children who are looked after. Parcels have continued to be distributed to our children on a monthly basis between October and May, with an additional festive parcel provided in December.



This year, two residential properties have been purchased to provide residential care for children with more complex needs so they can be looked after closer to home as opposed to outside of Blaenau Gwent and even Wales.

Support to our unpaid carers including our Young Carers, have benefited from the development of a new scheme that supports them with the impact of the cost of living crisis. The department has implemented a series of information opportunities, along with a carers grant scheme, with funding provided by Welsh Government and the Carers Trust for 2022/23 and 2023/24. The coordination of this project has been collaboratively led by officers from both Children and Adult Services to ensure that we provide equitable opportunities to both our young and adult carers.

The service continually monitors and reviews the way in which services operate and to decide if a change is necessary in order to manage demand and workload. As a result of this, as of January 2023, a new pilot commenced with the Children Services Locality Teams which will run over a 12-month period. Within this pilot, three new operational care planning teams were established with the 4th becoming the Statutory Assessment Team. Early indications are that the change is impacting positively on capacity and outcomes for the child and family. The Statutory Assessment Team has also eased the work pressure on the Locality Teams. The pilot is reviewed regularly to ensure that the staff complement is appropriate and that the new model is working well. Caseloads continue to be monitored and all staff and team managers are ensuring caseloads are accurate to ensure they are manageable.

Flying Start services were involved in the Estyn inspection that was undertaken in November 2022 on Blaenau Gwent Education Services and came out as an area of excellence in verbal feedback.

Families First continue to work intensively to prevent cases escalation into statutory services with:

- 330 cases active at the end of March 2023;
- 237 cases being discussed at Wellbeing panels in the last quarter; and
- A variety of group, community work and events being delivered throughout the year.

A pathway for Antenatal support supported by Families First has been developed, which will mean every pregnant woman in Blaenau Gwent will be able to access the appropriate Antenatal support until the child is 1-year-old.

Housing

A review has recently been undertaken to understand the number of empty properties across the borough. There are approximately 761 privately owned empty properties in Blaenau Gwent, with 33 empty properties (46 units) brought back into use 2022-2023 via direct action.

Work continues to identify and prioritise future housing opportunities (mix of tenure) working with Tai Calon and partners to identify schemes. Tai Calon now have one new residential development under construction, with another about to be submitted for planning, with the aim to formulate an ongoing future programme of

development. Constant review with all Registered Social Landlord partners is undertaken to ensure a pipeline of residential development is identified and brought forward.

61 Disabled Facilities Grants (DFGs) have been delivered this year. This work provides major home adaptations for disabled people for the purpose of providing access into and around their homes. The average number of calendar days taken to deliver a DFG in private homes to support independent living this year was 334 days.

A Local Housing Market Assessment is underway in order to inform a revised Housing Strategy and Local Development Plan. A cross cutting Housing Strategy Group has recently been set up to take forward the revised Housing Strategy.

The City Deal Housing Viability Gap Fund is a targeted funding programme to bring forward new homes on key strategic housing sites across South East Wales. Blaenau Gwent made a successful submission to the fund as it was identified that there is a viability gap which required grant input to support development to go ahead. £1.7M has recently been secured in order to remediate a site in Ashvale, Tredegar. The site will bring much needed homes, to the area, comprising of 54 open market and 6 affordable homes.

Homelessness

During the reporting period, 288 households met the threshold for being threatened with homelessness. Of these, 183 were successfully prevented from losing their accommodation - 64%. This high prevention rate has been achieved by targeting early intervention initiatives to prevent homelessness at a very early stage.

The likelihood for homelessness presentations is likely to increase which will put pressure on temporary accommodation, this situation is likely to be further impacted by the cost of living crisis. Therefore, the service is looking at the following in order to plan ahead and prepare:

- Move to Rapid Re-Housing Approach – Changing the Culture;
- Work with social and private rented sector landlords to develop schemes and to sustain tenancies and increase access to housing;
- Increase prevention work to maximise successful outcomes;
- Reduce the number of ‘repeat presenters’ and rough sleeping;
- Maximise access to a range of support;
- Utilise Welsh Government Funding Streams (Homelessness Prevention Grant);
- More Affordable Housing (Including 1 property per new housing development specifically for Housing First Scheme);
- Staff Training – Technologies opened up new opportunities that were previously impracticable / unaffordable; and
- Raise awareness of homelessness and services, encouraging self-help and resilience.

A change in legislation has led to a high number of new homelessness presentations in Blaenau Gwent and this is further impacted a lack of available temporary accommodation. The current data shows:

Current Placements:

- Bed & Breakfast - 29
- Ty Parc (Homeless Hostel) - 19

Total Placements since April 2020 – Present:

- Bed & Breakfast accommodation - 322
- Homelessness Hostel - 81

Total ‘Live’ Homelessness Applications– Present:

- 278

Total Cost of Temporary Accommodation (Funded by WG)

- Bed and Breakfasts - £800,000+
- Security (due to number of incidents) - £570,000+

The current number placed in Bed and Breakfast accommodation is – 29

There continues to be an improvement in the number of affordable and private homes being delivered across Blaenau Gwent with high numbers of homes accessing funding for making them more energy efficient. Alongside this, the early intervention for homelessness means 63.5% of potentially homeless households were prevented from becoming homeless.

Our Transitional Capital Funding Programme involves working with Registered Social Landlords to identify properties for homelessness/resettlement schemes. During the year, 8 additional properties have been included and a further 3 properties have been identified in partnership with Tai Calon for inclusion in the scheme for which a bid was submitted to Welsh Government for funding.

The Youth and Community Team continue to support young people to prevent youth homelessness and to support mental health and well-being. The team has continued to support individuals on a one to one basis, along with groups and community projects. These young people are often in precarious housing situations, and support is based around navigating appropriate information, advice and guidance from other services to help provide some stability and to enable them to improve their housing situation. This has continued to develop, with ongoing relationships with partners growing and becoming more efficient and effective. During the last academic year, 34 young people were supported on a one to one basis.

Environmental Health

Blaenau Gwent’s Food Hygiene Service continues to deliver interventions at food businesses within the Borough. During 2022/23, a total of 218 interventions were completed at high risk premises meeting one of the challenging targets that was set in the Food Standards Agency recovery plan. This work has been completed alongside our other continuing programmed and reactive workload. We still have a significant backlog of food hygiene interventions to deliver which are a legacy of the impact of the Covid pandemic. At present, we have a backlog of 225 D and E rated premises that are overdue an inspection. We are currently considering options to address this backlog. This figure does not include new businesses. During 2022/23, 98 new food businesses opened across the Borough. We continue to prioritise for inspection those that are likely to present a higher risk in terms of food safety in-line with guidance from the Food Standards Agency. Of those that opened during and prior to the 31st March 2023, we still have 46 new businesses which require inspection.

At the close of the reporting year 2022/23, 92.6% of food premises were broadly compliant with food hygiene standards with an increase in the number of re-rating requests.



Challenges the Council have experienced throughout the year

Workforce

Workforce stability is a key consideration within Social Services as some teams are facing staffing shortages, however, it is acknowledged that this is a Wales wide position and there is no simple solution. The department as a whole has been working hard to look at innovative ways of managing the workload within teams as well as developing recruitment and retention strategies to address workforce pressures. Despite these significant pressures the existing staff and providers of services have continued to ensure children and adults needs are met, risks are managed, and safeguarding issues dealt with.

Social Services are working closely with Organisational Development to establish a Strategic Workforce Plan to support capacity concerns in the short, medium and longer-term as well as considering the opportunity to

collaborate on a regional basis. The workforce in Social Services has been identified as a critical risk and has therefore been included on the Council's Corporate Risk Register.

Child Protection Conferences

Safeguarding performance is good although child protection conferences are still slow to bring back to face to face arrangements. This is an area that will require further development. The rise in residential placements for older children is also a concern.

Foster Care

It has proven to be extremely difficult to recruit foster carers and interest in fostering at this current time is very low, despite efforts to increase awareness via social media and recruitment activity. Close working relationships with the Foster Wales Manager and the promotion of the Foster Wales brand continues. Demand for foster placements has increased and there has been a greater reliance on Independent Fostering Agency placements (IFA).

Challenges remain regarding the availability of 'step down' accommodation from residential care into foster care which is largely dependent on the availability of 'step-down' foster placements. With the demand on placements, and the difficulties with recruitment of foster carers, it has not been possible to reduce the population of young people in residential care further.

Budget

During 2019/20, 2020/21 and 2021/22, the Council incurred costs of around £2m per annum (£2.5M, £2M & £1.8M) respectively) on residential placements for Children Looked After. Costs have been reducing as a result of lower numbers of children requiring residential provision, however, the local authority will always need to provide residential care for some children. To address these high costs, in September 2022, it was agreed to proceed with the development of a business case to deliver local authority residential placements for children looked after.

What Evidence is Available

- Children Looked After Strategy
- Corporate Safeguarding Policy
- Prevention and Early Intervention Strategy
- Performance Data
- Auditor Reports
- Service Business Plans
- Agendas and Recordings of Democratic meetings all available on the Council Website - <https://democracy.blaenau-gwent.gov.uk/ieDocHome.aspx?Categories=>

Actions Identified to Support Future Improvement

As a council we are looking to 'Empower and support communities to be safe, independent and resilient'. Alongside the many achievements detailed throughout this report we recognise that the following areas will require further development and improvement. In our next annual Self-Assessment, we will include detail of how we have progressed these actions throughout the 2023/24 year.

- Re-establish and strengthen existing engagement networks as well as establish new opportunities for people to get involved;
- Ensure the Safe Reduction of Children Looked After Strategy 2020 – 2025 actions are regularly monitored, implemented and reviewed;
- Continue to implement the regional action plan to meet the needs identified within the population needs assessment;
- Take forward any learning from the outcome report requested by Care Inspectorate Wales on Public Law process;
- Ensure that preventative support is available for adults and their unpaid carers, that promote and maintain personal independence; and
- Provide support to those impacted by the cost of living crisis via actions identified by the Cost of Living Member and Officer Groups.

What Our Data is Showing - A trend narrative has been provided to show the direction of travel of each indicator with colours provided to show: **Green – Improvement Made; Red – Performance had Reduced; Blue – Performance has been Maintained; and Grey – there is no trend identified or required.**

Performance Indicator – An indicator that is managed or collected by Blaenau Gwent Council	Data				Trend Narrative for 2022/23
	2019/20	2020/21	2021/22	2022/23	
% households successfully prevented from homelessness (section 66)	72	59	75.2	63.5	Decreased
Number of additional affordable housing units delivered	12	90	43	Figure to be calculated	Declined between 2020/21 and 2021/22
Numbers waiting on the social housing register: Total	2,151	1,218	4,191	4,688	Numbers have increased each year
Single Applicants	1,051	592	1,742	2,592	
Number of disabled facilities grants completed	N/A	30	31	61	Improved
Number of visitors Blaenau Gwent received	743,710	259,010	299,710	Data not yet available	Improved
Number of day visitors to Blaenau Gwent	574,320	231,060	233,990		Improved
Day Visits amount generated (£) to the local economy	£22.82M	£8.439M	£9.3M		Improved
Amount (£) visitors to Blaenau Gwent contribute to the local economy	£63.37M	£28.37M	£28.37M		Maintained
The number of adults provided with electronic assistive technology during the year	245	169	216	210	Declined
The total number of adult clients currently in receipt of electronic assistive technology.	1264	1353	1527	1639	Increased
Number of children on Child Protection Register	61	52	64	62	Reduced
Number of Children becoming Looked After (During the Year)	62	38	47	63	Increased
Total number of CLA who are placed within Wales, but outside of the responsible LA (excluding those in adoption placements) (as at 31st March)	Not available	65	51	52	Slight increase
The total number of CLA at the end of the collection year who are placed outside of Wales (as at 31st March)	Not available	5	6	12	Increased
Homes for Ukraine Scheme: Guests Population Share	-	-	-	57 74%	New indicator for 2022/23
Population Indicator – An indicator of the population. The Council, as well as other partnership organisations can contribute to this but not one area is responsible for the outcome data					
% Blaenau Gwent households privately rented (Census data available every 10 years)	2011 - 12.8		2021 - 16		

Page 315

An ambitious and innovative council delivering the quality services at the right time and in the right place

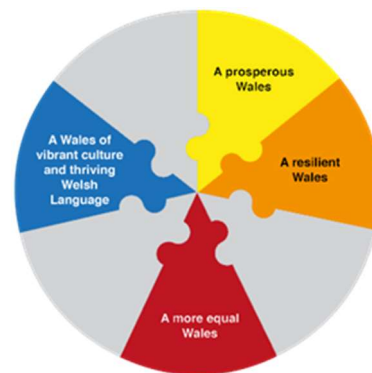
<p>Evaluation Rating 3:</p> <p>Adequate</p>	<p>Evaluation Narrative:</p> <p>The Council has robust financial planning arrangements to ensure that quality services are delivered across the Borough. Although our bridging the gap programme, use of reserves, and new operating model are in place, due to the ongoing financial challenges we will not be able to deliver services in the same way as we have in the past. Our Community Hub model has helped to provide support across our communities, and this has also strengthened our accessibility and partnership working with partners being present in the Hubs to provide advice and support. A community booklet was also developed to provide detail on what support is available. Digital services are a key area of development for us and by improving our web presence we are improving our customer services and streamlining processes, and this can be evidenced through the implementation of the new Idox system in our Planning Services which will enable us to have a web presence where the public can view and comment on planning applications online. In total, the Council suffered 45 recorded data breaches during the 2022/2023 period an increase from 37 data breaches in the 2021/2022 period. The sickness outturn for the workforce remains high at 15.45 days on average per full time employee, which is below the Councils annual target of 10 days. A series of initiatives have taken place throughout the year to promote ways to be healthy and maintain a good well-being to our staff. Actions to address these areas of work can be found on pages 34, 44, 57, and 69 and will be reported on as part of the 2023/24 Council Self-Assessment.</p>
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Why This Is Important as an Area of Focus:

The Corporate Plan provides the focus for delivering lasting change for the area. It also provides the platform for transforming Blaenau Gwent into a more confident and capable Council. The ambition is to deliver better outcomes for the people of Blaenau Gwent and that ambition is underpinned by solid and sustainable plans, ensuring the Council can be held to account for what it has promised to deliver. Maximising the impact of resources to deliver those outcomes sits at the heart of this priority, including; understanding costs, controlling expenditure, maximising income and aligning resources to the needs of residents, businesses and visitors to build a Blaenau Gwent for the future.

Identified Need:

- Digital infrastructure
- Commercially minded Council
- Strong Resilient Council
- Financially Resilient
- Recruitment and retention
- Adapting (Exit from the EU and post COVID)
- Partnership Working / Regionalisation
- Focus on the future
- Building Blaenau Gwent’s reputation
- Data and intelligence



What We Aim to Achieve – Blaenau Gwent Council works in partnership to provide high quality services to meet local need, and improve the quality of life and well-being within the community.

DID YOU KNOW ...

Blaenau Gwent is the most densely populated area out of all authorities across Wales.

Approx **615 people live per square kilometre**

Blaenau Gwent saw Wales's second-largest percentage-point **fall in the proportion of people who identified as "Welsh only"** (from 72.4% in 2011 to 68.0% in 2021).

During this period (2011 to 2021), Blaenau Gwent went from having the third-highest to the fifth-highest percentage of people who identified as "Welsh only" (out of all 22 Welsh local authority areas).



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

Finance and Resources

The 2022/2023 financial year was challenging for the Council, with emerging cost pressures arising due to high inflation impacting on the cost of goods and services, increasing fuel prices and above expected pay awards, despite this, the Council delivered services to its residents within the approved budget of £169m, reporting a favourable variance of £0.18m, before net transfers from specific reserves, and £1.2m favourable variance after net transfers from specific reserves.

The council's 'bridging the gap' programme of strategic business reviews continued throughout the year to create efficiencies and financial resilience for the future. The £2.58M delivered in the last year enabled the Council to balance the budget and provided the flexibility for the decision to freeze Council Tax for 2022/23. Building financial resilience for the future is important and the Council's reserves were at the same level as they were in 2012 at over £10.5M, an increase of £2.5M in the last 5 years. The increase in funding is welcome news, however, it does not reverse the significant budget reductions of the last 10 years which means that the Council must continue to be financially prudent and work hard to meet service demands whilst balancing the budget in future years.

The revenue budget financial statement provisional outturn as at 31st March 2022 was as follows:

Item	Revised Estimate 2022/2023	Provisional Expenditure to 31 March 2023 (excluding Reserve Adjustments)	Provisional Expenditure to 31 March 2023	Variance Favourable / (Adverse)
	£	£	£	£
Summary				
Corporate Services and Financial Management Strategy				
Corporate Services	4,522,990	4,414,850	4,326,420	196,570
Financial Management & Strategy	13,394,890	12,554,550	11,882,228	1,512,662
	17,971,880	16,969,400	16,208,648	1,709,232
Social Services				
Children's Services	14,288,800	15,834,527	15,327,638	(1,038,838)
Adult Services	29,231,440	28,466,451	28,464,957	766,483
Business Management / Corporate Recharges	6,421,310	6,524,289	6,389,563	31,747
	49,941,550	50,825,267	50,182,158	(240,608)
Education				
Aneurin Leisure Trust	64,128,010	63,713,010	64,099,025	28,985
	4,176,620	4,126,323	4,163,887	12,733
	68,304,630	67,839,332	68,262,912	41,718

Item	Revised Estimate 2021/2022	Provisional Expenditure to 31 March 2022 (excluding Reserve Adjustments)	Provisional Expenditure to 31 March 2022	Variance Favourable / (Adverse)
Summary	£	£	£	£
Economy	1,815,060	1,663,266	1,628,554	186,506
	1,815,060	1,663,266	1,628,554	186,506
Environment	29,632,090	30,440,717	30,359,629	(727,539)
Environment	29,632,090	30,440,717	30,359,629	(727,539)
Planning Committee and Licensing Committee				
Planning	1,441,220	1,132,990	1,189,260	251,960
Licensing	134,790	128,420	128,420	6,340
	1,575,980	1,261,410	1,317,680	258,300
Other – Transfer to Specific Reserves	0	0	0	0
Total Expenditure	169,187,190	168,999,393	167,959,580	1,227,610

New Operating Model and Agile Working

In March 2021, Council approved a new operating model and working arrangements for staff and buildings. Following the Covid 19 pandemic and the lockdowns that were put in place, staff and members worked remotely in the main moving to arrangements based on digital platforms. A review of the pandemic was undertaken with the realisation that Council business and services can be delivered in a very different way, be more in line with modern working practices, reduce costs and the impact on the environment. The Council looked to seize this opportunity and



made step changes now so not to simply return to the same operation as before. As part of the new operating model, Council also agreed for a Democratic Hub to be established at the General Offices, Ebbw Vale, to vacate and demolish the Civic Centre and to develop Community Hubs from libraries across the Borough. As part of the new operating model, the Council also embedded an Agile Working Policy. This included a review of the working and contractual arrangements for staff and identified all posts as either home worker, agile worker or service / community based worker. All staff were consulted on as part of this process with allowances for home and agile staff put in place as well as support for staff to ensure they had appropriate

workstations at home, taking into account the health, safety and wellbeing of staff. Agile working has also further reduced the use of paper, there is less commuting and overall less business travel. As part of their review, Audit Wales identified that no engagement was undertaken on the closure of civic centre due to challenges of engaging during pandemic.

Attendance Management

For 2022/23, the Council's sickness outturn was 15.45 days on average per full time employee. When excluding sickness absence related to Covid 19, the outturn figure reduces to 13.71 days, with Covid accounting for 1.7 days of absence. Despite the removal of Covid related absences, the total outturn remains higher than the Council's year-end target. For 2023/24 we will be returning to pre pandemic reporting of one outturn figure rather than providing two figures for including and excluding covid absence.

The figure of 15.45 days is an improvement from the previous year when the figure was 16.74 days, although this is higher than 2021/22 when the figure was 11.67 days. The Council's annual target is 10 days, therefore, is being exceeded each year. Short term versus long term absence has remained consistent throughout the years averaging 30% for short term and 70% for long term absences.

Complaints and Compliments

The Council has an adopted corporate policy to deal with complaints. A review of monitoring complaints has been undertaken and new processes and nominated officers have been identified.

Feedback gained through the Councils Complaints and Compliments procedure helps the authority to understand what has gone wrong and put mechanisms in place to make improvements and preventing issues arising again.

During the year there has been 161 cases of feedback recorded across the Council. These 161 cases consisted of:

- 133 complaints; and
- 28 compliments.

130 cases were closed (completed) during the reported period. Of those, just under half (60) were within timescale. 65 were after timescale but within 3 months. Only 5 were after 3 months but within 6 months. None took longer than 6 months.

Information Governance

As a Local Authority it is vital in the work that we undertake that we collect and process personal information in order to fulfil our obligations and perform many of our day-to-day operations. In May 2018 the GDPR came into force and made significant changes to how the Authority handles personal information and placed many additional obligations on organisations. A project team was created at the time to manage the work needed to ensure the Authority was compliant with this new legislation which has since been disbanded but the work to ensure continued compliance is ongoing through the work of the Information Governance Forum (IGF) that is chaired by the Senior Information Risk Owner (SIRO) and supported by the Authority's Data Protection and Governance Officer which is a mandatory role within the legislation. Following Brexit the GDPR legislation has since become known as UK GDPR and currently remains identical to the EU GDPR although some changes are currently proposed and out for consultation.

Whilst implementing GDPR in 2018 the Council implemented an Information Asset Owner structure in order to be compliant with the legislation and ensure that there are clear defined lines of responsibility towards information assets owned by the Council. Information Asset Registers are in place for each area of the Council and regularly reviewed to ensure that there is corporate oversight of all key information systems and to risk assess these in terms of the confidentiality, integrity and availability.

In addition to the Information Asset Registers the Council also adhered to an additional obligation under GDPR to create a Record of Processing Activities for all departments. This document provides the ability to drill down to the necessary level of detail required under GDPR to identify when the Council collects and processes personal information, why it is doing this, what legally permits it to do this etc.

The Council also has a suite of Information Governance and Security policies and procedures that are regularly reviewed to manage and ensure compliance with its statutory duties.

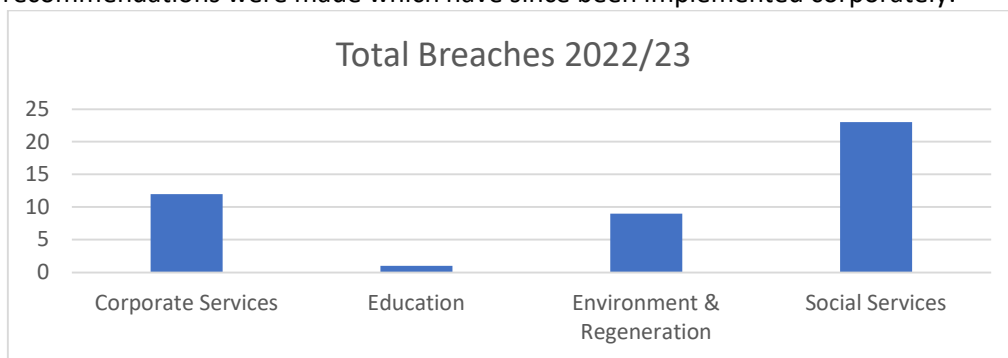
All Data Protection Impact Assessments are approved by the Data Protection and Governance Officer to ensure that there are effective controls in place to mitigate the risk of a Data Protection Breach. Where a Data Protection Incident is reported, the Officer will investigate the cause and review the responsible service area controls to ensure they are effective. The Officer, Information Governance Forum and the Council's Senior Information Risk Officer (SIRO) review the Council's information governance arrangements to ensure they are fit for purpose.

The Authority received and processed 978 Freedom of Information (FOI) requests between 1st April 2022 and 31st March 2023 which is a 13% increase on the previous year where 863 requests were received. Services responded to 88% of requests within the 20 working day requirement. Of the 12% that did not meet the requirement, 6.4% (62 requests) were provided late and 5.6% (55 requests) remain un-responded to as of 31st July 2023.

During 2022/2023 Blaenau Gwent received a total of 60 Subject Access Requests over the course of the year in comparison to 54 the previous year. This represents a 10% increase in requests. We are required to ensure that each request is entitled to receive the information before we can consider it a valid request. To do this we normally ask to see ID from a requestor but not all requests provide this, and we do not hear back. Of the 60 Subject Access Requests received during 2022/2023 only 29 provided the necessary ID in order to be considered a valid request. Whilst 29 appears to be a low number on the surface, these requests are typically for a person’s entire file within a service or across multiple services totalling hundreds of pages. As it is necessary to check each page and ensure no breaches of information occur the checking work can take a lot of time.

In total, the Council suffered 45 recorded Data Breaches during the 2022/2023 period which are split between directorates as illustrated below. This has increased from 37 Data Breaches in the 2021/2022 period.

Of the 45 Data Breaches suffered it was decided by the Data Breach Panel that one exceeded the threshold to the report to the ICO. It was later decided by the ICO that no enforcement action was required regarding this breach although some recommendations were made which have since been implemented corporately.



Corporate Communications

In 2022, the Council undertook a strategic review of its overall approach to Corporate Communications, with a focus on strategy and planning, people and resources, and implementation. The recommendation from the review was for the Council to develop a ‘campaign based’ communications approach. From this, communication campaigns will be in place to support each priority of the Corporate Plan using the OASIS Framework:

- Objectives
- Audience Insight
- Strategy / Idea
- Implementation
- Scoring / Evaluation

The Communications Team will work with Cabinet, CLT and representatives from each directorate to develop and deliver campaign based communications. The intention moving forward is to align the new Participation and Engagement Strategy with the Communications Strategy.

Service User Design

The Council has taken a focussed and proactive organisational approach to the reviewing and redesigning of services by introducing a user design approach to ensure the customer is at the centre of all service planning, these have included: Planning; Insurance; Street Cleansing; Waste; and Starters, Leavers and Movers with Organisational Development. This forward thinking approach has been shared with partners such as the Welsh Local Government Association (WLGA) and Tech Valleys. Maintaining momentum in this key area will be a challenge with support being required across the whole organisation.

Elected Members and the Constitution

The Council has set out minimum standards of behaviour and has provided guidelines to help maintain and improve standards. The Council’s Constitution is a key document which sets out how the Council operates, how decisions are made and the procedures followed to ensure that these are efficient, transparent and accountable to local people. It also includes a code of conduct for both officers and members.

The Council has in place comprehensive arrangements for Elected Members. As part of this, there is an extensive Member Development Programme in place, aligned to the forward work programmes of the Committees and Council priorities as well as from the Personal Development Review (PDR) process in place for members. A particular focus has been on the development of an induction programme to support members as part of their role following the 2022 local elections. A variety of training materials, guidance and documentation is available to members and this is included within an online member library. Further work has been undertaken over the year to review and enhance a number of member development policies and processes including:

- A PDR Scheme and Competency Framework;
- A Member Development Strategy;
- A Mentoring Framework; and
- An e-petitions protocol.

Each Committee conforms to legislative requirements including compliance with the Local Government (Wales) Measure 2009, Social Services and Well-being (Wales) Act 2014, the Well-being of Future Generations (Wales) Act 2015 and the Local Government and Elections (Wales) Act 2021. The decision making process is documented and the Authority's Scrutiny Committees can 'call in' a decision which has been made by the Cabinet but not yet implemented. No decisions were called in during 2022/23.

Work has continued to strengthen Blaenau Gwent's Scrutiny and Democratic Committee arrangements. Following the Local Elections in May 2022 a comprehensive induction and refresher programme was put in place. The Blaenau Gwent programme is supplemented with the All Wales Academy E-Learning Modules as well as a dedicated member's online resource library. All member sessions were identified as:

- Mandatory;
- Recommended;
- Beneficial; and
- Useful.

Mandatory sessions for all members include:

- the Constitution including roles and responsibilities;
- Code of Conduct;
- Corporate Parenting / Safeguarding Responsibilities; and
- Safeguarding Online Course.

There are also mandatory sessions for members sitting on certain committees, such as:

- Town and Country Planning;
- Licensing Committee; and
- Appeals Committee.

Each member has also been provided with a laptop and mobile phone to support them to undertake their roles.

Newly Elected Members have settled in well to the new Council and are gaining valuable experience in the operation of the Council. As part of the Member Development Programme some new and less experienced members have received coaching and mentoring, on a joint basis, from within their political groups, and with the Monitoring Officer and Head of Democratic Services, with this showing to be an effective approach. The Code of Conduct training was undertaken at the end of May 2022 and as the Democratic cycle got underway more support was provided to ensure that decision making was effective and that adherence to the Members' Code of Conduct was observed.

The Monitoring Officer and Head of Democratic Services meet regularly with Interim Chief Executive to discuss any political, governance or conduct issues, with a view to addressing issues early on in order to resolve quickly. The Constitution was updated and approved by Full Council on 26th October 2022 and training for Members was held on 17th November 2022 and received good feedback.

In 2022/23, no complaints against Members were taken forward for formal investigation by the Ombudsman’s Office. Over the year four whistleblowing complaints were received. One by the Monitoring Officer and three by the Head of Internal Audit, one of which was rejected as not eligible and two are ongoing investigations.

Evaluations are undertaken after every scrutiny meeting to review the processes in place and where further improvement can be sought. Learning is also undertaken annually and research from other areas considered. This learning has led to an extensive review and change of the current democratic processes including; a reduction in minutes, the live recording of meetings, significantly reduced agendas which only include key items and reducing the size of committees. Regular evaluation of these processes and considerations for further changes will be undertaken throughout the year.

Internal Audit

Internal Audit Services issued 45 audit opinions during the year:

Audit Grading	No of audits
Full Assurance	9
Reasonable Assurance	14
Limited Assurance	6
No Assurance	1
Non-graded	0

The number of audits undertaken and the proportions of grades for the period align to pre-pandemic trends. For 2022/23 there were no patterns or trends that indicated particular areas of concern and no individual findings of such significance to cause concern regarding the integrity of the Statement of Accounts. Blaenau Gwent County Borough Council’s system of internal control during the financial year 2022/23 operates to a level which gives Reasonable Assurance on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control. Members of WCLT continue to receive periodic reviews of Internal Audit findings to ensure appropriate corrective action is taken to maintain and / or improve internal controls.

Challenges the Council have experienced throughout the year

Attendance Management

Improving attendance remains a key priority and is identified as a corporate risk for the Council acknowledging that high levels of sickness absence have a detrimental impact on the ability of the Council to deliver services. Staff health and wellbeing is critical in order to effectively deliver Council priorities and services.

Information Governance

The average FOI received is responded to within 12.67 working days. This comprises of 0.78 days for Legal to send the request to the department, 8.57 working days for the department to compile and respond and then 3.32 working days for Legal to check and send. However, these figures do not take into account the 55 outstanding requests due to the restrictions in the reporting functionality and therefore only consider a concluded FOI. With some of the un-concluded requests dating back 6 months, the response times recorded would change significantly on a negative basis if the outstanding requests were to be included in the calculations. With the recent ICO ruling leading to enforcement action for an English Council (with over 143 outstanding FOI requests) this is obviously a significant concern. Where requests have been received but no response has been provided by the department a reminder is sent on approximately the 15th working day leaving around a week for the department to respond.

If the Council does not manage its information assets in accordance with requirements set down within legislation then it may be faced with financial penalties and possible sanctions that hinder service delivery. For Quarter 4 there were 11 data breaches identified and the total for the year stands at 45. This is higher than the previous 12 month period which was 37 data breaches in total. No pattern or single cause for this increase as been identified but this will continue to be monitored. No breaches during Q4 were reported to the ICO.

What Evidence is Available

- Statement of Accounts
- Annual Governance Statement and Code of Governance
- Minimum Revenue Provision (MRP) Policy
- Risk Registers
- Budget Survey
- Various Corporate Strategies
- Agendas and Recordings of Democratic meetings all available on the Council Website - <https://democracy.blaenau-gwent.gov.uk/ieDocHome.aspx?Categories=>
- Performance Data
- Agile Working Policy and Future Operating Model
- Council's Pay Policy Statement
- Strategic Equalities Plan 2020/2024
- Complaints and Compliments
- Auditor Reports
- Service Business Plans

Actions Identified to Support Future Improvement

As a council we are looking to be 'An ambitious and innovative council delivering quality services at the right time and in the right place'. Alongside the many achievements detailed throughout this report we recognise that the following areas will require further development and improvement. In our next annual Self-Assessment, we will include detail of how we have progressed these actions throughout the 2023/24 year.

- Gain a greater understanding of the barriers to access digital solutions within our communities and develop support for those who wish to improve their digital skills;
- Engage effectively across the organisation, with partners and key groups to develop the new Strategic Equality Plan 2024-2028;
- Progress the Engagement and Participation Strategy to ensure the voice of the community is considered when planning and decision making;
- Responding to the recommendations from the Welsh Language Commissioner;
- Further embed safeguarding arrangements across the whole Council;
- Progress the Workforce Strategy including consideration of recruitment and retention across the Directorates; and
- Work to reduce the sickness levels across the Council.

What Our Data is Showing - A trend narrative has been provided to show the direction of travel of each indicator with colours provided to show: **Green – Improvement Made; Red – Performance had Reduced; Blue – Performance has been Maintained; and Grey – there is no trend identified or required.**

Performance Indicator – An indicator that is managed or collected by Blaenau Gwent Council	Data				Trend Narrative for 2022/23
	2019/20	2020/21	2021/22	2022/23	
Council attendance and sickness (Council target of 10 days per full-time member of staff)	13.9	11.67	16.74	15.5	Improved
Number of complaints received by Blaenau Gwent Council	-	-	105	133	Increased
Number of Complaints Closed at Stage 1 during the period	-	-	100	123	Increased
Number of Complaints Closed at Stage 2 during the period	-	-	1	7	Increased
Total Number of Complaints Closed during the period	-	-	101	130	Increased
Number of Compliments received by Blaenau Gwent Council	-	-	29	28	Reduced
% of external expenditure placed with Local and Regional Suppliers (i.e. Registered within Blaenau Gwent) and SME	-	-	-	60.9	New Indicator for 2022/23
% of procurements that consider Social and Well-being objectives (including Decarbonisation and Foundation Economy etc.)	-	-	-	70	
Carbon Footprint associated with the Council’s Commissioning and Procurement activities	-	-	-	0	
	2018/19	2019/20	2020/21	2021/22	
Revenue outturn expenditure					Increased
£ per thousand	177,300	178,616	193,776	199,583	Increased
£ per head	2,543	2,557	2,767	2,850	Increased

Page 55

Overall Progress of the 7 Corporate Planning Areas

Corporate Planning

How Well We Are Doing and How Do We Know:

The Council has established a robust governance framework which looks to provide a transparent approach to how the Council delivers its services, manages its budget, and works with the community. The governance framework comprises the systems and processes, and culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with, and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The Authority has reviewed its priorities, vision and values and these are set out in the Council's Corporate Plan 2022/27. The Corporate Plan acts as the Council's business plan and is directly linked to the priorities in the Gwent Well-being Plan. The Corporate Plan was approved by Council on 26th October 2022. The priority areas identified in the Corporate Plan also act as our Well-being Objectives as part of the Well-being of Future Generations (Wales) Act.

A new Gwent Public Service Board has been established, under Section 47 (1) of the Well-being of Future Generations (Wales) Act 2015. This arrangement has replaced the individual Public Service Boards in each of the five Local Authority areas of Gwent. As part of this, a Joint Public Service Board Scrutiny Committee has been established and is operated by Blaenau Gwent Council. Local Partnership / Public Service Board Scrutiny Committees will now only consider items that related to their specific areas and that are to be identified as part of the Blaenau Gwent Local Well-being Partnership.

The current Well-being Plan came to an end in 2023. The Gwent PSB has undertaken a regional well-being assessment. This used a wide range of qualitative and quantitative information including data, academic research, evidence, and people's views (engagement) to help understand Wellbeing across Gwent communities. This assessment formed the basis of the development of the Gwent Wellbeing Plan.

The Council operates a single performance management system which includes the majority of Council planning and holds information in one place in order to avoid duplication including business planning, reporting and self-evaluation. As part of this, a well-structured performance management framework is in operation to monitor implementation of the Corporate Plan and Well-being Objectives.

The Council's business planning framework is strategically aligned with the Corporate Plan throughout the organisation so that all staff can understand their contribution to its implementation. The corporate requirement is for all business plans to be updated at least quarterly. Achievements, challenges, PIs and progress against any internal or external regulatory proposals for improvement are then included within the Finance and Performance Report which is reported to Scrutiny Committee and Cabinet.

The Sustainable Development Principles, Environment Act and Decarbonisation have been included within the business planning template used across all service areas. The five ways of working are also captured within the Corporate Reporting Template, this is supported by guidance which is reviewed and shared periodically.

Self-evaluation arrangements are in place and continue to be refined, requiring each service area to consider how its activities have contributed to the achievement of the Council priorities. The process enables us to gather and use good quality information to better understand how we are performing. Following the introduction of the Local Government and Elections (Wales) Act 2021, the Council completed an assessment of the 2021/22 year and this was presented to Council for approval in October 2022. The Council has used its current business planning process to gather evidence as well as identifying a number of key documents to reference. This was the first iteration of the new self-assessment process and it is expected that amendments to the process will be made following the first year of completion.

Financial Planning

How Well We Are Doing and How Do We Know:

The Medium Term Financial Strategy (MTFS), is a key element within the Council's strategic planning framework. It is this financial framework which will support the Council's financial resilience and ensure it operates sustainably. The MTFS outlines the approach that the Council will take to respond to the financial challenges faced over the next five-year period. This will be an iterative process and one that will develop and be refined as the funding position from Wales Government becomes clearer and strategic business reviews are further developed and implemented.

Bridging the Gap remains the Council's medium/long term strategy to address identified budget gaps. Additional proposals will be developed to mitigate the possible residual funding gaps in future years.

During 2020-21, Audit Wales examined the financial sustainability of each council in Wales. In Blaenau Gwent, it was concluded that the Council had improved its financial planning and the better-than-expected Welsh Government settlements meant that the Council is now better placed to maintain its financial sustainability over the short term, but challenges remain to fully close budget gaps over the medium term. Findings included:

- The immediate impact of COVID-19 on the Council's financial sustainability has been mitigated by additional Welsh Government funding but the Council continues to develop a more sustainable approach to financial planning and recognises the need to understand the ongoing financial impact of the pandemic;
- The Council is also increasing its useable reserves and remains committed to doing so over the medium term;
- The Council's overall performance against budget is improving and, whilst some service areas continue to overspend, the Council is taking steps to help address some of these budget pressures;
- The Council has developed a more sustainable approach to savings planning but further challenges remain to identify sufficient savings to fully close the estimated medium-term funding gap; and
- The Council's liquidity position remains the lowest in Wales.

In January 2022, a budget survey was undertaken with members of the public. There were 231 responses received with the following information:

- The majority of respondents were white female, aged between 35-44 with English being their main language;
- Schools were identified as a top service priority and it was felt should receive a Council budget uplift of 8.4%; and
- The percentage increase in council tax is seen as totally unacceptable.

Additional information was also received from the survey and this information is being used to shape the services moving forward.

During February / March 2021, the Council engaged Treasury Advisors, Link Asset Services, to conduct a review of the current Minimum Revenue Provision (MRP) Policy. The review identified the opportunity to change two elements of the current Policy which would provide positive benefits to the Council by reducing the annual MRP charge until 2031/32 for unsupported borrowing and 2057/58 for supported borrowing.

The Authority has complied with the CIPFA Treasury Management in the Public Services: Code of Practice 2017 and, in doing so, has strived for effective risk management and control, whilst at the same time pursuing best value as far as possible. The Authority has effectively managed credit risk throughout the period, so ensuring that it has not been subjected to any financial loss as a result of the pandemic.

Workforce Planning

How Well We Are Doing and How Do We Know:

The Council's Workforce Strategy 2021-26 was endorsed at Council on the 29th July 2021. The Strategy is a key enabler in delivering the Council's ambition, the New Council Operating Model and key priorities. It has a focus on the future, integrating the Council's vision, objectives and financial planning arrangements. It links service outcomes with the workforce required to deliver them and an on-going understanding of how the workforce should look in the future through continual review, re-alignment and measurement of how outcomes are achieved. The Strategy aims to ensure we have the right people, with the right skills, in the right place, at the right level, and at the right cost.

The Strategy sets out five priority outcomes for the workforce:

- Healthy Culture and Effective Leadership;
- Excellence in management across the Council;
- Modern employer of choice;
- A highly motivated and engaged workforce; and
- Evidence based decision making, planning and delivery.

The delivery plan for 2021/22 focused on the transition from responding to the Covid-19 pandemic to a new future working model, 'Agile Services delivered by an Agile Workforce', and set out the key actions under each of the priority outcomes. There has been good progress over the last year in achieving the priorities within the delivery plan.

The second-year delivery plan has been developed and builds on the progress of the previous year and takes account of the key national, regional and local drivers, workforce trends and financial challenges that will be facing the Council. In addition, during 2021/22 a new framework for workforce planning was rolled out at a directorate level, key themes and actions from this process have been aligned to the Strategy priority outcomes. These include recruitment and retention, succession and workforce planning and wellbeing.

As a major employer in Blaenau Gwent, the council are aware that any action which impacts on the workforce will also directly impact the community and levels of aspiration, income and employment. We provide and commission some of the most important services to the community, working with a range of other public, private and voluntary organisations in ensuring that public services are delivered to high standards. Our Workforce Strategy demonstrates the Council's commitment and investment in its workforce and wants staff to feel engaged and motivated so that the best services can be delivered to the residents of Blaenau Gwent. There are clear drivers for change focussed on agility and sustainability by reducing environmental impact as well as property related costs that can be reinvested into front line services, improve resilience, organisational and individual outcomes, customer focus, and create a better work life and corporate social responsibility.

The performance of all directorates depends on the effectiveness of the department culture. This is a difficult ask when the teams and sections are working hard to deliver priorities amongst continual rounds of savings and non-competitive public sector salaries. However, a healthy culture is a major attractor and is important to those looking for a job in the public sector. With staff retention as a key aim for the authority, creating the right culture is key. The aim of the council is to set standards that assist with the positive nature of the culture including; embracing a change mind-set – this is central to growth and innovation, and puts people outside their comfort zone to enable change and growth; working as a team – working together, discussing problems together and backing each other up; empowering people to make decisions; embedding a sense of responsibility including holding everyone accountable; and lastly, continuous improvement.

The Council Operating Model was agreed at Council in March 2021 and included the move to agile working and the development of a supporting policy. The Model introduces modern working practices, seeks to enhance employees' working experience, maximise performance and productivity and deliver the greatest value to the organisation, in terms of improving service delivery, as well as realising financial gains. The Model also included the establishment of Community Hubs across the Borough, improving customer access to Council services.

Of Blaenau Gwent Council workers:

- 34% are agile workers;
- 8% are permanent homeworkers; and
- 58% are service based workers.

In late 2022, a survey was undertaken with staff to understand the feelings towards agile working with 433 responses returned, 26% of the workforce. The results were analysed and a series of focus groups with staff and the Trade Unions were held to gain further insight. Feedback from these sessions tended to mirror that of the survey. Overall, the workforce is mainly positive about the agile working arrangements. Moving forward, actions include:

- Reviewing the facilities across the five agile working hubs of: ViTecc, General Offices, Anvil Court, Energy Centre and the LAC in Blaina; and
- A further review of the agile working policy and the flexible working policy.

The Organisational Development (OD) Service are responsible for the development and review of all of the Council's HR related policies. In line with OD's Policy Schedule, the Disciplinary and Capability Policies (Corporate Staff) were due for review. In addition, following a number of complex disciplinary cases, the Council procured an external consultant, to review a particular disciplinary case and associated processes. The review set out a number of recommendations for the Council in relation to the management of disciplinary processes. These recommendations have been taken on board in the review and development of the policies including:

Policy / Procedure	Covers	Who it applies to
Disciplinary Policy & Procedure	Conduct	Corporate employees
Capability Policy	Performance	Corporate Employees
Disciplinary Procedure for the Chief Executive	Conduct and performance	Chief Executive
Disciplinary Procedure for Specific Statutory Officers	Conduct and performance	Monitoring Officer, Section 151 Officer & Head of Democratic Services
Disciplinary Procedure for Chief Officers and Deputy Chief Officers	Conduct and performance	A Chief Officer reports directly to the Chief Executive. A Deputy Chief Officer reports directly to one or more of the statutory or non-statutory chief officers.

The Council had no capability cases during the 2022/23 period. Eleven grievance cases were investigated across the Council, eight of which have been resolved and three remain active. Two cases are collective grievances, one of which is now an Employment Tribunal claim, with implications for 81 plus staff.

On an annual basis the Council is expected to report on its annual performance with regards to health, safety and welfare at work. A summary of this performance includes:

- The number of employee accidents/incidents decreased from 171 in 2021/2022 to 162 in 2022/2023;
- The number of non-employee accidents also decreased from 326 in 2021/2022 to 325 in 2022/2023;
- The number of employee accidents/incidents and diseases reportable to the HSE has decreased from 24 in 2021/2022 to 9 in 2022/2023;
- The number of non-employee accidents/incidents reportable to HSE has increased marginally from 8 in 2021/22 to 9 in 2022/2023;
- There were 4 interventions by the Fire Authority and 0 interventions by the HSE;
- The Health and Safety Advisors investigated 59 accidents/incidents;
- One referral from the Occupational Health Department was made to the Health and Safety Advisors. Recommendations were provided to the managers of the referred persons by the Health and Safety Advisors on reasonable adjustments for the affected individuals;
- There were 5 cases investigated following insurance claims being made; and
- The departmental referrals to the Occupational Health service fell from 656 to 456.

Procurement

How Well We Are Doing and How Do We Know:

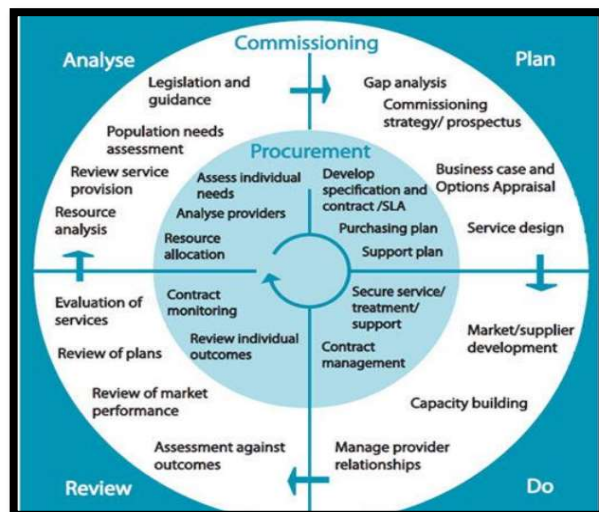
The Authority is committed to the principles of the Well-being of Future Generations (Wales) Act and the Wales Procurement Policy that identifies Procurement as a strategic enabler, delivering key policy objectives to support the Council's economic, social, and environmental priorities.

Council approved its revised Commissioning and Procurement Strategy in March 2023, 'Maximising the Socially Responsible Blaenau Gwent Pound £'. The strategy sets out how our commissioning and procurement activities will support the Council's corporate priorities:

- Objective 1: Ensuring legal compliance and robust and transparent governance;
- Objective 2: Promoting socially responsible procurement activities and processes;
 - 2.1 Increasing community and social value benefits delivered by suppliers;
 - 2.2 Contributing to the Council's aim to be a Net Zero Council by 2030;
 - 2.3 Improving Fair Work and Safeguarding practices within our supply chain;
- Objective 3: Securing value for money and managing demand through effective and robust contract management arrangements; and
- Objective 4: Promoting innovative and best practice solutions.

A Strategic Commercial Commissioning Board (SCCB) has been established to provide oversight and scrutiny of the Council's commercial activities, primarily commissioning, procurement, investments, and trading. The SCCB is supported by an operational group Business and Commercial Opportunities Network (BACON).

SCCB is an officer board, chaired by the Chief Executive and attended by Corporate Leadership Team. The Board provides strategic guidance to the Commissioning and Procurement community and assesses major commercial and procurement projects. The goal of the SCCB is to ensure shared ownership for the realisation of desired outcomes and efficiencies across the Council and to ensure that commercial activities become an enabling function and that fully supports Council priorities. The SCCB also oversees the delivery of the Socially Responsible Procurement Strategy.



The Board has been put in place as a 'check and challenge' with regards to the merits of each spending proposal and contracts over £75k and ensures a consistent approach to spending in line with the objectives of the Authority. The Board has an agreed Terms of Reference and has implemented a quarterly market intelligence report since April 2022. As part of this, central contracts register, and annual departmental procurement plans have been established to support the Council's social and commercial aspirations as well as informing its Medium Term Financial Strategy.

BACON is an officer group, chaired by the Service Manager Business and Commercial Opportunities and has representation from all service areas. BACON has been established to support the development of an entrepreneurial culture and mind-set in both officers and elected members, including working with the senior leadership to identify more business minded and commercially focused opportunities within existing and future service delivery. BACON has an agreed Terms of Reference and a business case framework which is used to consider commercial opportunities.

Assets

How Well We Are Doing and How Do We Know:

The current gross replacement value of the Highway Network is estimated at £1.093 billion and is the Authority's most valuable material asset.

The Strategic Asset Management Plan (SAMP) 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.

Audit Wales has recently carried out a 'Springing Forward' review which included the Council's arrangements for managing its assets and resulted in recommendations being identified covering a few areas including developing a longer-term asset strategy.

It was agreed at the Corporate Asset Management Working Group (CAMWG) that a revised SAMP would commence with recommendations coming back to CAMWG for review. Corporate Leadership Team is leading on a review of accommodation and the demand for buildings. The findings of which will be incorporated into the SAMP. Meetings have been arranged with Service Heads to discuss accommodation needs and corporate Asset & Property Meetings are convened on a monthly basis to review property needs.

Many Community Asset Transfers (CATs) are on short term leases or tenancies, so the focus on completing longer term leases continues, where this is possible, and addressing any issues which stop the Council entering into longer term arrangements. Progress on the CATs include:

Completed CATs (in the last two years)	Close to Completion	New CATs Being Processed
<ul style="list-style-type: none"> • Millennium Gardens (Terence Gardens) Brynmawr –lease to Growing Spaces November 2021 • Sirhowy Woodland – licence completed June 2021 (common land). • Market Hall Cinema Brynmawr - freehold transfer April 2022 • Rassau Community Centre – handover to new trustees completed at the end of the reporting year so is the most recent entry in this category. 	<ul style="list-style-type: none"> • Hilltop Fields Pavilion (shared with Flying Start), changing rooms and pitches – lease issued to Beaufort Colts AFC and awaiting signature • Rassau Resource Centre – lease to Rassau Resource Community Centre CIC agreed. Awaiting completion • Beaufort Welfare - upper Changing Room and Rugby Pitch. Completion anticipated in coming months. • Beaufort Welfare – lower Changing Room & Football Pitch. Completion anticipated in coming months. • Roseheyworth Field – changing rooms and pitches. Completion anticipated in coming months. 	<ul style="list-style-type: none"> • Area at Jim Owen Pavilion, Cwmtillery - Application for wetland area by Pentref Tyleri CBC (occupy part of pavilion/ Garden held by Abertillery Excelsiors). • Coedcae Scout Hut - Older Community Building which Scouts want to surrender. Growing Spaces looking to take on and are completing application. • Cwm Community Allotments – Application by Barefoot Farm. Solicitors instructed • Windsor Road Field - Abertillery Bluebirds’ proposal to take on playing field for junior football use. • Six Bells Tennis - Proposed CAT of kiosk (previously Friends) and area alongside for new cabin/ changing facility. • Brynithel Recreation Ground - shared pavilion (Flying Start) and pitches. Awaiting clarity over Group’s (St. Illtyds Sport & C.I.C.) ability to proceed.

Occupation of CATs needs to be regularised on some sites where groups are in occupation, but formal / revised paperwork need to be concluded. Progress of these CATs include:

Community Asset Transfer	Progress
Bedwellty Park Bowling Green & Pavilion	Occupying under terms of Tenancy at Will. Charity site - application will need to be made to Charity Commission for a lease to be granted.
Cwm Welfare – fields and pavilion	Cwm Community Sports are currently on a tenancy at will. Charity site - application will need to be made to Charity Commission for a lease to be granted. The pavilion is already occupied by boxing. The Gwent Association of Voluntary Organisations (GAVO) is assisting in these matters.

Blaina Institute	Blaina Community Institute Limited have been in occupation of the building since 1/6/17. A draft lease has been issued - negotiating.
Metropole Theatre Abertillery	Occupied by Awen Cultural Trust under terms of a Licence from 09/04/2021. Lease negotiations are progressing. A list of works was agreed at the point of transfer and the Council are looking to source funding contributions from the Welsh Governments 'Transforming Towns' program. A portion of the building is occupied by Abertillery Museum under a separate Lease agreement.
Llanhilleth Institute	Draft lease issued to Llanhilleth Miners Institute - negotiating
Tredegar Sports Ground pavilion, stand & pitches	Occupied under Tenancy at Will. Charity site - application will need to be made to Charity Commission for a lease to be granted.
EV Welfare rugby stand, pitches, terrace	Occupying under terms of Tenancy at Will. Charity site - application will need to be made to Charity Commission for a lease to be granted.
Cricket Pavilion – EV Welfare	Occupying under terms of Tenancy at Will. Charity site - application will need to be made to Charity Commission for a lease to be granted.
EV Welfare – bowls pavilion & 2 greens	Occupying under terms of Tenancy at Will. Charity site - application will need to be made to Charity Commission for a lease to be granted.

Risk Management

How Well We Are Doing and How Do We Know:

The Authority has in place a Risk Management Framework that includes a Risk Management Strategy and Handbook with the aim of embedding a consistent and effective approach to Risk Management throughout the whole Council. The risk management arrangements are aligned to the Performance Management Framework and corporate business planning process. These set out the risk appetite of the Council and provide a methodology to ensure a consistent assessment, prioritisation of the risks the Authority faces and any mitigating actions.

The Framework identifies the roles and responsibilities of Members and Officers, guidance on how to describe, evaluate and assess risk. It also requires for risk registers to be maintained at Service and Directorate levels to support the Corporate Risk Register which holds the most significant risks faced by the Council.

Effective Risk Management allows the Authority to deliver services in pursuance of its obligations. Monitoring Arrangements are in place whereby the Corporate Risk Register is reviewed and updated by Corporate Leadership Team on a quarterly basis and are also included within the Finance and Performance Report.

At the end of the 2023 financial year, the Council had identified 11 corporate risks, four of which were classed as critical and the remaining classed as high. This is an increase from 2022 when there were ten corporate risks with only one being rated as critical. The main risks facing the Authority during the period were:

Risk Description	Potential Impact	Residual Score
Failure to deliver and sustain the changes required to ensure that vital services are prioritised within the financial constraints faced by the Council.	financial pressures and demand challenges will result in reductions to services, significant impacting their availability and quality.	Critical
Failure to ensure that the Councils ICT arrangements provide assurance in terms of operational functionality and data security and enable the required digital transformational change	Service continuity impacted, transformation of services cannot take place and the potential for cyber attacks	High
Failure to ensure adequate safeguarding arrangements are in place for vulnerable people in Blaenau Gwent	Vulnerable people at risk of harm and abuse Negative reputation for the Council	High

Failure to improve staff attendance rates within the Council will lead to an unacceptable impact on the ability of the Council to deliver services effectively and financially	Unacceptable impact on the ability of the Council to deliver services effectively and financially support the cost of sickness absence.	Critical
If the Council does not manage its information assets in accordance with requirements set down within legislation then it may be faced with financial penalties and possible sanctions that hinder service delivery.	Financial penalties and possible sanctions that hinder service delivery	High
The Financial resilience of the Council could be at risk if the Council does not ensure that financial planning and management decisions support long term stability and sustainability.	Inability to deliver effective services/ lower quality services provided. Unplanned reduction of services provided.	High
Failure to deliver the Council's priorities within the agreed annual budget resulting in the increased use of emergency finance measures and the drawdown of reserves	Adverse impacts on the community Lack of service provision Not meeting statutory requirements	Critical
(a) Impact of cost of living (inflationary) increase driven by a number of crosscutting forces on our communities have created significant challenges for those already in need. (b) Impact of cost of living (inflationary) increases on businesses in Blaenau Gwent (c) Impact of cost of living (inflationary) increases on the Council (and staff) resulting in increased levels of service demand	Negative impact on communities Business closures Increased demand for services resulting in increased demand on services. Impact on staff	Critical
The 2 schools in an Estyn category and currently in receipt of Council Intervention fail to make appropriate progress against the Statutory Warning Notice to Improve and their Post Inspection Action Plans.	Poor reputation of the Council Statutory intervention Standards of education are not improvement	High
There is a risk that the Council's Business Continuity processes are not robust enough to enable the provision of critical services in an emergency	Essential services not delivered to an acceptable standard during disruptive incidents Poor reputation for the Council	High
Failure to maintain appropriately skilled, adequate staffing resources will lead to an unacceptable impact on the ability of the Council to deliver services effectively	Vital services will not be protected if the Council fails to find more efficient ways of working and improvements to social, economic and environmental well-being of the areas will not be achieved	High

The Internal Audit Service works on a risk based approach, to an annual audit plan, in order to assess the internal control environment of the Authority. The work of the section is prioritised in line with the Authority's objectives. The results of all audit work are reported to the Governance & Audit Committee who can, if necessary, call Officers to account where weak control is identified. Policies are maintained for Anti-Fraud, Anti-Corruption and Anti-Bribery, and Anti-Money-Laundering. Adherence to these is considered as part of the work of the Internal Audit function.

The Gwent Local Resilience Forum covers the Gwent Police area and is a partnership made up of representatives from the emergency services, local authorities, Natural Resources Wales, health agencies, Maritime and Coastguard Agency, utilities, military, and Welsh Government along with voluntary organisations and other private agencies. Although the LRF is not a statutory body, it is a statutory process. Set up as a requirement of the Civil Contingencies Act 2004, Local Resilience Forums (LRF) are the principal mechanism for multi-agency collaboration to ensure the effective delivery of the duties identified in the act.

The Community Risk Register highlights the main risks that have the largest potential to have significant impact on residents and businesses in the Gwent area, including:

- Human Infectious Diseases

- Severe Weather
- Flooding
- Loss of Critical Infrastructure
- Industrial Accidents
- Animal Disease
- Transport Incidents
- Malicious Threats

Performance Management

How Well We Are Doing and How Do We Know:

The Council has a well-established performance management framework in place which supports all aspects of service planning, delivery and improvement. As part of this, the Council’s Well-being Objectives, as identified within the Corporate Plan, have been used to shape all service planning throughout the Council. A ‘golden thread’ has been developed from the Corporate Plan throughout the organisation. As part of the business planning arrangements, progression of the sustainable development principles has been included and is reported on against each Well-being Objective. Twice a year the Council receives performance monitoring of the Corporate Plan as part of the Finance and Performance Report. Alongside this, there are a number of other performance reports provided internally and through the democratic process including:

- The ACRF (Annual Report of the Director of Social Services);
- Education Director Report; and
- Community Services and Regeneration Directorate Report.

The business planning process has become more streamlined with the incorporation of Performance Indicators, Risk Registers, the Environment Act, Low Carbon Actions as well as proposals for improvement from auditors. Future developments will include the Welsh Language and Equalities. This information is contained on a central monitoring system used across the organisation. The self-evaluation process directly links to the business planning process.

In 2021 Audit Wales reported to the Council on their review, ‘Data-driven decision making’. This review considered the way the Council is using data to inform the response to and recovery from the Covid-19 pandemic, as well as looking at the wider vision and arrangements for using data to inform decision making. Audit Wales identified several strengths, including the way the Council used data to inform its response to the pandemic and to support its recovery planning. Audit Wales also highlighted some areas for consideration, such as developing a delivery plan to help implement the Council’s vision for using data effectively and better understand the resources needed. The Council has improved a number of performance areas but there is an inconsistency across areas of the Council and some performance reports lack sufficient detail.

Overall Progress of the Sustainable Development Principles

Long term: the importance of balancing short-term needs with the need to safeguard the ability to also meet long term needs

How Well We Are Doing and How Do We Know:

In order to support future Town Centre Regeneration, Placemaking Plans have been produced and progressed, as requested by Welsh Government, enabling the authority to access Placemaking Grant monies in order to provide flexible support for a wide range of projects aimed at rejuvenating town centres.

The Council has a long term aim of developing alternatives for power generation and as part of this Dulas Consultants have carried out a feasibility study to utilise hydro generation to power electric pumps at Silent Valley. The delivery of wind generation projects and hydro generation projects supports long term thinking with regards to fuel consumption.

It is a priority for us to raise the profile of play by improving the quality and equity of play provision throughout the Borough for all our children and young people. To achieve this, we are refurbishing and maintaining existing play

provision to acceptable levels and developing new initiatives based on identified need within the Borough. Chartist way play area has been confirmed as needing to be relocated and the contract for this work has been let, meeting with contractor will be held shortly to develop programme of installation.

Significant progress has been made over the past 10 years on improving the Highway network, however, the absence of Welsh Government funding for 2023/24 and the end of Blaenau Gwent Prudential Borrowing Programme has curtailed Capital investments in the highway network. The completion and formal adoption of the Highways Asset Management Plan 2023 - 2028 will support and drive the Authority's approach to maintenance over the next 5 years.

Although it is recognised that evidence to show long term improvement will take time, we know that the work undertaken now to ensure that all children and young people are given the best start in life, will enable them to grow into fruitful adults living a healthy, fulfilling life whilst contributing to society and forming a valuable part of their community. Work demonstrates that we are delivering higher levels of language acquisition and reading across the board, and overall enabling positive outcomes and attainment.

Recruitment and retention difficulties have impacted on services. All directorates have developed a workforce plan for 2022/23 with a detailed action plan to address these issues. In addition, the ongoing work corporately will support directorates to recruit and retain staff by further modernising the Councils approach and marketing the Council as an 'Employer of Choice'. Whilst the risk remains high, staffing pressures in some services have eased with successful recruitment to vacant roles. In addition, other measures that will support in the longer term include effective workforce and succession planning, the management of sickness absence, and where appropriate working regionally/nationally.

Long term succession planning in respect of sustainability of our services and staff is ongoing and in respect of our social care staff an Induction Programme was developed and advertised for Newly Qualified Social Workers (NQSW). The first sessions started in June 2022 and continued on a weekly basis. Feedback from the sessions revealed that the cohort of newly qualified social workers found the sessions extremely beneficial and that they felt much more prepared to carry out their roles confidently.

The Strategic Commercial and Commissioning Board has been strengthened to include a clearer focus on how it supports achievement of the ambitions set out in the commercial strategy. Commercial activity is far more evident in the bridging the gap proposals to support the Medium Term Financial Strategy, ranging from third party spend, cost shift for transactions, and more efficient channels. A review of the commercial strategy is planned for the end of the year which will assist in how we target our efforts on areas that need progressing.

Prevention: how acting to prevent problems occurring or getting worse may help public bodies meet their objectives

How Well We Are Doing and How Do We Know:

The Council's Community Hub model continues to be strengthened with relevant and focussed support provided to the community in the community. The Hubs support those in the community experiencing poverty. Support includes: Universal Credit; discretionary housing payments; Free School Meals and Clothing Grant Applications; and the Winter Support Fund. The table below provides a breakdown of the number of residents supported through the Community Hubs during the period:

	Ebbw Vale	Tredegar	Brynawr	Abertillery	Cwm	Blaina	Llanhilleth	Overall
May	430	230	129	198	46	63	53	1149
June	186	147	87	116	23	23	17	599
July	205	131	76	80	21	20	19	552
August	158	129	77	70	7	20	5	466
September	178	77	53	94	12	17	7	438
October	161 (approx. 127 unlogged)	268	85	133	23	32	15	717
November	159	118	77	82	14	21	6	477
December	95	67	49	58	20	6	3	298
January	168	192	109	98	16	17	9	609
February	177	208	120	139	11	20	8	683 (759 inc. unlogged fuel)
March	273	190	204	179	14	23	15	898
April	162	147	110	124	16	24	12	595
Total	2352	1904	1176	1299	223	286	169	7481 (exc. unlogged fuel)

The Council actively supports the Asylum Dispersal Scheme to provide future families, who have experienced considerable hardship, with the route to a long-term safe haven. It is recognised that there are long-term implications of participation in the Asylum Dispersal Scheme and considerations on services such as education, mental health provision, housing and homelessness. The Scheme helps to prevent vulnerable children and their families from further trauma and suffering in areas of significant conflict and, further, discharging both moral and humanitarian obligations.

Environmental Health responded to 316 Housing Safety/Standards service requests relating to sub-standard Privately Rented Sector accommodation, damp nuisance, Warm Home Nest Inspections, including the approval of 4 New Landlord loans. (total £160k). In addition, Housing Solutions dealt with 9 owner occupier loans (£61,500) and 20 empty property grants (£600,000).

We continue to manage Sustainable drainage systems (SuDS) to deal with stormwater locally (as close its source as possible), to mimic natural drainage and encourage its infiltration, attenuation and passive treatment. All SuDS applications, enquiry responses and inspections are ongoing throughout the borough. Various meetings with developers take place to discuss regulations and options available to developers.

Work to provide good quality education services and local employment opportunities such as Vulnerable Learners Support, Youth Service and Youth Support Services prevent the impacts of poverty and material deprivation from getting worse. The Aspire Shared Apprenticeship Programme has continued to enhance skills development within the manufacturing and engineering companies to develop business growth; whilst tackling unemployment and providing aspirational opportunities for young people across the local authority.

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

We always work with a preventative approach, preventing problems from getting worse and continually aiming to improve services. This approach has led to numerous improvements ranging from maintaining our corporate assets such as buildings, roads, bridges etc. to preventing safeguarding issues developing by encouraging everyone with a concern about themselves, a child or adult at risk of abuse or neglect, to report it. Our website has recently been updated making this process as easy as possible.

Integration: considering how public bodies' well-being objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies

How Well We Are Doing and How Do We Know:

The authority has worked with its regional school improvement service to strengthen the challenge and support it provides to schools. Education is also working closely with Regeneration and achieving a reduction in the percentage of adults aged 16-24 with no qualifications. Integrated work between Education, Regeneration and the SRS is ensuring that effective digital communication methods and systems are in place for our community to grow. Digital development will provide children and young people with opportunities to learn in these fast advancing digital times that we live in. Internal systems are being updated to move towards more online communication and ICT methods for both new school and existing school settings delivered through our Sustainable Communities for learning / Progress in skills.

We deliver council wide integrated services in respect of safeguarding and have made it everybody's business by identifying a lead officer from each Council service to ensure that all service areas are working towards the safeguarding agenda.

Integrated work is taking place across the council to develop and monitor the delivery of the Decarbonisation Strategy and the Environment and Biodiversity Strategy, both of which outline responsibilities to support these agendas across all Council services. Through a joined up approach to service delivery the Council will be able to achieve more using less resource. This year saw a refresh of our Climate Group, which is now chaired by our Interim Chief Executive, its core membership also includes our first elected Climate Champion, three members of our senior leadership team and a trade union representative. The group meets every six weeks with an alternating focus on Net Zero 2030 at one meeting and Net Zero 2050 at the next.

Integrated work throughout directorates has continued to ensure effective delivery of all services and projects such as work undertaken with Coleg Gwent and the refurbishment of the Monwell Building into a high value engineering centre (HIVE). The £12.5m investment will deliver an Advanced Engineering Centre close to our Blaenau Gwent Learning Zone campus, which will offer high-quality engineering education to equip young people with skills for the future.

Collaboration: acting in collaboration with any other person (or different parts of the body itself) that could help the body meet its well-being objectives

How Well We Are Doing and How Do We Know:

The Council is currently in the process of developing new liaison arrangements with each of the four Town and Community Councils (TCCs) from 2023/24. The current Charter of Common Agreement between the Council and each of the four TCCs was last reviewed during 2019. It was refreshed in line with the Well-being of Future Generations Act (Wales) 2015, and The Independent Review on TCCs in Wales published in October 2018, to ensure it remained fit for purpose.

The Charter is designed to build on existing best practice and embrace the shared principles of openness, respect, honesty and the common priority of putting citizens at the centre. It sets out how the Council and each TCC aim to work together towards collective long-term goals in a collaborative, preventative and integrated way, particularly in relation to:

- Ethics;
- Local governance and information;

- Consultation;
- Land use planning;
- Budget setting;
- Practical support; and
- Monitoring and reviewing the Charter.

The Charter contains expectations around the facilitation of quarterly Liaison Committee meetings. These committee meetings help to foster good communication, working relationships, and better joint working for the benefit of local people. In addition to the member Liaison Committee, a regular quarterly officer meeting comprising the four TCC Clerks and Corporate Policy staff also exists to support the partnership working arrangements. Going forward, this meeting will seek to strengthen arrangements for advice and interaction with TCCs and will look to seek support from the Council's Wider Corporate Leadership Team to ensure all local issues are considered appropriately.

The South East Wales Adoption Service (SEWAS) continues to form relationships with other councils in the region to improve outcomes for children who are placed for adoption. An example of this is working with communication teams to promote adoption within the region to attract adopters.

A Gwent Public Service Board (PSB) has been established, replacing the individual PSBs across Gwent. As part of this, a Joint PSB Scrutiny Committee has been established and is operated by Blaenau Gwent Council. The Gwent PSB has undertaken a regional well-being assessment. This used a wide range of qualitative and quantitative information including data, academic research, evidence, and people's views to help understand well-being across Gwent communities in order to inform the Gwent Well-being Plan.

A Service Level Agreement is in place between the Council and Rhondda Cynon Taff Council as the Lead Authority for the Shared Prosperity Funding (SPF) within the Cardiff Capital Region. SPF is now available to support projects under the Support for Local Business, People and Skills, and Community and Place themes. Our SPF aim is to build pride in place and increase life chances across the UK.

The Employment and Skills Strategy has been produced and will provide opportunities to raise aspirations and support economic growth through partnership working. It outlines a range of priorities to ensure individuals and businesses have access to the right support in terms of skills and employment.

The Regional Partnership Board (RPB) is in place to manage and develop services to secure strategic planning and partnership working between local authorities and Local Health Boards and to ensure effective services, care and support are in place to best meet the needs of their respective population.

Involvement: the importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves

How Well We Are Doing and How Do We Know:

To gain a wider understanding of how the Council is performing it is important to understand the views of businesses, staff, Trade unions and the local community. This also helps the authority to develop, design and amend services for the future.

Throughout the year there has been a wide range of engagement activity across the Council, this has involved face to face engagement with residents, online surveys, and specific targeted events. To understand the engagement activity across the Local Authority, and to map the type and level of activity being delivered across the organisation, an Engagement Calendar has been developed and is updated and shared across the organisation quarterly.

The calendar also includes the reach of engagement, the result of engagement, any feedback and whether an evaluation was undertaken. The following participation and engagement activities have taken place:

- Public Space Protection Order Survey
- Continuity of Learning Plan Survey

- Childcare and School Hub Survey
- Public Services Board Climate Change Survey
- Universal Free School Meals Survey
- Rights Respect Equalities Survey (x3)
- Operating Model & Agile Working Survey
- Welsh Language Promotion Strategy 2022/27 Survey & Workshop
- Council Budget 2023/24 Survey; online engagement session; in-person community hub events
- Ebbw Vale Sustainable Link Survey; in-person event
- Gwent Well-being Plan Consultation Survey
- A range of Early Years, Parents & Wider Community events and consultations
- Young People Democracy & Voting Registration Events (x4)
- Taxi Licensing Policy Survey
- School Inclusion & Improvement, Partnership Agreement Survey & Visioning Event
- 50+ Resident Group Engagement Event
- Wood Environmental Permit Survey

Engagement Activity with Citizens

Throughout the year service areas across the authority hold specific engagement activity to obtain feedback from partners, including members of the community, to help review and develop changes to service delivery. Some of the areas we have involved the community this year include:

Budget Engagement Programme - The programme began in early 2023 following the announcement of the Local Government Settlement by Welsh Government and included indoor events across our four well-being areas held at different times throughout the day, including the evening, to help maximise attendance. The events provided an opportunity for people to find out more information and to speak to Members and Officers. An evening session was also held online via the Microsoft Teams platform. All those attending events were encouraged to participate in a survey which was also shared on social media. The intention of this was to get as many people as possible participating and sharing their views on prioritising council services, setting council tax, and potential saving proposals for now and the future. A total of 3,736 questionnaires 5.5% of the area’s population were completed and returned to the council via the questionnaire portal (Snap). This is the highest level of response received by the Council for a budget engagement survey.

Blaenau Gwent Youth Forum - The youth forum provides opportunities for young people living in Blaenau Gwent to have a voice on issues that impact them, and to become actively involved in local decision making. The forum also helps to develop the skills and experience of young people in the community in a variety of ways, helping to build their confidence, and develop their communication and social skills.

Members of the youth forum are involved in a range of activities including being involved in several pieces of work which has represented Blaenau Gwent at a national level. In 2022, the Blaenau Gwent youth parliament representative attended a 3-day annual conference which included over 200 young people from across the country. The event provided an opportunity for young people to develop their debating skills by researching specific topics and using persuasive arguments to share their views. In November, the youth parliament representative attended the House of Commons in order to debate on a number of topics. The House of Commons visit involved young people from across the UK and Overseas Territories coming together. Our youth parliament representative provided their views on the cost of living crisis and the impact that it will have on health now and in the future.



Participatory Budgeting - This is a democratic process that enables local people to have direct decision-making power over how public budgets are spent. The overarching aim of Participatory Budgeting is to increase community participation in decisions affecting their lives, and to enable spending decisions that better reflect local needs and address inequity. The community were actively involved in the planning and development of the participatory budgeting event. Members of the group were given training and took part in a series of supported delivery sessions to shape the programme, invite bidders to apply for funding, judge whether applications fit the set criteria, and plan the

event. In November 2022, the Council supported the Gwent PSB the programme, 'Community Voice, Community Choice'. 16 community groups were successfully voted by the public to receive monies to deliver local well-being projects, totalling £127,527.

Complaints and Compliments - Members of the public can have their say through the Councils Complaints and Compliments procedure. Feedback gained through this process helps the authority to understand what has gone wrong, put mechanisms in place to make improvements in order to prevent issues arising again. During the year there has been 161 cases of feedback recorded across the Council. These 161 cases consisted of:

- 133 complaints; and
- 28 compliments.

Of the 133 complaints received 63% were via email and 29% were via phone. The initial response for when a complaint is received is within 3 working days and an outcome with 10 working days. If the complaint is not resolved and progresses to Stage 2, the aim is for resolution within 20 working days but maybe longer if a case is complex. Complainants receive regular updates on the status of their complaint if, for any reason, we are unable to respond to a complaint within the timescales.

130 cases were closed (completed) during the reported period. Of those, just under half (60) were within timescale. 65 were after the timescale but within 3 months and 5 were after 3 months but within 6 months. None took longer than 6 months.

Engagement Activity with Businesses - The Council continues to engage with the business community through channels such as the 'Business Hub', the Enterprise Board and through various town centre business forums. Businesses have had an active role in the development of Town Centre Placemaking Delivery Plans which aim to establish a sustainable future for town centres across the borough. Feedback was provided on key challenges being faced, potential opportunities, and what they would like to see happen to town centres in the future. Progress will continue in the implementation and development of these plans throughout the upcoming year and the Council will continue to engage with businesses through this process.

The Council will also relaunch the Enterprise Facilitation Project which will be a free, informal, and confidential service for aspiring entrepreneurs and business owners within Blaenau Gwent. The Enterprise team will support an effective business networking forum for start-up, new and small businesses in Blaenau Gwent.

Engagement with Staff - The Council recognises the critical need to communicate and engage staff in service delivery, transformation, change, new commercial thinking and financial efficiency. This is currently undertaken through a number of methods: regular one to one performance coaching; annual performance reviews; team, staff and management meetings; a regular newsletter from the Chief Executive; a staff newsletter; managers brief; engagement in financial planning; a dedicated engagement and consultation framework with the Trade Unions; and bi-annual staff surveys. A recent example of this is through the engagement activity with staff to gain their views on a new operating model and agile working.

Trade Unions - The Council has in place a Trade Union Facilities Agreement which has recently been reviewed and updated. The review included the granting of more temporary facilities time to the Trade Union as part of the Council's commitment to work in social partnership with them. We also have a calendar set annually for formal engagement of the Trade Unions with Directorates, Corporate Management Team, and Cabinet. There is also a Corporate Health and Safety group held with the Trade Unions.

Council Committee Meetings - All Council meetings can be accessed through the Council website. The Council website also provides an opportunity to view Council documents including view past meetings, past agenda items and Committee work programmes. Through the revised Engagement and Participation Strategy systems will be enhanced and improved to make it easier for communities to be involved in the democratic process of the Council. Improvements will also be made to promote awareness amongst local people of how to become an Elected Member.

Engagement and Participation Strategy - Although the Council provides a variety of opportunities for people to get involved, we know that we can do better, and this will be a priority for the organisation for the year ahead through the development of our revised Engagement and Participation Strategy. The revised Engagement and Participation strategy will provide a more coordinated approach to engagement and will align with other strategic documents that are currently being developed including our customer services and digital strategy. It will also look at methods to improve engagement with partners including businesses, communities, staff and Trade Unions. The Engagement and Participation Strategy will be completed in 2024 with an action plan and monitoring framework to ensure that outcome focussed change is being delivered.

Overall Progress of the Well-being Goals

A Prosperous Wales

How Well We Are Doing and How Do We Know:

Data shows that the highest rates of child poverty in Wales are seen in Blaenau Gwent at 30.3% in 2021/22 which equates to 4,124 children. Blaenau Gwent has seen a rise in the proportion of children living in poverty since 2015. The impact of poverty on children is well documented, with children from low-income families more likely to experience worse physical and mental health; do less well in school; and have fewer opportunities in the future. 74% of children in poverty in Blaenau Gwent were living in working families, this equates to 2,872 children. The Welsh Index of Multiple Deprivation (WIMD) captures the extent of deprivation as a proportion of residents living in each lower super output area (LSOA). The eight considerations of the WIMD are: income; employment; health; education, skills and training; geographical access to services; housing; physical environment; and community safety. Blaenau Gwent has the highest percentage of LSOAs in the most deprived areas across Wales at 10%, for income (19.1%), education (27.7%), and community safety (23.4%) <https://www.data.cymru/dashboards/viewofpoverty>

The authority established a cost of living cross party group in September 2022 which is supported by an operation group responsible for implementation of an action plan. The action plan focuses on support for residents, local businesses and promotes partnership working. Providing more 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. The work on the cost of living crisis is inextricably linked with the poverty agenda.

Our Community Hubs, which operate across seven accessible locations across the borough, work with the Citizens Advice Bureau to offer support and to provide advice regarding schemes such as discretionary payments for cost of living, and housing payments. Specific support is also available for pensioners and those with a disability. Assistance with council tax discounts or reductions is also provided for 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.

The Council plays a crucial role with its partners in supporting the Blaenau Gwent Food Partnership, which aims to build a local food system that is healthy, affordable, resilient, and fair. It has supported communities in 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 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. In 2022/23 the Council provided support through overseeing the Food Distribution Support Grant with over £80,000 being available to groups.

Some specific support provided by the Council to support those impacted by the cost of living crisis includes:

Warm Hubs - The Council received £28,566 funding from Welsh Government to support Warm Hubs as safe and warm places within the local community. Via an application process, Blaenau Gwent supported 30 warm hubs and in late March 2023, additional funding became available from the Discretionary Cost of Living Scheme that resulted in all warm hubs receiving further funding to extend their provision for a further three months.

Food Distribution - As part of the Discretionary Cost of Living Scheme £70,000 was allocated enabling existing and new organisations to apply for funding to support residents with supplying emergency food provision for those in need. The application process opened in December 2022 and organisations could apply for a grant up to £5,000. Additional funding became available in late March 2023, resulting in a further £89,850 being awarded to original applicants to extend their provision.

Trussel Trust Support provided:

- 191 deliveries to families comprising 309 adults and 186 children in December 2022;
- 188 deliveries to families comprising 304 adults and 152 children in January 2023; and
- 174 deliveries to families comprising 273 adults and 146 children in February 2023.

Citizens Advice Bureau (CAB) – Funding was allocated through Discretionary Cost of Living Scheme to enhance service provision. From December 2022, a member of staff from CAB worked within the Community Hubs to provide support to residents with the following outreach:

- 22 people supported in December 2022;
- 91 people supported in January 2023; and
- 79 people supported in February 2023.

Stability and sustainability of our domiciliary care and care home market is a significant priority for our teams due to the impact of Covid, early indications of the impact of the rise in fuel and utility costs, and severe staffing pressures. Many providers, including our own in house services, have, during 2022/23, reported high levels of staff vacancies which impact on their ability to provide support. Our commissioning team has continued to work with providers in relation to the introduction to the real living wage and also by scoping the potential support that can be given to our domiciliary care workers to increase wages to compensate them for the increased costs of fuel. The rapidly increasing fuel prices caused concern amongst the domiciliary care market. To address this, the Council acted swiftly and provided additional funding to staff to support the increase in fuel costs during the early part of the year.

Due to the cost of Living Crisis the Supporting People Team were able to fund additional Home Sustainment Packs to support people when moving into their own accommodation to assist with the cost of living.

Work continues to support a reduction in the impact of poverty and homelessness by providing innovative and effective Housing Support Grant (HSG) services, and a new hybrid model of support is now fully embedded across Provider Services. However, the future of the HSG funding remains a significant concern. Support Providers are indicating their costs are rising considerably and their current contractual value no longer covers the costs of providing the service. This will impact not only on current services but also the future commissioning of services. This is being closely monitored by the Supporting People Team.

A Local Housing Market Assessment is underway in order to inform a revised Housing Strategy and Local Development Plan. A cross cutting Housing Strategy Group has recently been set up to take forward the revised Housing Strategy.

The Ebbw Valley Railway (EVR), a branch line of the Great Western Main Line, has had a significant regeneration impact in Blaenau Gwent, increasing connectivity and accessibility since its re-opening to passengers more than a decade ago. EVR's success was demonstrated with passenger usage numbers far exceeding initial estimates, and the planned new line extension to Abertillery, including a park-and-ride facility for 100 vehicles, will further increase accessibility and connectivity for the Abertillery region. The success of the EVR is supported with evidence from local employers who altered shift patterns for employees travelling by train and has opened up new options for local residents in terms of employment opportunities and access to services and facilities, both within Blaenau Gwent and the region. The extension to Abertillery will increase these benefits further and has the potential to increase footfall in the town centre and create retail growth. Further work on the train lines will be the increasing in frequency of the train to two trains per hour from Ebbw Vale and improvements to the infrastructure and signalling along the Ebbw Vale line.

A Resilient Wales

How Well We Are Doing and How Do We Know:

The Council has approved for the Ciner Glass Factory to be developed on the industrial site in the Rassau. This is a positive position for Blaenau Gwent and it is hoped that the factory will create 650 jobs and provide economic benefits to future generations. The intention is for the site to act as a catalyst to provide further innovation and investment into the area.

The UK Government has announced funding as part of the Shared Prosperity Scheme. Blaenau Gwent is working both regionally and locally to ensure that the area is able to access as much money as possible in order to provide funding to the areas that require the most support. Some of the work to date includes working with the Cardiff Capital Region City Deal (CCRCD) and northern valleys to support transport projects at a regional level.

Circa £2M has been utilised to provide ICT facilities across all schools in Blaenau Gwent as part of the hwb tech initiative. This Welsh Government initiative is looking to provide suitable infrastructure, services and resources across school estates to support the needs of schools in accessing and using digital services. The approach looks to enable maintained schools in Wales to consistently exploit the transformational benefits which digital technology can have on education. The initiative provides a range of digital services to inspire teachers and learners to confidently embed digital practices, whilst developing a digital culture, competencies, skills and knowledge.

Blaenau Gwent Council is working with the CCRCD and the nine other local authorities in the region to offer opportunities to businesses and new graduates. The Venture Graduate Scheme aims to enhance productivity, innovation and economic growth by linking talented graduates with ambitious businesses in the CCRCD. The scheme offers businesses a range of free services to overcome barriers to recruitment, while graduates on the scheme get to participate in a coherent scheme and complete a fully funded internationally recognised ILM qualification. More information can be found here: <https://www.venturewales.org>

A More Equal Wales

How Well We Are Doing and How Do We Know:

The Council is committed to implementing the Equality Act 2010 and is currently working on the development of a new Strategic Equality Plan (SEP) to cover the years 2024/28, with the current plan due to end in 2024. The key activity that will take place to develop the new plan includes:

- Undertaking research to understand strategic equality position;
- The mapping of existing service delivery contributions;
- Undertaking briefings on strategic equality policy development provided for service areas, senior management teams and elected members;
- Organisation-wide quarterly corporate Policy & Performance workshops to be established to raise awareness and support the implementation of key statutory policy areas (e.g., Equality, Welsh, Climate Change etc.);
- The setting up of an Equality Stakeholder Reference Group as a mechanism for capturing the lived experiences of people protected by the Act to support policy development and performance monitor implementation, with opportunity to include elected member and specialist agencies / organisation representation;
- The on-going involvement / consultation via established engagement networks, key groups and staff with protected characteristics covered by the Act; and
- Considering training requirements for staff, senior management, and Members on key statutory areas such as Equality, Welsh, and Participation & Engagement* etc.

* *Development of the Council's Participation and Engagement Strategy 2023/26 (as per Local Government (Wales) Act 2010) is aligned to this work to maximise use of resources.*

The new Plan will also include a number of new Welsh Government Policy areas including:

- [Anti-racist Wales Action Plan](#)
- [Public commemoration in Wales](#)
- [LGBTQ+ Action Plan for Wales](#)

The Equalities Plan aims to put fairness and equality at the heart of everything the Council does, and this is central to maximising well-being outcomes for residents, local communities, staff and visitors, now and in the future. As public service providers it is recognised that there is a key role to play in making a real difference to people's lives.

The Council has identified an Elected Member Equality Champion who 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.

A particularly good example of supporting national equality campaigns was the 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. On 26th January 2023, Council agreed to award Eva Clarke the Freedom of the Borough, the highest accolade the Council can bestow. Eva Clarke was born in a concentration camp and was one of only three babies that survived. Eva has worked 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.



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.

A review of the Equality Impact Assessment process has been undertaken and approved by Cabinet. This process is now called an Integrated Impact Assessment (IIA) and is for both new and existing policies and practices (when reviewed). The IIA also includes the Socio Economic Duty which is to be considered when a decision may have a substantial negative impact on the socio economic outlook of the area. IIAs are undertaken against all relevant proposals, and included within the Council's reporting template and strategic business reviews. As part of the IIA review work, we are looking to develop 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 and national evidence and reports relating to equality and diversity, as well as examples of lived experiences from peoples covered by protected characteristics.

The Annual Report to the Equality and Human Rights Commission was published and submitted within the appropriate timescales. The Report was included on the Council website in March 2023.

The Gender Pay Gap information, required under the statutory requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, is presented and published through the Council's Pay Policy Statement 2022/2023. We annually consider the issue of gender pay in order to help us understand the difference in average earnings between women and men. The Council is confident that men and women are paid equally for doing equivalent jobs across the Council. Our assessment shows that 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. In comparison, the UK gender pay gap was 12.1%, in 2022. Men earned 10.9% more on average than women in Wales in 2022. This indicates that in 2022, the average gross weekly earnings in pounds for male and female full-time employees excluding overtime were £603.50 and £537.50 respectively so men earned £66.00 per week more. However, the pay gap in Blaenau Gwent is significantly lower

than the national average and has further improved. In seeking to address gender pay there is a suite of policies in place that promote equalities throughout the workforce and data for this year is also being reviewed. As a result of this work, actions and measures required to further address gender pay differences will be incorporated into existing Equality plans.

In 2022/23 Organisational Development 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. Our Critical Illness and Working Guidelines and the Attendance Management Policy have also been updated.

Providing opportunities to become a more diverse Council can lead to better engagement with individuals and communities, in turn leading to greater levels of confidence, trust and better decision which is informed by a wider range of perspectives and lived experiences. On 29th July 2021, Council signed up to becoming a ‘Diverse Council’. There are a number of expectations on Councils, as part of the Local Government and Elections (Wales) Act 2021, to support diversity in the democratic process and also for political parties to support the process of becoming a councillor and support once elected. As part of this, a Diverse Council Action Plan has been approved by Council which includes 30 actions, of which, 19 are completed and 11 are in progress with full implementation scheduled by March 2024.

A Wales of Cohesive Communities

How Well We Are Doing and How Do We Know:

A main objective of the current Strategic Equality Plan 2020/24 is to promote and support safe, friendly and cohesive communities. Working in partnership with the West Gwent Community Cohesion Programme and local Community Safety Partnership, the Council continues to deliver a range of projects and initiatives which promote increased awareness and understanding; encourages and celebrates diversity; and brings people and local communities together to strengthen community spirit and resilience.

The Council has successfully raised awareness and understanding of numerous International and National Equality and Cohesion Campaigns via social media, as well as delivering on specific initiatives with staff, communities and stakeholders (for example, the Youth Forum, Citizen Panel etc.). Examples of the campaigns supported includes Holocaust Memorial Day, Show Racism the Red Card, LGBTQ+ (lesbian, gay, bisexual, transgender, queer +) History Month, Pride, White Ribbon Day (campaign to end domestic violence), Black History Month and International Children’s Day.

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 sector organisations, to deliver a holistic package of support.

Resettlement Scheme	LA Involvement	Where are we?
UK Resettlement Scheme (UKRS)	Voluntary	<ul style="list-style-type: none"> Blaenau Gwent Council agreed to participate in the UKRS in 2019. However, due to the disruption in global resettlement, as a result of the pandemic, refugee resettlement was largely paused until 2021.

		<ul style="list-style-type: none"> Blaenau Gwent has yet to receive any cases via the UKRS (due in part to the local focus centering on the Ukraine response) but we remain an active participant in the scheme.
Afghan Relocations and Assistance Policy (ARAP) and Afghan Citizens' Resettlement Scheme (ACRS)	Voluntary	<ul style="list-style-type: none"> In June 2021, Blaenau Gwent Council consulted elected members on the potential role the authority could play in supporting Afghan nationals via ARAP and later ACRS. It was agreed that because the authority's commitment to the UK Resettlement Scheme was in place Blaenau Gwent would pledge to resettle up to 4 cases from Afghanistan. To date, we have resettled 2 families into the borough – (9 individuals). We have also supported a spontaneous Afghan arrival (a family of 3). We continue to engage with housing partners with the intension of supporting 2 additional cases via the ACRS/ARAP scheme in during the remainder of 2023, honoring the existing pledge BGCBC made in 2021.
Homes for Ukraine Scheme	Expected (WG)	<ul style="list-style-type: none"> In May 2022, all local authorities and the Welsh Government agreed the Homes for Ukraine Accommodation Framework. This set out how Ukrainians, who arrive via the Welsh Government Super Sponsor route, and who are accommodated at Welcome Centres, would be dispersed across Wales. As part of this, every local authority agreed a population share of Ukrainian arrivals (under the Super Sponsor route) that they would support into longer term accommodation as part of a <i>Team Wales approach</i>. The population share for Blaenau Gwent is 77 refugees to be resettled into the borough. To date, 57 guests (74% of expected population share) have been resettled into the borough. As an aside to arrivals relocated under our population share, all LAs are continuing to support Ukrainian arrivals who have been sponsored by an individual (i.e. community member) those arrivals are hosted and are supported alongside those who have been relocated under the population share.
Asylum Dispersal	Mandatory (UKG)	<ul style="list-style-type: none"> In June 2022, the UKG introduced a full Dispersal model for Asylum Dispersal – the rationale of this policy is to provide a more equitable distribution of asylum dispersal across the UK, a full Dispersal model means all local authority areas in England, Scotland and Wales will be expected to participate in the scheme and will be welcoming asylum seekers into their area. For Blaenau Gwent, the target figure is 55 newly bedspaces (to be established in 2023). To date, 33 bedspaces have now been established/occupied (60% of 'target' for 2023)

The Council is also supporting two Government schemes to help those fleeing the war in Ukraine. The Homes for Ukraine Scheme was launched on 14th March 2022 by the Secretary of State for Levelling Up, Housing and Communities. The scheme was established to support Ukrainian nationals who lived in Ukraine before 1st January 2022, and to their immediate family members who may be other nationalities. The scheme allowed them to be sponsored to come to the UK for at least a six-month period. The Welsh Government issued approximately 4,600 visas issued through the scheme whereby applicants were initially placed into Welcome Centres across Wales before medium to longer term accommodation could be sought.

In Blaenau Gwent, the Level Inn was initially identified as the Welcome Centre with the Llanhilleth Hotel added in August 2022. Each applicant was supported by a dedicated team which could include the Council, ABUHB, DWP, Education, Adult Education, Aneurin Leisure, GAVO and Remploy. Both Welcome Centres have now been closed owing to the successful move on rates with the Blaenau Gwent process being identified as good practice.

To date, almost 100 Ukrainians have been supported with initial accommodation. Several residents have secured employment locally and 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.

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.

In December 2021, the Gwent PSB agreed to commission a comprehensive governance review of community safety arrangements across Gwent who mandated that the regional Safer Gwent Partnership group would lead the governance review; and further mandated the re-establishment of the five local authority-area statutory Community Safety Partnerships. In March 2023, Safer Blaenau Gwent Community Safety Partnership was re-established.

The Home Office introduced the new Serious Violence Duty with the Police, Crime, Sentencing and Courts Act 2022. Whilst the duty is upon the local Safer Blaenau Gwent Community Safety Partnership, regionally it has been agreed to implement the requirements of the duty through a Gwent Serious Violence Partnership, led by the Gwent Office of the Police and Crime Commissioner. A Serious Violence Strategic Needs Assessment will need to be developed, which will be used to inform the agreed Partnership Strategy and Delivery Plan expected January 2024.

There are well-established Gwent regional strategic governance arrangements in place to deliver the local statutory duties relating to VAWDASV. The second VAWDASV Strategy (2023-2026) was published for public consultation in early April 2023 [here](#). The draft Strategy noted a proposal to align the Wales National Strategy, and therefore adopt objectives, mapped to the three aims of the Act: Prevention, Protection and Provision of Support.

The UK Counter Terrorism Strategy CONTEST aims to reduce the risk to the UK and its interests overseas from terrorism. In Gwent, strategic governance for counter terrorism is provided by the Gwent CONTEST Board, which oversees related regional and local structural delivery arrangements.

The Home Office introduced a new Protect Duty (Martyn's Law), which is yet to come into effect. Blaenau Gwent has a well-established Protective Security and Preparedness Group that ensures the Council, and its partners are aware of the impending duty, and will support its implementation in due course. Following self-assessment of compliance (2022-23) with Prevent and Channel Statutory Guidance requirements, Blaenau Gwent was marked as having the highest compliance rate across the region.

The Home Office provided grant funding aimed at tackling neighbourhood crime, anti-social behaviour and violence against women and girls. Two areas in Blaenau Gwent were prioritised given the crime evidence-base, that of Tredegar and Brynmawr. There were a range of initiatives funded which included a Youth Shelter, home safety and fire security measures for repeat vulnerable victims. The most vulnerable victims were also offered residential CCTV (doorbells) and indoor lighting-timers and dusk to dawn external security lighting. Some local commercial, retail and other Businesses, also benefitted from target hardening support. A local Neighbourhood Watch Officer was supported to encourage volunteering and co-production opportunities.

Blaenau Gwent has been selected to participate in the national Home Office funded pilot 'Project Clean Streets' which will work with people on probation who are serving Community Payback sentence to rapidly clean up high-profile instances of anti-social behaviour, such as graffiti and litter, within 48 hours of notification.

A Wales of Vibrant Culture and Thriving Welsh Language

Welsh Language Strategy

The aims of the Blaenau Gwent's Welsh Language Strategy are linked with the Welsh Government's vision to create a million Welsh speakers in Wales by 2050. In order to meet a target of a 44% increase of Welsh speakers by 2050, Blaenau Gwent would need to gain an additional 2,324 Welsh speakers against the 2011 Census where the Blaenau Gwent baseline is 5,284 (data from the 2021 Census in relation to Welsh language is yet to be released). Therefore,

this represents an average annual increase of 70 additional Welsh speakers, i.e., 3% of the target figure of an additional 2,324 in Blaenau Gwent for the next 33 years.

The council has in place a Welsh Language Promotion Strategy 2021/22 and has identified the following three Welsh Language Promotion objectives:

- To promote and encourage the use of the Welsh language within families and the community;
- To increase the provision of Welsh language education and informal activities for children and young people and to increase their awareness of the value of the language; and
- To increase opportunities for people to use Welsh in the workplace.

The outcomes of the Strategy are:

- More people engage with the Welsh language;
- More people attain fluency in the Welsh language;
- More Council employees are able to use Welsh Language Monitoring Arrangements;
- Welsh Language Promotion Strategy Action Plan in place;
- Blaenau Gwent Welsh in Education Strategic Plan in place; and
- Welsh Language Annual Monitoring Report undertaken.

Welsh Language Investigation

In November 2021, the Welsh Language Commissioners Office (WLCO) opened an investigation with Blaenau Gwent County Borough Council following concerns raised during a direct verification assessment of whether the Council was compliant with the Welsh Language Standards in terms of providing a Welsh language telephone service.

In April 2022, the Council provided an initial response to the investigation, which, in turn, raised further compliance concerns with regards to promoting services, assessing the language skills of staff, providing training opportunities and assessing the language needs of posts. This led to the terms of reference for the investigation being widened to include a number of additional operational standards.

In September 2022, a final determination of the investigation, in accordance with Section 77 of the Welsh Language (Wales) 2011 Measure was provided to the Council. The determination outlined the steps required to reach compliance and expected delivery timeframes. It also requested the Council take forward an organisational approach (including clear accountability and governance framework) to develop an Action Plan, with a deadline 31 January 2023.

A decision was made by the Council's Leadership Team to establish an organisation wide Core Officer Group (CS092) with responsibility for preparing and implementing an Action Plan. This Action Plan is currently being embedded with the intention for all actions to be fully embedded by March 2024. The Action Plan is being monitored by the Core Officer Group, which is Chaired by the Head of Democratic Services, Governance & Partnerships.

The Blaenau Gwent Welsh Network, an external partnership group facilitated by Menter Iaith BGTm, was re-established in the past 12 months. The network is made up of local Welsh language organisations and agencies along with the Blaenau Gwent Council service areas whose work directly centres on promoting the use of the Welsh language across the Authority. The purpose of this group is to work collectively to help support the delivery and monitoring of the Welsh Language Promotion Strategy 2022/27 our Welsh Language Compliance Notice and to share resources, learning, and good practice. The group will also work alongside the Council's Corporate Equality Welsh Network.

Partnership working is key to the delivery of Objective 1. Below is an example of what our local Welsh language partners have delivered during the reporting period to support it.

Established in 1971, Mudiad Meithrin is a voluntary organisation passionate about celebrating and encouraging the use of the Welsh language. The organisation offers numerous Welsh-medium play and learning experiences for children from birth to school-age. Cylch Meithrin Brynithel has held a series of activities with families this year to generate interest in Welsh and Welsh Education including

Welsh courses for parents; a Martyn Geraint Show at Abertillery's Metropole Theatre and a free trip to the Dewin and Doti Festival. In July 2022 working with Blaenau Gwent Welsh-medium primary Ysgol Bro Helyg, Mudiad Meithrin published a video regarding transport to the school. The video 'My journey to School' shows the journey for local children on a bus to school, which aims to reassure parents who have been worried about sending their young children on a bus to travel to school. The video was promoted on the Council's social media pages and website and is used to encourage families who send their children to Cylch Meithrin in Brynithel to continue their Welsh-medium education by sending them to this local Welsh School after they leave the cylch.



Opportunities to learn Welsh across the Council have been extensively promoted during the past 12 months. Blaenau Gwent staff are actively encouraged to engage in the Welsh language. Training opportunities are regularly advertised through newsletters. One example is the collection of online taster courses, run by Dysgu Cymraeg (Learn Welsh), that are tailored for the workplace. 18 members of staff enrolled on a total of 28 courses with 7 of those members enrolling on more than one course. This compares favourably to the previous year which had 11 staff enrolled on a total of 15 courses. More training has been undertaken during 2022-23, with an average of 4.7 modules completed per learner this year compared to 3.2 last year.

The Welsh in Education Strategic Plan (WESP) 2022-2032 is a 10-year plan. Blaenau Gwent has an ambitious target of increasing the Year 1 cohort (750 pupils) taught via the medium of Welsh to 75 pupils -10% by 2032 (baseline as per plasc 2021 data 29 pupils - 4%).

As part of this plan, Blaenau Gwent will open a 210 place Welsh Medium Seedling Primary School on the Chartist Way Site, in the Tredegar/Sirhowy Valley. The school will be developed via a seedling growth model from September 2023. The Council are currently in the process of letting the contract for the new build and it is anticipated that the contractor will be appointed Spring 2023. It is anticipated, the new school building will be completed for occupation by September 2024. The school will open initially in its temporary location of Bedwellty House, Tredegar for nursery and reception pupils, with a new year group being added each year. Initial governance arrangements will be under Ysgol Gymraeg Bro Helyg with a view to reviewing this after an initial 2/3-year period. Education Transformation are currently working with the Welsh in Education Forum (WEF) and Rhag in order to promote the new provision.

In order to support the seedling provision and develop increased capacity across childcare and early years' settings, a further 2 Welsh medium childcare settings are being established – at the Glyncoed Primary new build site, and in the new Tredegar seedling school provision. Currently there are 2 well established childcare provisions located in Brynithel and at Ysgol Gymraeg Bro Helyg.

The Social Services department continues to monitor compliance with our responsibilities within More Than Just Words and the Active Offer. We continue to ensure that when citizens contact both our Adult and Children Services Departments, that they are offered the opportunity to communicate in the language of their choice. Our assessment tools within our social care system, WCCIS, specifically asks the question "Do you require this conversation / assessment to be carried out in Welsh?" The form is then attached to the person's referral. The More Than Just Words action plan has progressed, there is liaison with the local Welsh language champions and promoting the wide resources and opportunities available is now standard. Our commissioned providers work in partnership with us to promote the Welsh Language and this is reflected in our contracts and service level agreements.

A Globally Responsible Wales

How Well We Are Doing and How Do We Know:

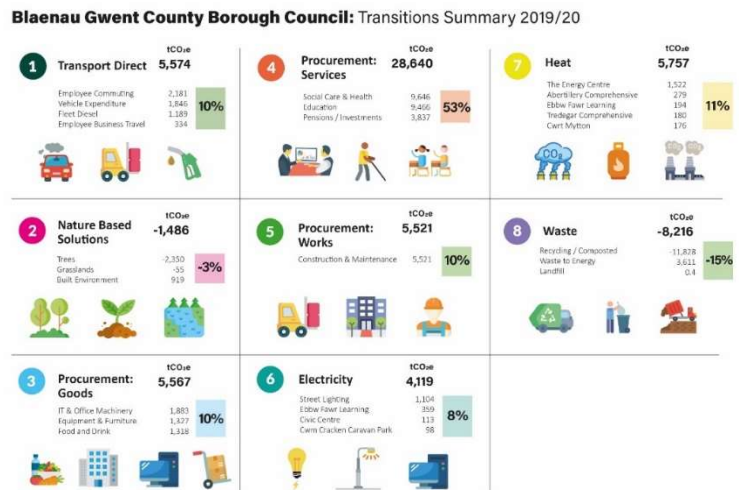
Our Decarbonisation approach is based on Welsh Government's two Net Zero targets: Net Zero 2030 for the Welsh Public Sector (organisational emissions), and Net Zero 2050 for all of Wales (territorial emissions). Our organisational emissions are the carbon emissions produced by delivering our services, while Blaenau Gwent's territorial emissions include all the carbon emissions released within the borough, from homes, transport and businesses etc.

Our Decarbonisation Plan was adopted in September 2020, and at the same time we declared a Climate Emergency. The plan addresses our organisational emissions with the aim of making our full contribution to the ambition of a Net Zero Public Sector in Wales by 2030.

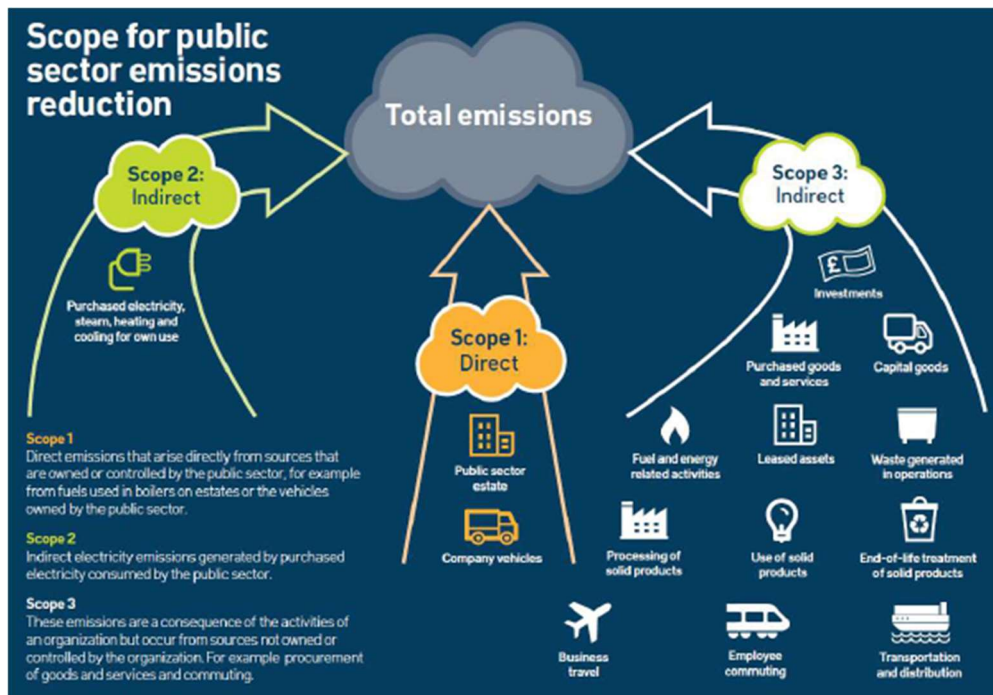
We have adopted a data driven approach, based on identifying from our carbon footprint, eight transitions we have to undertake to reach Net Zero. Each of these transitions represents a coherent area of action with its own distinct low carbon technologies, business models and infrastructure. Each of these transitions has its own detailed actions to deliver it. Our approach is based on mainstreaming decarbonisation into our operations, rather than establishing separate decarbonisation projects and budgets. With a cross-organisation climate group providing corporate overview.

Overview of our Transitions

1. **Transport:** Travel by our staff in corporate or their own vehicles, includes fleet, commuting and staff travel within work.
2. **Nature Based Solutions:** Absorption of carbon on land we own and manage, largely associated with woodland, urban trees and peatland.
3. **Procurement: Goods** which covers what we purchase as an organisation and includes key items such as clothing, food, IT, machinery, equipment and furniture.
4. **Procurement: Services** which covers the services we procure to deliver our functions such as schools and social services. This also includes investments such as pension schemes.
5. **Procurement: Works** which includes all construction and maintenance of our buildings and infrastructure.
6. **Electricity:** Covers the electricity we purchase to run all our services. It includes key things such as street lighting, running our corporate buildings and schools. It also includes our use of renewable technologies.
7. **Heat:** Includes our heating (and cooling) of our buildings.
8. **Waste:** Covers the carbon impacts of our treatment of municipal waste, whether recycling, landfill or waste to power.



Our carbon footprint is divided in to three scopes (see diagram to the right). Our footprint includes all emissions from assets, such as buildings and vehicles, that we have day-to day operational control of, whether we own or lease them (Scope 1 and 2 emissions) and emissions which are the result of our procurement and other organisations delivering services on our behalf (Scope 3 emissions).



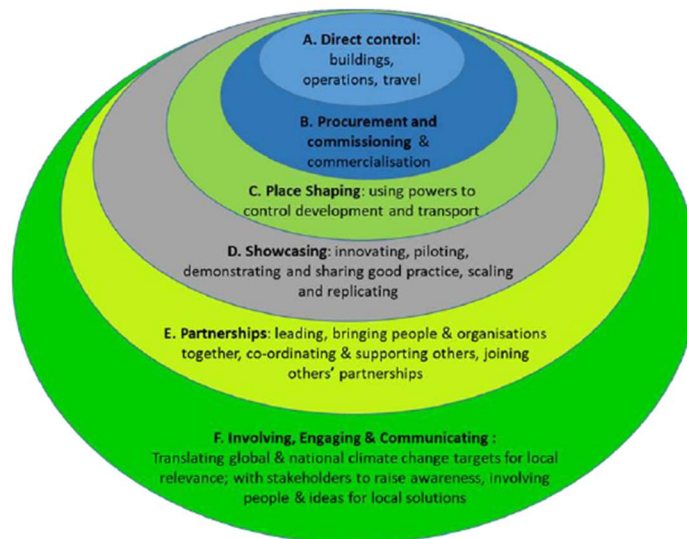
2022/23 Carbon Emissions

	2019/20	2020/21	2021/22	2022/23	Change from Base Year	Change from Last Year
Direct Carbon Emissions tonnes CO₂e/year	14,750	11,793	13,087	12,332	-16%*	-6%*

*Provisional Figures

Net Zero 2050 relates to production based territorial emissions, these include all the carbon emissions released in Blaenau Gwent, and released to produce energy that is used within Blaenau Gwent. It does not include consumption based territorial emissions, which are the emissions associated with making products that were made elsewhere and consumed in Blaenau Gwent.

We have much less direct control of territorial emissions, actions to reduce these emissions mainly sit in areas C through F of the diagram to the right, and actions to reduce organisational emissions, which largely sit in areas A and B. As a result, partnership working, regional and national strategies have a far greater role to play in Net Zero 2050 than Net Zero 2030 and will also require much more public action. The local authority cannot deliver territorial Net Zero 2050 alone, but we are the organisation that is best positioned to produce a local overview, particularly due to our role in place shaping.



Territorial emissions in Blaenau Gwent have fallen 33% between 2005 and a 2019 baseline, compared to 29% for Wales as a whole. 71% of these reductions in emissions are associated with electricity consumption, while some of these reductions will be due to actions taken locally to improve energy efficiency, a majority will be due to decarbonisation of the National Grid.

In March 2021, 44 residents of Blaenau Gwent came together online to discuss the question 'how can we tackle climate change in Blaenau Gwent in a way that is fair and improves living standards for everyone?' The 44 Assembly Members were chosen at random to be representative of people in Blaenau Gwent (in terms of age, gender, where they live, type of housing etc.) The [Climate Assembly](#) met for a total of 23 hours online, hearing evidence from over 20 experts (from academics to local residents), and voted on recommendations they created themselves, five of which received the 80% support needed to become official recommendations. Through the Blaenau Gwent Mitigation Steering Group partners developed a set of proposed actions that we could take in response to the Climate Assembly at the Blaenau Gwent level (recognising that some elements of recommendations will take action at regional or national scale). We agreed to lead for four of these priorities.



The Council is working closely with partners at both a local Blaenau Gwent level, through the newly formed Well-being Partnership Group, the Regional Gwent PSB and Climate Ready Gwent in order to work together to tackle climate change. Regional projects have included:

- Electrical Vehicle Charging Project where 63 new dual electric vehicle 22kw fast charging units have been installed at 34 sites across Gwent;
- Gwent Green Grid Partnership, where funding has been secured by Gwent partners for a three-year programme of work in support of woodland creation and management, green space cycle ways and the enhancement of vital habitats. Involving communities in the management of their local parks and woodlands has been shown to improve community cohesion and reduce antisocial behaviour; and
- Contributing to the development of Cardiff Capital Region Energy Strategy.

The Council has prepared a 10 - 15-year Ultra Low Emission Vehicle (ULEV) Fleet Transition Plan. In November 2020 the Council completed a Low Emission Vehicle Fleet Review with Consultants Cenex. The fleet review considered our current fleet, low emission vehicle technology options, performance reviews and infrastructure review. At the time of the review our fleet consisted of 97 vehicles and included passenger cars, light commercial vehicles, large minibuses and a range of trucks. Our fleet contributed 800 tonnes of CO2 annually and 63% of these emissions come from rigid trucks (12- 18t). The review found that battery electric vehicles within the light commercial segment represent the best opportunity for Blaenau Gwent CBC to introduce low emission vehicles into the fleet in the short term. Ultra-low emission vehicles are being trialled with frontline services to enable the team to consider the pilot in the fleet replacement programme. Options to progress the decarbonisation of the Council's fleet still need to be developed. A long term programme of works to reduce the annual carbon emissions and energy costs of our buildings continues to make progress

Blaenau Gwent Council are exploring opportunities to launch Community Energy Bonds as a way for the local community to play a part in raising the funds to support the development of low carbon energy generation infrastructure and technology. As one of a number of UK pilot areas, the Council has the opportunity to use Community Municipal Investment (CMI) to fund low carbon infrastructure for the Council. The Council have signed the Local Climate Bond pledge with the UK Government Green Finance Institute to support us in raising the funds to make investment in low carbon infrastructure and help us on our journey to become net zero by 2030.

We are working closely with businesses and housing providers across Blaenau Gwent to assist with SAB (drainage

applications) at planning stage. Last year saw the completion of the Brynmawr food retail park where the team worked closely with the developer and investor to bring the development forward as it had been caught between Welsh Government legislation and needed a retrospective SAB permission.

The Council takes part in regional initiatives like Resilient Greater Gwent which collaborates to support ecology, deal with invasive species, and grow sustainable communities which brings together all the components of environmental resilience. As part of this, the Council received £146k from the Resilient Greater Gwent Grant to support biodiversity projects across the borough. Contributing to the maintenance and enhancement of biodiversity and ecosystem resilience will help to mitigate and adapt to climate change and provide positive opportunities to maintain and build mental and physical health and well-being.

The Education Directorate aim to ensure that decarbonisation measures are at the forefront of our future planning and teaching. The environment and biodiversity considerations form the basis of all new school buildings and existing school upgrades, and we encourage nature friendly management on school grounds. Effective partnership working enables us to provide advice and guidance to support our children and young people around biodiversity, decarbonisation, equalities, diversity and inclusion. These partnerships with schools and the Children's Grand Council are very effective and not only inform but support our children and young people to have a voice. We are and will continue to deliver effective sustainable communities for learning which are environmentally friendly and support the delivery of our educated young people who will in the future form our connected communities.

A Healthier Wales

How Well We Are Doing and How Do We Know:

Within Gwent, the average life expectancy is below the Welsh average except in Monmouthshire. Between 2017 and 2019, before the COVID-19 pandemic, average life expectancy in all four of the other local authorities in Gwent fell, including Blaenau Gwent. Life expectancy for women peaked in 2015-17 and for men rose slightly in 2018-20.

Average healthy life expectancy (how long one can expect to live in good health) is also below the Wales average in Blaenau Gwent, Caerphilly, Newport and Torfaen. Average healthy life expectancy for women in Torfaen is 55 years compared to 69 years for women in Monmouthshire. Men in Blaenau Gwent have the worst healthy life expectancy in Gwent, living for 56 years on average, compared to 69 years for men in Monmouthshire. In 2021, the poorest children in Wales started school 10 months behind children from families with more money. Blaenau Gwent is below the Welsh average in the number of seven-year-olds achieving the expected level at the end of the Foundation Phase in 2017.

The Transformation Programme to support the continued development of a 'seamless system' of care, support and well-being in Gwent, in response to the Welsh Government's new long term plan for health and social care, 'A Healthier Wales', has seen progress across the four identified programmes with evaluation reports demonstrating both financial efficiencies and improved wellbeing outcomes for citizens have been achieved. Following on from this, the Blaenau Gwent Integrated Services Partnership Board (ISPB) has been established to act as an enabler for embedding a whole system approach that integrates health, local authority and voluntary sector services, and is facilitated by collaboration and consultation.

Compassionate Communities is also part of the Transformation Programme that aims to provide place based services to improve the well-being of people across Gwent. Work includes the development of IAA outreach across the Compassionate Communities within 11 GP practices and also at community and acute hospital sites, where initial positive outcomes have been reported. Compassionate Communities also include Community Connectors actively participating in Multi-Disciplinary Team Discussions and Hospital discharge follow up phone calls.

Self-Assessment – Progress Made Against 2021/22 Actions

Through our previous self-assessment process, we identified how well we were performing and what we could do better. In order to achieve this, we developed an action plan which highlights the areas where improvement was needed. The below table has been updated to show the progress made to achieve these actions throughout the year, with a summary of the work undertaken, any challenges that have arisen and our focus for the future. From evaluating our progress, we have set ourselves against Red, Amber, Green, Blue status which is aimed to give a clear snapshot of the progress we have made:

BLUE – Action has been completed
RED – Action is significantly behind target
AMBER – Action is behind target but is manageable
GREEN – Action is on target

31 Actions were identified as part of the 2021/22 Self-Assessment. Of these for 2022/23: 8 are blue (completed) ; 21 are green; 2 are amber 12 will continue to be monitored into 2022/23 and 21 will move to business as usual.

Improvement Identified from 2021/22 Self-Assessment	Action	Progress- What have we done?	Scoring	Status
Implement the Audit Wales recommendation with regards to Silent Valley Waste Services Ltd.	Develop a business case for the future of Silent Valley to be brought back under the remit of the Local Authority. Undertake a review of the governance and oversight arrangements of companies in which the Council has an interest.	In March 2023, Silent Valley limited company was brought back under the remit of Blaenau Gwent Council.	Blue	Complete
Capacity concerns across service areas	Address the staffing needs including recruitment and retention in services across the Council and implement the strategy devised to consider short, medium and longer-term solutions to the workforce including the consideration to collaborate on a regional basis	The Workforce strategy and action plan continues to be implemented to help address staffing needs across the authority. The Council has undertaken a review of recruitment and retention data to understand the challenges faced which has helped to inform and develop workforce plans which have been developed by directorates and reported to senior officers.	Green	Continue 2022/23

Improvement Identified from 2021/22 Self-Assessment	Action	Progress- What have we done?	Scoring	Status
Uncertainty of the economic impact of: Covid-19; the exit from the European Union; and WG future financial settlements	Continued financial monitoring and reporting through the Council's democratic process. Identify strategic business reviews to mitigate the possible residual funding gaps in future years.	<p>The Council's budget and financial position continues to be closely monitored and regularly reported through the democratic process, this includes updates through Mid-term financial strategy, 6 monthly reports through performance and finance report and member briefings.</p> <p>Service areas monitor their individual budgets, any progress, change or impact on budgets are reported through directorate business plans. Any risk or impact on budgets are reported through the Corporate Risk register.</p> <p>Our engagement programme in 2023 gave people in Blaenau Gwent the opportunity to share their views to help us plan our budget and services from April 2023 onwards. This year we had the highest level of response witnessed for a budget engagement survey carried out by the council with 3,376 valid questionnaires being completed.</p> <p>We have been working with Rhondda Cynon Taff County Borough Council to access the Shared Prosperity Fund. This fund is the UK Government replacement to the European Structural Investment Fund following the withdrawal of the UK from the European Union.</p>	Green	Continue 2022/23
The results of the 2021 Census may impact Local Government Settlements moving forward.	Consider the Census results when planning future budget settlements and service provision	The results of the census were challenged by the Council. The ONS have confirmed that they feel the information is correct. Further analysis of localised data is to take place to assess the impact that this may have on future service delivery and budgets.	Green	Move to business as usual

Improvement Identified from 2021/22 Self-Assessment	Action	Progress- What have we done?	Scoring	Status
Implementation of Strategies and Plans	Continue to monitor and implement Strategies and Plans identified throughout the self-assessment via the business planning process	<p>The Council published the first self-assessment report in October 2022 which set out how strategic plans have been implemented throughout the year.</p> <p>Our new Corporate Plan has been developed which sets out our vision, values and priorities for 2022- 2027.</p>	Green	Move to business as usual
Audit Wales have identified that the most significant risk facing councils during 2021-22 continues to be the COVID-19 pandemic and its recovery	Continue to monitor and implement the COVID 19 Recovery and Renewal Plans via the business planning process	<p>As part of the Springing Forward Audit completed by Audit Wales – several recommendations were identified- these recommendations have been included in business plans and progress of these are reported quarterly. Any risks identified have been recorded on our Corporate Risk register and updates to manage these risks are reported regularly.</p> <p>Following the COVID 19 pandemic the authority moved from the emergency response to a recovery phase in March 2022. Recovery plans were established and have now been embedded within the business plans.</p>	Blue	Complete
The budget monitoring in Community Services is robust but needs to reflect longer term planning.	Community Services to work closely with Resources to consider how medium term financial resilience can be strengthened	Regular meetings between finance and Regeneration and Community Services continue to take place to ensure that income generation and spending targets are monitored.	Green	Move to business as usual
Achievement of the 70% recycling target by 2024/25	Actions within Business Plan	The service continues to monitor residual side waste as well as promoting the ‘keeping up with the Jones’s’ campaign which is now fully rolled out across the borough. Monitoring is currently in place to identify the streets with low performance regarding food waste recycling. To support this, a food waste campaign has been rolled out across the borough. An education centre, currently in the build phase, is to be situated at Roseheyworth HWRC. This action will remain until the recycling figures for 2024/25 are known.	Green	Continue for 2022/23

Improvement Identified from 2021/22 Self-Assessment	Action	Progress- What have we done?	Scoring	Status
Community Services to share good practice throughout the directorate and across the Council.	Technical Services Income Generation Model to be presented to Wider CLT Reinstate Community Services Performance Reports	Community Services Performance Reports have been reinstated and presented through the democratic process.	Blue	Complete
Higher levels of language acquisition and reading in our very young children in the early years is required	This will feature in the recovery programme from COVID as we 'build back better' in line with Curriculum for Wales Reform	The focus on Higher levels of language acquisition and reading continues to be a priority and area of focus for our Education department.	Amber	Continue for 2022/23
Improve attainment of eFSM pupils and particularly our more-able pupils in the early years and throughout education	Identified within the business plan	Learner outcomes for those eligible for free school meals (eFSM) has improved and the achievement gap has been reduced, despite the number of eFSM levels increasing.	Green	Move to business as usual
Improve school attendance in both primary and secondary sectors	Identified within the business plan	<p>2021/22 Attendance Secondary School - 84.8% Attendance Primary School 89.5%.</p> <p>2022/23 Attendance Secondary School - 85.8% Attendance Primary School 90.4%.</p> <p>Joint meetings have been held across educational departments to support with secondary schools to improve attendance and reducing exclusions. Further analysis will take place in order to identify the reason for decline and put mitigating actions in place.</p> <p>Targeted work has taken place to help reduce exclusions.</p>	Green	Continue for 2022/23

Improvement Identified from 2021/22 Self-Assessment	Action	Progress- What have we done?	Scoring	Status
Improve progress between Key Stage 3 and 4, particularly in English, Maths and Science	Identified within the business plan	<p>Key Stage 4 results for 2022 demonstrated progress and were in line with the school development plan targets set by the four secondary settings. There were improvements in 29 out of 32 key measures. GCSE A*/A and A*-C grades improved in English, Science and Maths.</p> <p>A-level A*-C and A*-E grades continue to be strong and were in line with the all-Wales mean at 98.4% for BG learners at Coleg Gwent settings.</p>	Green	Continue for 2022/23
Continue the work with Schools Causing Concern	Identified within the business plan	There has been an incremental reduction in Schools Causing Concern from 6 schools in 2019 to 2 schools in 2022. We continue to work with schools causing concern.	Green	Continue for 2022/23
Welsh Government require for a revision to the Delivery Agreement to be undertaken and approved by them.	Undertake a revision of the Delivery Agreement	Since approval of the revised Delivery Agreement there have been a number of unforeseen delays meaning an updated Delivery Agreement timetable was required. The Welsh Government Agreed a revised Delivery Agreement in February 2023. Submission of the plan is now due to Welsh Government May/ June 2024	Green	Continue for 2022/23
Address the workforce pressures being seen locally and nationally, particularly in provider services and domiciliary care	Work with the GSCG and TCG to alleviate pressures in both the short and long term. Work to establish the development of a Strategic Workforce Plan to support capacity issues across the Council	<p>Pressures on workforce in Social Services continues to be a national issue. The recruitment and retention strategy has been reviewed with the introduction of a new Workforce Recruitment lead who is focussing on supporting Managers on recruiting to vacant Provider and Social Work posts.</p> <p>Social Services are working closely with Organisational Development to establish a Strategic Workforce Plan to support capacity concerns in the short, medium and longer-term as well as considering the opportunity to collaborate on a regional basis. The workforce in Social Services has been identified as a critical risk and has therefore been included on the Council's Corporate Risk Register.</p>	Green	Move to business as usual

Improvement Identified from 2021/22 Self-Assessment	Action	Progress- What have we done?	Scoring	Status
Implement the findings of the Council's Communication function	Embed the recommendations	We have developed a campaign based approach to our corporate communication function to increase focus and impact. One of our main communication campaigns for the year was the cost of living support work.	Green	Move to business as usual
Identifying capacity across the organisation to support the user design approach	The Council to consider where the user design approach is required and ensure staff support the process	We recognise that digital progression is the future and, as a council, we aim to develop effective digital infrastructure and improve connectivity within the borough by promoting digital participation. We are leading on a project that looks at how our communities are accessing our services and how we can make improvements. We are working to understand the barriers to our communities using digital services and developing support for those who wish to develop their digital skills.	Green	Continue for 2022/23
Gender Pay Gap – a review of the current data is to be undertaken in conjunction with the Workforce Strategy	Identify actions/measures to further address the gender pays differences as part of existing Equality plans.	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.	Blue	complete
Undertake data analysis identify key health inequalities across Gwent, including the impacts of COVID 19.	The Gwent Well-being Plan to be informed by the data and develop appropriate actions for implementation to tackle health inequalities.	The Gwent PSB have agreed to become a Marmot Region and to adopt the eight Marmot principles to reduce health inequalities across Gwent and to work in partnership with the Institute of Health Equity (IHE).	Blue	Complete`
Maintain accurate records of all assets.	Identify the cause of the incorrect values in the fixed asset register and correct any values affected by the issue	Council approved its revised commissioning and procurement strategy in March 2023 – 'Maximising the Socially Responsible Blaenau Gwent Pound £' The strategy sets out how our commissioning and procurement activities will support the Council's corporate priorities	Green	Move to business as usual

Improvement Identified from 2021/22 Self-Assessment	Action	Progress- What have we done?	Scoring	Status
Embed agile working	Development of a Council Policy to support an aging workforce. Undertake a review of the agile working policy and council property, including the establishment of a staff survey	We have reviewed our Agile working arrangements through engagement with our staff and trade unions. Workforce plans are in place for each directorate.	Green	Continue for 2022/23
Supporting the Council with its commercial developments	The Council needs to undertake a review of its Commercial function and what it feels needs to be prioritised in this area moving forward. Develop an Investment Framework, in partnership with CIPFA, for approval at Council.	We have made good progress to be more commercially minded as an organisation, and have reviewed our commercial strategy to further embed the Council's commercial and business ambitions. We have worked with our partners in SOLACE & CIPFA to develop a commercial framework to develop project specific business cases, which will support a consistent one council approach to future commercial and business opportunities.	Green	Move to business as usual
Develop a data delivery plan to help implement the Council's vision for using data effectively and address inconsistencies across areas with regards to performance and reporting	Consider the development of a delivery plan for using data effectively and improve the consistency of performance reporting across the Council.	The development of a data strategy will be a key development in 2023/24. The strategy is to be aligned to a number of other council strategies to avoid duplication.	Amber	Continue for 2022/23
Further strengthen the Community Hub model.	Monitor the impact of Universal Credit on residents and identify what other support is available. Develop a Customer Services Strategy to continue the support provided to the customer and doing this in the right way.	The customer services strategy, informed by the recent external review on customer experience is being progressed which will set out our vision for customer support for the future.	Green	Move to business as usual
The Energy Prospectus will contribute towards the target of achieving net zero carbon emissions by 2030.	Implementation of the Energy Prospectus	The work and projects carried out as part of the Energy Prospectus support the implementation of the Council's Decarbonisation Plan and to contribute to becoming net zero by 2030 alongside the declaration of a climate emergency.	Green	Move to business as usual

Improvement Identified from 2021/22 Self-Assessment	Action	Progress- What have we done?	Scoring	Status
The activity of the Community Hubs to date	Continue to review and further develop the Community Hub	Community Hub figures are monitored and reported on.	Blue	Complete
Establish Town Centre Advisory Boards	Establish Town Centre advisory Boards across all towns.	Advisory Boards are in place across the Town Centres of Abertillery, Brynmawr and Ebbw Vale to support a partnership delivery approach for future project delivery.	Blue	Complete
Examples of integrated working provided as part of narrative.	The Council will continue to work with partners across the Council	<p>The Sustainable Development principles are included within the standard report template presented to our Committees. These are to be completed for every report for the members to consider as part of their decision making.</p> <p>In our Corporate Performance reports we continue to evidence how the work we have undertaken as an authority contributes to the 5 ways of working under the Well-being of Future Generations Act.</p>	Blue	Complete
Examples of collaborative working provided as part of narrative	Continue to work collaboratively with partners and identify further partnership opportunities	<p>We work in collaboration with a range of local partners which includes working with other public sector organisations, the third sector, businesses and members of the public to develop and deliver our services.</p> <p>Recently a Gwent Public Services Board has been established to bring together other Gwent local authorities and partners to work in collaboration to implement a well-being plan. This plan brings partners together to work towards creating a climate ready Gwent that is fairer more equitable inclusive for all.</p>	Green	Move to business as usual
Update and embed the Engagement Strategy.	Continued engagement with various groups including the community, businesses, staff and Trade Unions. Update the Engagement Strategy to reflect areas of the Local Government and Elections (Wales) Act 2021	A refreshed Engagement and Participation Strategy is being developed which will strengthen our approach to engage local communities, businesses, staff and trade unions.	Green	Continue for 2022/23

Feedback

The Council welcome any feedback you might have about the Self-assessment 2022/23. Your views are important to us, and we want to know what information you would like to see and how you would like to see it reported. Please contact the team on the details below if you would like to give feedback on the Assessment or if you require this document in a different format e.g. large print, Braille, audio version, etc.

Corporate Performance Team

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Mae'r ddogfen hon ar goel yn Gymraeg
This document is available in Welsh.



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Committee: **Governance & Audit Committee**
 Date of meeting: **18th October 2023**
 Report Subject: **Public Interest Report - Assurance Review Findings**
 Portfolio Holder: **Cllr Steve Thomas, Leader of the Council / Cabinet Member Corporate Overview and Performance**
 Report Submitted by: **Sarah King, Head of Democratic Services, Governance & 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)
	12/10/23	09.10.23	18/10/23		19/10/23		24/10/23	

1. Purpose of the Report

- 1.1 To provide the findings (at Annex 1) from the Assurance Review which discharged the recommendation contained in the Auditor General for Wales' Public Interest Report on the *'Deficiencies in Blaenau Gwent County Borough Council's governance and oversight arrangements in respect of the Council owned company, Silent Valley Waste Services Limited'*.

2. Scope and Background

- 2.1 At a Special Meeting of the Council on 7 February 2022, consideration was given to the report of the Auditor General for Wales on the *'Deficiencies in Blaenau Gwent County Borough Council's governance and oversight arrangements in respect of the Council owned company, Silent Valley Waste Services Limited'*. The Council accepted the report in full and the one recommendation contained within it, namely: -

'The Council should commission a review to seek assurance that its governance and oversight arrangements in respect of other companies in which it had an interest were adequate and effective, and that the deficiencies identified in the report were not more widespread.'

3. Options for Recommendation

3.1 Options

Option 1- To note the findings of the Assurance Review and agree to the recommendations as outlined below.

Option 2 – To note the findings of the Assurance Review and make amendments/comments on the recommendations outlined below.

3.2 Recommendations

- A Link Officer is identified within the Council to establish regular liaison meetings with Gwent Archives and Gwent Crematoria by end March 2024
- Organise a Members Briefing on the operations and services provided by the Gwent Archives and Gwent Crematoria by end March 2024
- All relevant strategic documents, annual business plan and accounts for Gwent Archives and Gwent Crematoria are included in the Forward Work Programme for the Partnerships Scrutiny Committee for 2024-25, and Council where relevant, at least twice a year
- Develop the Terms of Reference into a 'governance toolkit' for use by officers across the Council for providing assurance against existing companies and in the event of the establishment of any new ones by end March 2024.

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

4.1 One of the Corporate Plan's objectives relates to delivery of '*An ambitious and innovative council delivering quality services at the right time and in the right place*' – key to this is the Council having in place a sound and robust governance framework which it adheres to itself but that it can also show how companies who are delivering services on their behalf have the same assurances in place. This Assurance Review has allowed the Council to identify the governance and management frameworks in place for the companies within its scope.

5. Implications Against Each Option

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

Finance representation was part of the Assurance Review Group. There are no direct financial implications because of this report and its recommendations. The review has been carried out utilising existing staff resources.

5.2 ***Risk including Mitigating Actions***

Any deficiencies identified as part of the review are subject to a recommendation within the report to ensure they are properly addressed. If the recommendations are not implemented these deficiencies will remain.

5.3 ***Legal***

Legal representation was part of the Assurance Review Group – there are no direct legal implications arising from this report and its recommendations.

5.4 **Human Resources**

The Head of Democratic Services, Governance & Partnerships led the review and drew on resources from across the Council, as appropriate. Expertise was drawn from Resources, Procurement and Legal & Compliance teams to supplement the capacity within the Performance & Governance team. Link officers within each of the companies within the scope of the review were also critical to its delivery.

6. **Supporting Evidence**

6.1 **Performance Information and Data**

The Council's accounts list several companies in which the Council has an interest and who are currently delivering public services on our behalf. Therefore, the agreed list within the scope of the Review, as agreed and signed off by Audit Wales, was as follows: -

- Aneurin Leisure Trust
- Education Achievement Service (EAS)
- Gwent Archives
- Gwent Crematoria

The Review used a Code of Practice to develop its Terms of Reference to provide assurance that the main areas of oversight and governance were adequate and effective in terms of the companies within its scope – covering off the principles of good governance namely Accountability; Leadership; Integrity; Stewardship and Transparency'.

Various sets of information and data was provided by each of the companies to provide assurance against the Terms of Reference for the review.

6.2 **Expected outcome for the public**

The Assurance Review has allowed the Council to scrutinise the management, oversight and governance arrangements for each of the companies and identify any deficiencies. Recommendations have been made to address any deficiencies, when these have been endorsed and implemented this will provide a more robust governance framework and oversight for the Council, and ultimately improved information for communities in terms of service delivery and value for money.

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

Officers involved and consulted with Audit Wales to ensure the scope and terms of reference for the review were appropriate. Link officers for the four companies were engaged throughout the review and participated in the provision of relevant information and data and attendance at several meetings.

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

6.4.1 The Assurance Review has allowed the Council to scrutinise the management, oversight and governance arrangements for each of the companies and identify any deficiencies. Recommendations have been made to address any deficiencies, when these have been endorsed and implemented this will provide a more robust governance framework and

oversight for the Council, and ultimately improved information for communities in terms of service delivery and value for money.

6.4.2 In addition, it is suggested that the Terms of Reference should act as a 'toolkit' for officers to use in the assurance process around the oversight and management of other companies in which the Council has an interest, or in the event of the establishment of any future company.

6.5 ***Preventative focus***

All of the recommendations have a focus on prevention – in terms of providing better oversight of the management of the companies and their governance arrangements; increased liaison between key link officers within the Council and relevant companies and Member Briefing sessions to increase the general awareness and understanding of the services delivered by the companies on behalf of Blaenau Gwent.

6.6 ***Collaboration / partnership working***

6.6.1 Officers worked with Audit Wales following the publication of the Public Interest Report to agree and sign off a Terms of Reference for the Assurance Review that was fit for purpose.

6.6.2 The Assurance Review Group worked in partnership with the four companies in the provision of information and data and to agree a set of recommendations.

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

The Head of Democratic Services, Governance & Partnerships led the review and drew on resources from across the Council, as appropriate. Expertise was drawn from Resources, Procurement and Legal & Compliance teams to supplement the capacity within the Performance & Governance team, and link officers with each of the organisations listed within the scope was also important.

6.8 ***Decarbonisation and Reducing Carbon Emissions***

There are no direct implications in terms of the Council's Decarbonisation Plan or wider climate change considerations from this report.

6.9 ***Integrated Impact Assessment (IAA)***

No assessment is required for this report.

7. **Monitoring Arrangements**

The Partnerships Scrutiny Committee will ensure that relevant information and data from the four companies are scheduled onto its Forward Work Programme.

Background Documents /Electronic Links

Annex 1 – Report and Findings of the Assurance Review 2022-2023

Report and Findings of the Assurance Review 2022-2023

1. Background and Context

At a Special Meeting of the Council on 7 February 2022, consideration was given to the report of the Auditor General for Wales on the *'Deficiencies in Blaenau Gwent County Borough Council's governance and oversight arrangements in respect of the Council owned company, Silent Valley Waste Services Limited'*. The Council accepted the report in full and the one recommendation contained within it, namely: -

'The Council should commission a review to seek assurance that its governance and oversight arrangements in respect of other companies in which it had an interest were adequate and effective, and that the deficiencies identified in the report were not more widespread.'

It was also agreed that relevant Council officers would meet with Audit Wales with a view to jointly determining the approach and scope of commissioning the review to ensure it was acceptable to all concerned. The findings of the review would be reported back via the democratic process, as is the case for all formal Audit Wales recommendations.

2. Terms of Reference of the Review

Following the Special Council meeting to consider the report, relevant Council Officers met with Audit Wales to discuss and agree an approach to determine the Terms of Reference for the further Assurance Review to be undertaken, in line with the recommendation. The Terms of Reference and scope of the Review were based on current best practice and guidelines and agreed and signed off by Audit Wales.

The Organisation for Economic Cooperation & Development (OECD) helps define corporate governance by saying that it "involves a set of relationships between a company's management, its board, its shareholders and other stakeholders; and provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined".

To aid the drafting of the Terms of Reference, Audit Wales provided the *Code of Practice for 'The Governance of Council Interests in Companies'*. The purpose of the Code is to provide a reference point to Councils and interested parties in understanding the requirements of a Council in setting up a local authority company and how the governance arrangements for that company should work once set up. The Council has a duty to ensure that public resources within its stewardship are safeguarded and that proper arrangements are in place to ensure that public money is well-spent. That duty does not simply apply to resources used directly by the Council, it applies where the Council has provided resources to other companies and/or organisations to deliver public services.

3. Scope of the Review

The Council's accounts list several companies in which the Council has an interest and who are currently delivering public services on our behalf. Therefore, the agreed list within the scope of the Review, as agreed and signed off by Audit Wales, was as follows: -

- **Aneurin Leisure Trust**
- **Education Achievement Service (EAS)**
- **Gwent Archives**
- **Gwent Crematoria**

The Review used the Code of Practice cited above to provide assurance that the following main areas of oversight and governance were adequate and effective in terms of the companies within its scope – covering off the principles of good governance namely Accountability; Leadership; Integrity; Stewardship and Transparency.

The Areas of Oversight and Governance within the scope of the Review were as follows: -

- To review the legal framework and documentation for the establishment of the company
- To review the oversight and governance framework to manage the key relationship between the company, the Council (in its executive role holding the company to account) and as shareholder - ensuring decision making is clear and transparent
- To review the mechanisms to assess and scrutinise operational and financial performance
- To review the position of compliance with all relevant procurement regulations
- To review the arrangements to manage and mitigate conflicts of interest
- To review the recruitment and appointments system to ensure a robust and competitive process is in place (& associated remuneration arrangements)
- To review the arrangements for Members appointed as company directors to provide relevant feedback/information back into the democratic processes of the Council
- To review the primary responsibility for liaison between the company and the Council and for access to information

4. Findings

The findings from the Review are being reported back through the Council's democratic processes, to the Governance & Audit Committee on 18 October, as is the case for all formal Audit Wales recommendations, the report will also go to Partnerships Scrutiny Committee on 19 October and Council on 24 October.

5. Resources

The Head of Democratic Services, Governance & Partnerships lead the review and drew on resources from across the Council, as appropriate. Expertise was drawn from Resources, Procurement and Legal & Compliance teams to supplement the capacity within the Performance & Governance team, and link officers with each of the organisations listed within the scope was also important. The SV Assurance Group was established and supported throughout by Business Support, to work through the terms of reference for each of the companies within the scope of the review. The Group met on numerous occasions to scrutinise the information provided by the companies, clarify points of interest with relevant link officers and agree a set of recommendations and further action.

The agreed approach was for each of the link officers for the companies to provide all relevant documentation and information in respect of each area of oversight and governance outlined in the Terms of Reference. This information was then provided to the Assurance Group for consideration and further scrutiny. Link officers for each of the companies were then invited to attend a meeting of the Assurance Group to go through the information provided and add any clarification and answer any queries, as appropriate.

6. Main findings of the Review

One thing to note in respect of the four companies within the scope of the review, none of the positions as representatives of the Council on these companies are remunerated. All the relevant information and documents provided by each of the four companies against each element of the Terms of Reference has been collated and stored on file, for reference.

6.1 Education Achievement Service (EAS)

The company was established on a regional footprint across Gwent in 2012 to aid school governance and improvement and the Council is a partner alongside the other four local authorities in the area. The information provided in respect of the establishment of the company and its current governance structure was sound. Relevant information from the company covering its business and financial operations were available to Members and relevant EAS reports were on the Forward Work Programme for the Partnerships Scrutiny Committee. Information was provided for each of the areas of governance and oversight within the Terms of Reference and provided a satisfactory level of assurance. There is a link officer in place within the Council.

No further action or recommendations.

6.2 Aneurin Leisure Trust

The company was established in 2014 and a subsequent large scale review of its governance structures and management had taken place. As part of the review the Council's link officer role was further considered and strengthened, and this has been demonstrated on feedback and information sharing, noting that this is a

continuous process. Relevant information from the company covering its business and financial operations were available to Members and relevant ALT reports were on the Forward Work Programme for the Partnerships Scrutiny Committee. Information was provided for each of the areas of governance and oversight within the Terms of Reference and provided a satisfactory level of assurance. There is a link officer in place within the Council.

No further action or recommendations.

6.3 Gwent Archives

The Gwent Archives was established as a Joint Committee on a regional footprint across Gwent and is funded by the five local authorities. The lead authority for the Gwent Archives is Torfaen Council. The information provided in respect of the establishment of the company and its current governance structure was sound. Information was provided for each of the areas of governance and oversight within the Terms of Reference and provided a satisfactory level of assurance that procedures for the company are robust. Procurement and recruitment follow the established procedures within the host authority, Torfaen Council.

However, whilst relevant information from the company covering its business and financial operations was available on Torfaen Council's website there is currently no clear mechanism for this information to be fed back into Blaenau Gwent Council's democratic process. The company does not feature as part of any Scrutiny Committee at present and there is no link officer within the Council and no officer level meetings taking place. There is also no mechanism for the County Archivist to report into the Council. The lease of the building is the only contract and communication that the Archives have with the Council at present.

6.3.1 Recommendation –

- A Link Officer is identified within the Council to establish regular liaison meetings with Lisa Snook, link officer for Gwent Archives (in the host authority, Torfaen Council)
- All relevant strategic documents, annual business plan and accounts (including an Annual Report from the County Archivist) are included in the Forward Work Programme for the Partnerships Scrutiny Committee, and Council where relevant at least twice a year
- Organise a Members Briefing on the Gwent Archives and its operations and services.

6.4 Gwent Crematoria

The Gwent Crematoria was established as a Joint Committee on a regional footprint across Gwent and is funded by the five local authorities. The lead authority for the Gwent Crematoria is Newport Council. The information provided in respect of the establishment of the company and its current governance structure was sound, although it was agreed that the Joint Agreement needed updating and would be taken forward by Newport Council in due course. Information was provided for each

of the areas of governance and oversight within the Terms of Reference and provided a satisfactory level of assurance that procedures for the company are robust. Procurement and recruitment follow the established procedures within the host authority, Newport Council.

However, whilst relevant information from the company covering its business and financial operations was available on Newport Council's website there is currently no clear mechanism for this information to be fed back into Blaenau Gwent Council's democratic process. The company does not feature as part of any Scrutiny Committee at present and there is no link officer within the Council and no officer level meetings taking place. The Chief Officer, Resources currently receives limited financial information during the year.

6.4.1 Recommendation –

- A Link Officer is identified within the Council to establish regular liaison meetings with Leanne Rowlands, link officer for Gwent Crematoria (in the host authority, Newport Council)
- All relevant strategic documents, annual business plan and accounts are included in the Forward Work Programme for the Partnerships Scrutiny Committee, and Council where relevant at least twice a year
- Organise a Members Briefing on the Gwent Crematoria and its operations and services.

7. **Best Practice & Learning**

The Assurance Review Group has suggested that the format used to undertake the Review i.e. the use of the agreed Terms of Reference to determine the baseline of information that was needed to provide a sound level of assurance could be developed into a 'toolkit' for future use across the Council.

The toolkit could be kept up to date and refreshed to consider any new developments in terms of company governance and oversight rules and be used in the assurance process around the oversight and management of other companies in which the Council has an interest, or in the event of the establishment of any future company.

Finally, as part of the continuous improvement in our Scrutiny function, we should continue to review and monitor the scope of the Partnerships Scrutiny Committee to ensure it is fit for purpose and encapsulates any new strategic partnerships and/or companies in which the Council has a significant interest.

7.1 **Recommendation** –

- Develop the existing Terms of Reference into a 'governance toolkit' for use by officers across the Council for providing assurance against existing companies and in the event of the establishment of any new ones

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Agenda Item 12

Cabinet and Council only

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: **Governance and Audit Committee**
Date of meeting: **18th October 2023**
Report Subject: **Information Governance Annual Report**
Portfolio Holder: **Cllr Steve Thomas, Leader / Cabinet Member
Corporate Overview and Performance**
Report Submitted by: **Steve Berry – Data Protection and Governance Officer**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
	Aug 2023	08.10.23	18/10/2023					

1. Purpose of the Report

- 1.1 The purpose of the report is to provide the Governance and Audit Committee with information relating to the Council's performance for Information Governance matters including Subject Access Requests, Freedom of Information Requests and Data Breaches.

2. Scope and Background

- 2.1 Under the relevant Data Protection Legislation including GDPR, Data Protection Act and Freedom of Information Act the Council is committed to ensuring it adheres to statutory obligations under the legislation. These obligations include ensuring that information processed is held safely and securely at all times and to ensure that individuals rights under the legislation are enabled and actioned promptly.
- 2.2 It is appropriate that the Governance and Audit Committee should monitor the activity in this area and this report seeks to provide assurance on the effective operation of the Council's policies in relation to the legislation. The information provided covers the period 1st April 2022 to 31st March 2023.

3. Options for Recommendation

3.1 Option 1

That the Governance and Audit Committee considers and accepts the information in the report which is given as assurance that appropriate oversight and monitoring is taking place and any shortfalls have appropriate controls in place to make the necessary improvements.

Option 2

That the Governance and Audit Committee considers the information contained and provides specific comment.

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

This topic relates to statutory regulation and compliance and also links to the Council's objective of an efficient Council within the Corporate Plan.

5. **Implications Against Each Option**

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

The budget implications for this area relate to staff time in order to complete this statutory work.

In the event that the Council fails to meet its obligations there may be budget implications should the Information Commissioner's Office (ICO) as regulator chose to levy fines at the Council.

5.2 ***Risk including Mitigating Actions***

Failure to ensure that the Council is meeting its obligations under Data Protection legislation can lead to enforcement action, including significant fines, from the ICO. In addition, there is a risk to individuals if their information is subject to a data breach and accessed by unauthorised persons.

5.3 ***Legal***

Data Protection legislation including GDPR, Data Protection Act 2018 and Freedom of Information Act regulate the processing of personal information at the Council and also the Council's transparency arrangements. This provide a statutory framework which govern how information should be processed and how it can be accessed.

The Information Commissioner's Office (ICO) oversee the legislation and are responsible for any enforcement action against it.

5.4 ***Human Resources***

No direct implications

5.5 ***Health and Safety***

No direct implications

6. **Supporting Evidence**

6.1 ***Performance Information and Data***

Appendix 1 provides the relevant performance information.

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

To provide assurance to the public of the Council's commitment and performance in these areas.

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

This is not an area in which public consultation or engagement is appropriate. Internal engagement on the operation of the Regulations and Policies is an ongoing process.

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

The handling of requests and how the Council handles its obligations under the relevant legislation is under constant review in order to implement improvements when identified.

6.5 ***Preventative focus***

See above

6.6 ***Collaboration / partnership working***
All public bodies must adhere to the same legislation and are responsible for their own obligations.

6.7 ***Integration (across service areas)***
All service areas are subject to this legislation.

6.8 ***Decarbonisation and Reducing Carbon Emissions***
Not relevant to this topic

6.9 ***Integrated Impact Assessment (IIA)***
Not applicable

7. **Monitoring Arrangements**

7.1 Performance in this area will continue to be monitored by the relevant team and periodical reports provided to the Committee for oversight.

Background Documents /Electronic Links

- *Appendix 1 – Information Governance Annual Report*

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Information Governance Annual Report 2022/2023

Created by	Steve Berry – Data Protection and Governance Officer
Date	18/09/2023
Reviewed by	
Date	

Background

The Council has a statutory requirement to look after the data it holds in line with General Data Protection Regulation (GDPR) and the associated Data Protection Act 2018 including allowing data subjects to enact their rights under the legislation such as the right to access their files. In addition the Council has a statutory responsibility to permit access to information under the Freedom of Information Act (FOI).

Under the legislation the regulator, the Information Commissioner’s Office (ICO) has powers to take enforcement action such as reprimands and fines to any organisations that are not fulfilling their obligations. These can be as a consequence of data breaches, failure to allow to data subjects to enact their rights or poor performance in providing information under FOI. The ICO have recently issued an enforcement notice to a Council in England for its poor handling of Freedom of Information Act requests requiring action to address what has resulted in 143 FOI requests remaining unanswered until the time of the ICO investigation. Similarly, two other Councils in England have also been subject to reprimands in recent months from the ICO after responding to only 51% and 75% of Subject Access Request (SAR) requests within the permitted 30 calendar days in a 12 month period.

Consequently it is imperative that Blaenau Gwent monitors its performance in these areas in order to ensure it is not subjected to enforcement action or reprimands from the ICO and is meeting its obligations under the legislation.

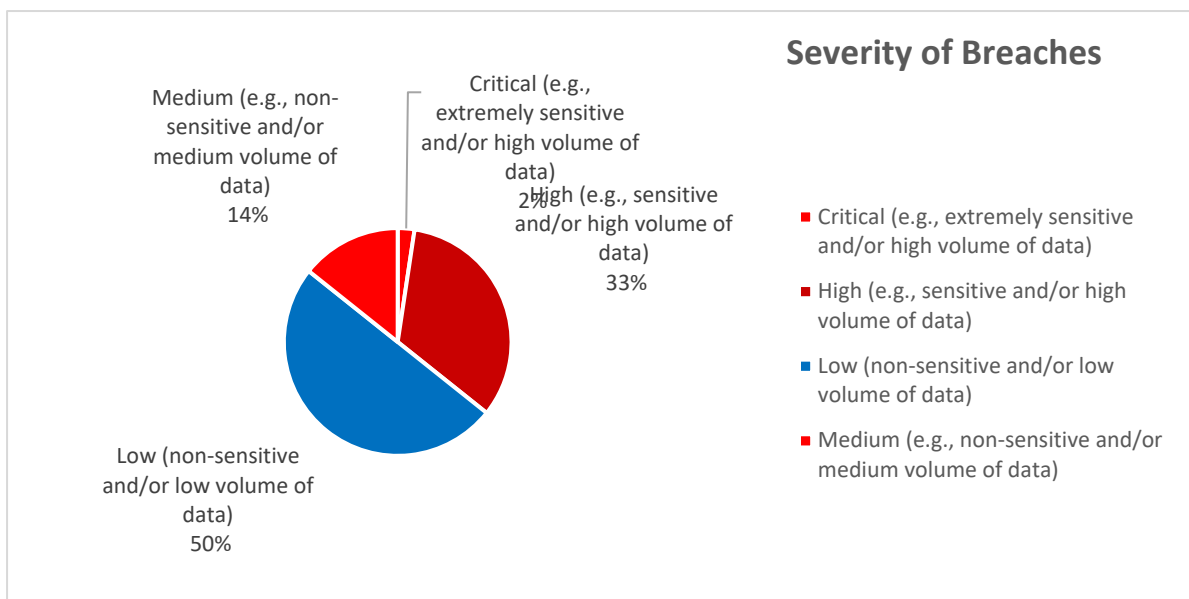
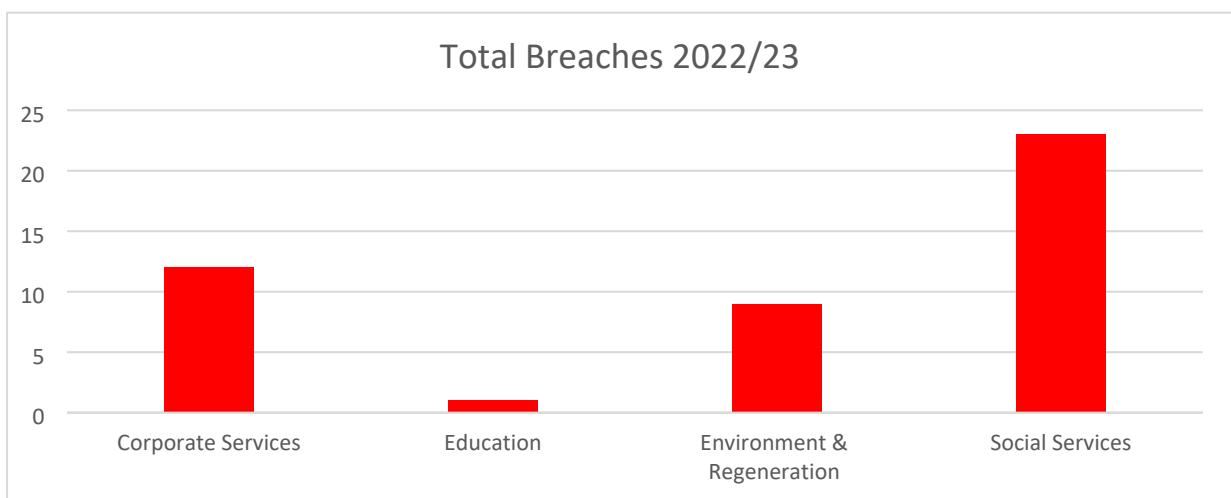
Data Breaches

In total, the Council suffered 45 recorded Data Breaches during the 2022/2023 period which are split between directorates as illustrated below. This has increased from 37 Data Breaches in the 2021/2022 period.

The Council has previously created a Data Breach Handling Procedure in line with its GDPR and Data Protection legislation obligations which it follows for every data breach identified. This procedure focuses on four key elements as follows:

1. Containment and recovery
2. Assessment of ongoing risk
3. Notification of breach
4. Evaluation and response

As part of this procedure all data breaches that involve special category (sensitive) personal data or a high volume of data, the Council’s Data Breach Panel will convene to consider the necessary actions. Of the 45 Data Breaches suffered during the year it was decided by the Data Breach Panel that one exceeded the threshold to the report to the ICO for assessment. It was later decided by the ICO that no enforcement action was required regarding this particular breach although some recommendations were made which have since been implemented corporately.



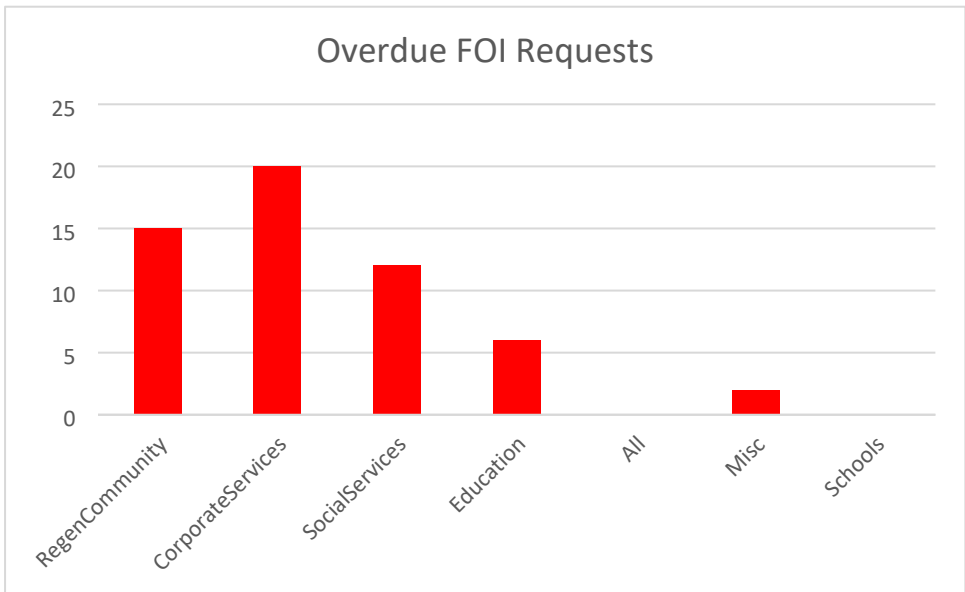
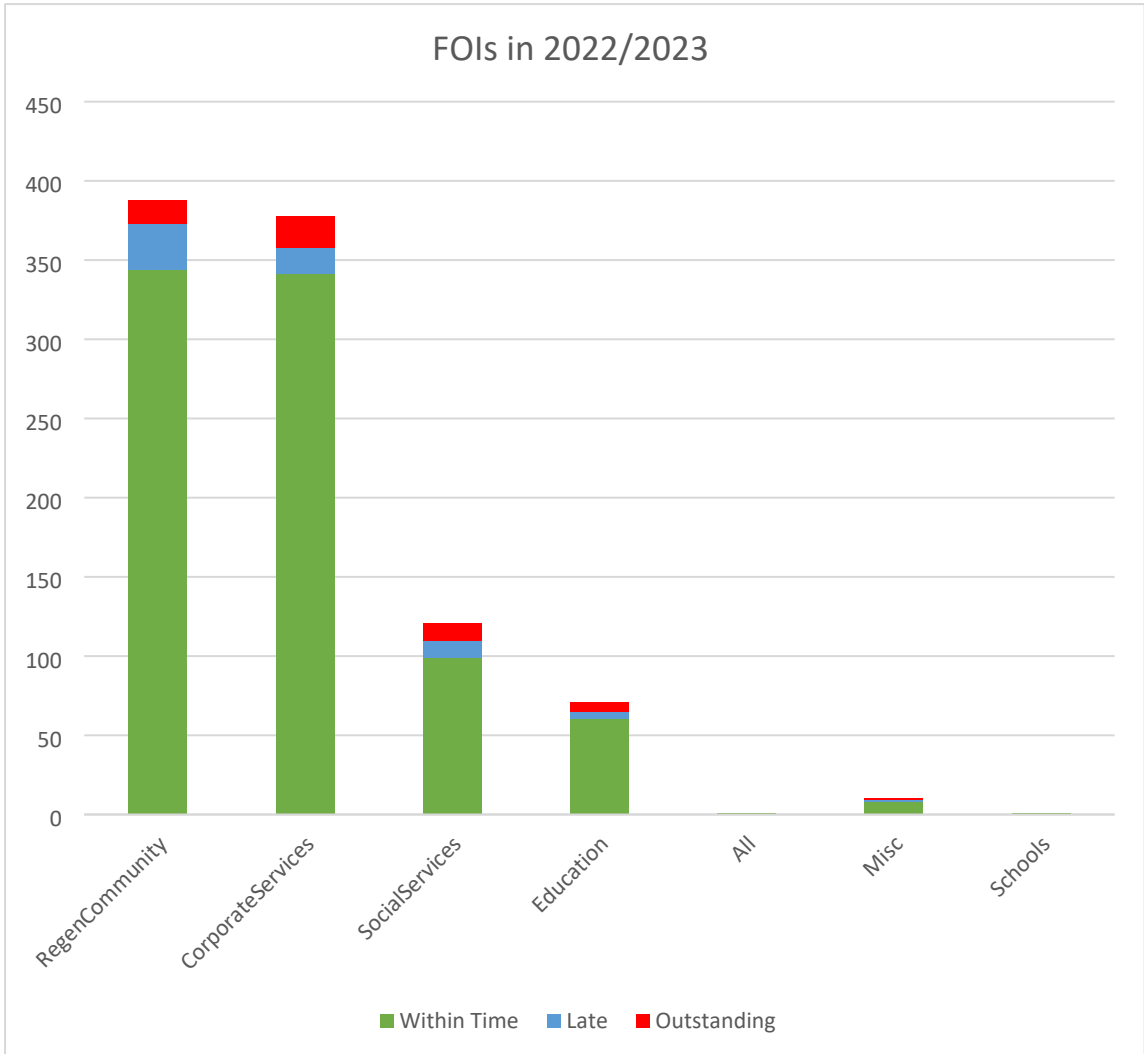
FOI Requests

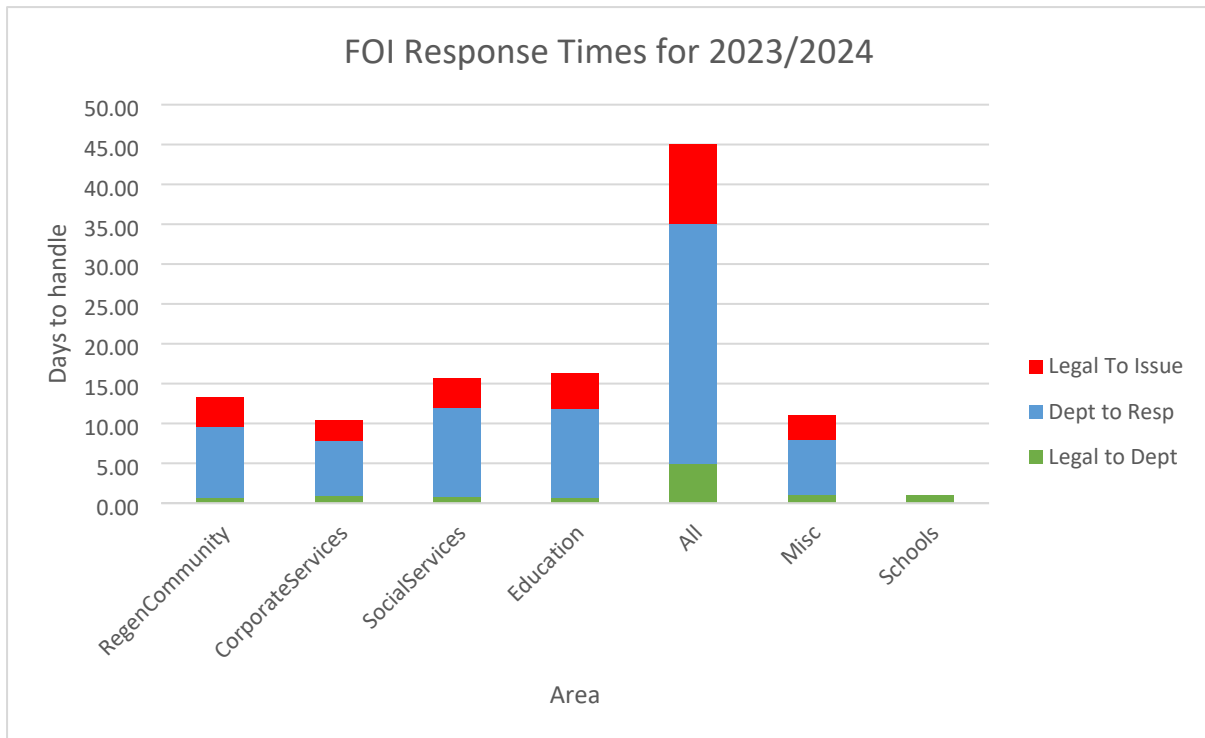
During the 2022/2023 period Blaenau Gwent received a total of 978 FOI requests. This is up 13% from the previous year where 863 requests were received and over recent years has increased by roughly 10% year on year. Under the legislation the Council is required to respond to FOIs within 20 working days. Within the legislation there is not an expected success rate stipulated in the legislation since all FOIs should be responded to within this timeframe. However, whilst no accepted level is stated with the legislation the Information Commissioner's Officer (ICO) who oversee the Freedom of Information Act have indicated in their self-assessment guidance that over 95% would be considered good, 90-95% acceptable and below 90% unacceptable.

Throughout 2022/2023 the Council has dipped below these levels and seen 88% of FOIs throughout the Council responded to within the allocated 20 days. Of the 12% that have not met the requirement, 6.4% (62 requests) have been provided late and 5.6% (55 requests) remain un-responded to as of 9th June 2023 when the reports were run but are since being addressed at the time of writing this report.

Despite falling beneath the expected response levels the response times on based on averages are positive. The average FOI received is responded to within 12.67 working days when the permitted limit is 20 working days. This comprises of 0.78 days for Legal to relay the request to the department, 8.57 working days for the department to compile and respond and then 3.32 working days for Legal to check and send. However, these figures do not take into account the 55 outstanding requests due to current restrictions in the reporting functionality and therefore only consider concluded FOI requests. With some of the un-concluded requests dating back a number of months the response times in Figure 5 below would negatively change if the outstanding requests were able to be included in the calculations.

With the recent ICO ruling leading to enforcement action for an English Council (with over 143 outstanding FOI requests) this is obviously a concern. Where requests have been received but no response has been provided by the department a reminder is sent on approximately the 15th working day leaving around a week for the department to respond.





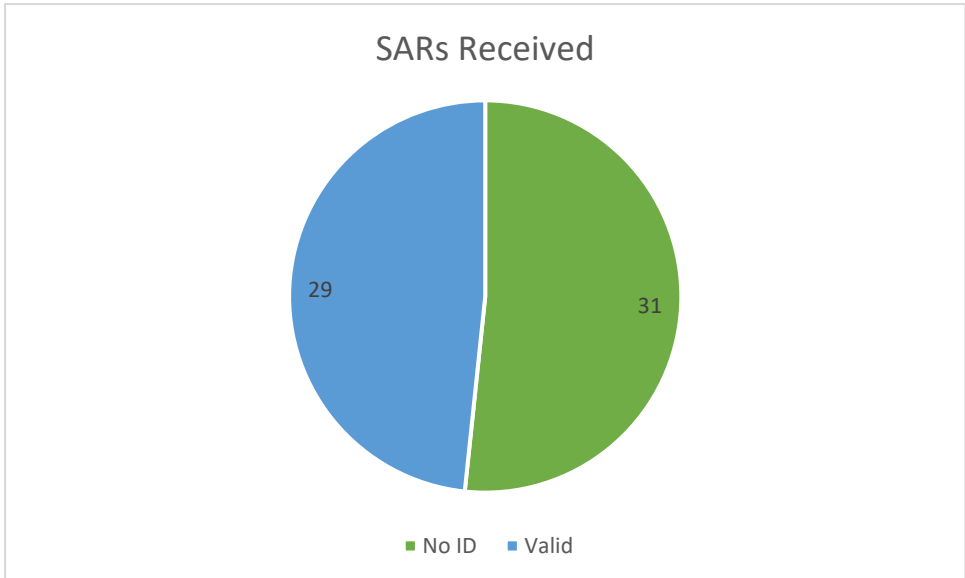
Subject Access Requests

Under the GDPR and Data Protection Legislation an individual has a number of rights. One of these is the Right to Access which means that they have the right to obtain a copy of all information held about them subject to any exemptions detailed within the legislation. This is commonly known as a Subject Access Request (SAR) and entitles the requester to have a copy of all documents that relate to them and are held by an organisation unless an exemption allows for the information to be withheld.

During 2022/2023 Blaenau Gwent received a total of 60 Subject Access Requests over the course of the year in comparison to 54 the previous year. This represents a 10% increase in requests.

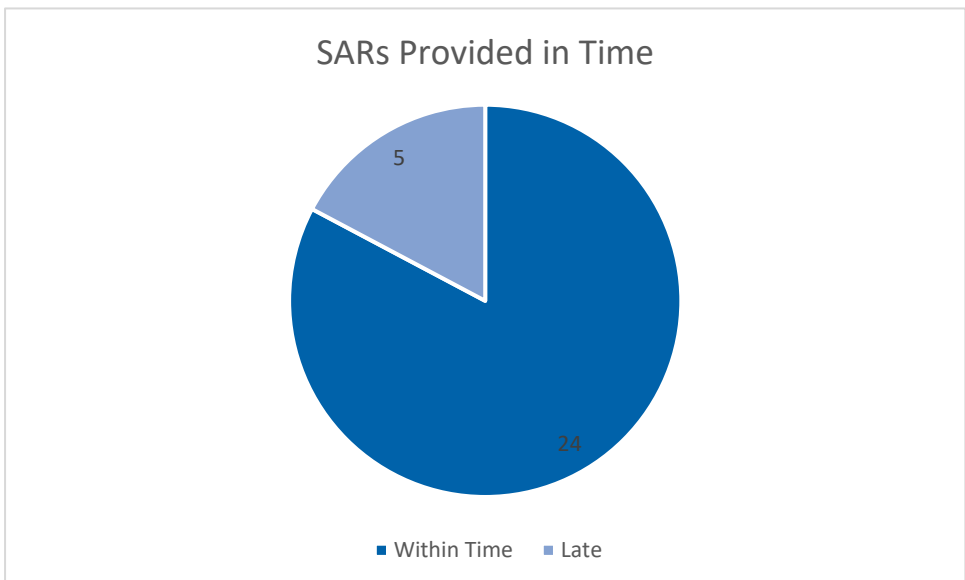
Before releasing information to a requestor, in order to maintain security, we are required to ensure that each request is entitled to receive the information before we can consider it a valid request. To do this we ask to see ID from a requestor but not all requestors provide this and the request never becomes considered “valid”. Of the 60 Subject Access Requests received during 2022/2023 only 29 provided the necessary ID in order to be considered a valid request.

Whilst 29 appears to be a low number when compared with many other services in the Council, these requests are typically for a person’s entire file within a service or across multiple services totalling hundreds of pages. As it is necessary to check each page and ensure no breaches of information occur the checking work can take a significant amount of time and impact departments greatly.

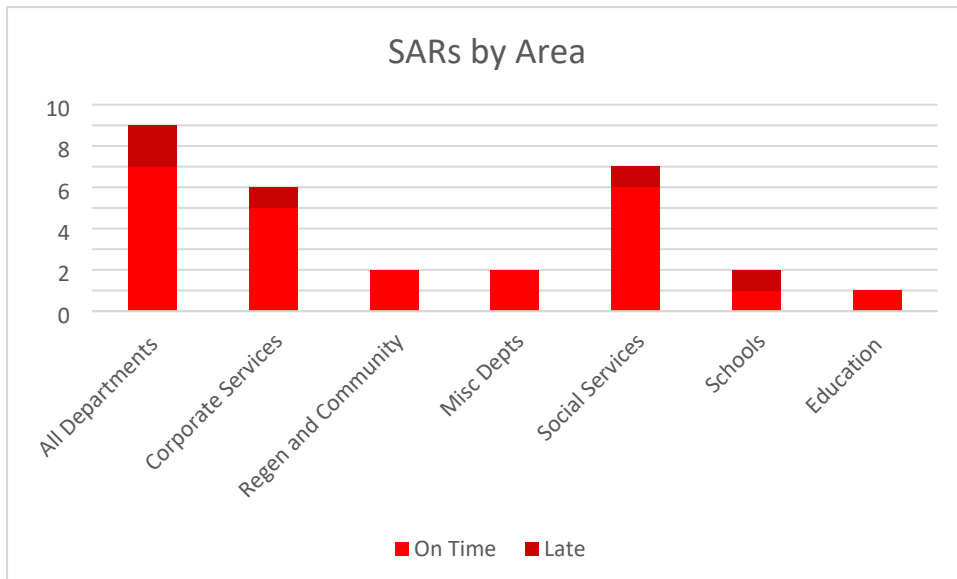


Once a request becomes valid the Council has 30 calendar days, under the legislation, to provide copies of the requested information. This can be extended a further 60 days for complex requests, however this requires that the Council is able to justify why it is complex and therefore requires an understanding of the file first.

For the 2022/2023 period Blaenau Gwent achieved 83% of Subject Access Requests being responded to within the allotted time. In percentage terms this is much lower than the 90-95% that we strive towards however the low numbers have a greater impact on ratios and percentages so it is not an entirely fair representation.



Looking at how Subject Access Requests are split across Service Areas produces largely expected results. Most requests are across the Social Services area and Corporate Services due to requesters wanting access to Social Services files and/or employment records.



Forward Plans

The volumes dealt with on all of the areas reported on have increased by roughly 10% year on year in recent years which has created additional pressures on departments which cannot be avoided. Despite this the response times for complete, despite falling beneath the recommended levels, have fallen at a slower rate than a 10% increase would normally enforce. However, in order to address the decline in response rates additional measures have now been implemented to address this and improve performances further. These measures include a quarterly report to Director level detailing the outstanding requests for both FOI and Subject Access Requests for their area. In addition, as standard Senior Managers and Directors will be included in the reminders sent regarding requests to allow them time to intervene before any deadlines expire. It is hoped that this will allow us to address the proportion of un-responded requests which will in turn create improvements to the response rates and allow them to increase back above the targeted levels.

The Data Protection Officer continues to monitor data breaches closely and identify any trends or weaknesses that occur. Where these are identified recommendations and measures are made to minimise the chances of recurrence of these incidents.

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