

Committee: **Audit Committee**

Date of meeting: **2 November 2021**

Report Subject: **Audit Wales - Financial Sustainability Assessment
 Blaenau Gwent County Borough Council**

Portfolio Holder: **Cllr Nigel Daniels, Leader of the Council & Executive
 Member Corporate Services**

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

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
	15/10/21		02/11/21		22/10/21			

1. **Purpose of the Report**
 - 1.1 To present the outcome of the assessment undertaken by Audit Wales relating to the Financial Sustainability of Blaenau Gwent County Borough Council.

2. **Scope and Background**
 - 2.1 Financial sustainability continues to be a risk to councils putting in place proper arrangements to secure value for money in the use of resources
 - 2.2 Audit Wales' 2020-21 assessment on councils' financial sustainability was undertaken in two phases. Phase 1 was a baseline assessment of the initial impact of COVID-19 on local councils' financial position. Following Phase 1, in October 2020 Audit Wales published a national summary report – Financial Sustainability of Local Government as a result of the COVID-19 Pandemic.
 - 2.3 The attached report provides the findings of Phase 2 of Audit Wales work on the financial sustainability of Blaenau Gwent County Borough Council.

3. **Options for Recommendation**
 - 3.1 **Option 1:**
 The Audit Committee accept the findings of the Audit Wales report, as detailed in the report and appendix.
 - 3.2 **Option 2:**
 The Audit Committee consider the findings of the Audit Wales report and provide specific comments as appropriate

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

- 4.1 Financial sustainability underpins the Council's ability to deliver services to the public in the medium and long term.

5. **Implications Against Each Option**

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

There is no direct impact on the Council's budget as a result of this report however the report does highlight improved financial planning within Blaenau Gwent and concludes that this combined with better-than-expected Welsh Government settlements mean the Council is better placed to maintain its financial sustainability over the short term but challenges remain to address forecast budget gaps over the medium term.

5.2 ***Risk including Mitigating Actions***

Financial sustainability is crucial to the Council being able to deliver statutory / priority services in the medium / long term.

5.3 ***Legal*** ***n/a***

5.4 ***Human Resources*** ***n/a***

6. **Supporting Evidence**

6.1 ***Performance Information and Data***

In summary Audit Wales findings, as detailed in the attached report are:-

- a) Improved financial planning and better-than-expected Welsh Government settlements mean the Council is better placed to maintain its financial sustainability over the short term but challenges remain to fully close budget gaps over the medium term.
- b) The immediate impact of COVID-19 on the Council's financial sustainability has been mitigated by additional Welsh Government funding.
- c) 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.
- d) The Council is increasing its useable reserves and remains committed to doing so over the medium term.
- e) 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..
- f) 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.
- g) The Council's liquidity position remains the lowest in Wales.

- 6.2 ***Expected outcome for the public***
The report provides the public with an independent assessment of the Council's Financial Sustainability in the short / medium and long term and highlights the challenges facing the Council.
- 6.3 ***Involvement (consultation, engagement, participation)***
n/a
- 6.4 ***Thinking for the Long term (forward planning)***
- 6.5 ***Preventative focus***
n/a
- 6.6 ***Collaboration / partnership working***
n/a
- 6.7 ***Integration (across service areas)***
n/a
- 6.8 ***Decarbonisation and Reducing Carbon Emissions***
n/a
- 6.9a ***Socio Economic Duty Impact Assessment*** (complete an impact assessment to consider how the decision might help to reduce the inequalities of outcome associated with socio-economic disadvantage).
n/a
- 6.9b. ***Equality Impact Assessment*** (screening and identifying if full impact assessment is needed)
n/a
7. **Monitoring Arrangements**
- 7.1 *State how the work will be monitored e.g. through scrutiny or directorate performance management arrangements*

Background Documents /Electronic Links

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