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**Contact:/Cysylltwch â:** Gwasanaethau Democraidaidd



**MAE HWN YN GYFARFOD Y MAE GAN Y CYHOEDD HAWL EI FYNYCHU**

Dydd Llun, 16 Tachwedd 2020

Annwyl Syr/Madam

**CYDBWYLLGOR CRAFFU (MONITRO'R GYLLIDEB)**

Cynhelir cyfarfod o'r Cydbwyllgor Craffu (Monitro'r Gyllideb) yn Siambr y Cyngor, Canolfan Ddinesig on Dydd Llun, 23ain Tachwedd, 2020 am 10.00 am.

Yn gywir

Michelle Morris  
Rheolwr Gyfarwyddwr

**AGENDA**

**1. CYFIEITHU AR Y PRYD**

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

**2. YMDDIHEURIADAU**

Derbyn ymddiheuriadau.

**3. DATGANIADAU BUDDIANT A GODDEFEBAU**

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

Derbyn datganiadau buddiant a goddefebau.

4. **CYD-BWYLLGOR CRAFFU (MONITRO CYLLIDEB)** 5 - 20

Derbyn cofnodion y Cydbwyllgor Craffu (Monitro'r Gyllideb) a gynhaliwyd ar 28 Medi 2020.

(Dylid nodi y cyflwynir y cofnodion er pwyntiau cywirdeb yn unig).

5. **DALEN WEITHREDU – 28 MEDI 2020** 21 - 22

Derbyn y Ddalen Weithredu.

6. **MONITRO'R GYLLIDEB REFENIW – 2020/2021, RHAGOLWG ALL-DRO HYD 31 MAWRTH 2021 (FEL AR 30 MEDI 2020)** 23 - 72

Ystyried adroddiad y Prif Swyddog Adnoddau.

7. **MONITRO'R GYLLIDEB GYFALAF, RHAGOLWG AR GYFER BLWYDDYN ARIANNOL 2020/2021 (FEL AR 30 MEDI 2020)** 73 - 96

Ystyried adroddiad y Prif Swyddog Adnoddau.

8. **DEFNYDDIO CRONFEYDD WRTH GEFN CYFFREDINOL A CHRONFEYDD WRTH GEFN WEDI'U CLUSTNODI 2020/2021** 97 - 106

Ystyried adroddiad y Prif Swyddog Adnoddau.

At: Cynghorwyr S. Healy (Cadeirydd)  
M. Cook (Is-gadeirydd)  
P. Baldwin  
D. Bevan  
G. Collier  
M. Cross  
G. A. Davies  
G. L. Davies  
M. Day  
P. Edwards  
L. Elias  
K. Hayden  
J. Hill  
W. Hodgins  
M. Holland

J. Holt  
H. McCarthy  
C. Meredith  
J. Millard  
M. Moore  
J. C. Morgan  
J. P. Morgan  
L. Parsons  
G. Paulsen  
K. Pritchard  
K. Rowson  
T. Sharrem  
T. Smith  
B. Summers  
S. Thomas  
H. Trollope  
D. Wilkshire  
B. Willis  
L. Winnett  
T. Baxter  
A. Williams

Pob Aelod arall (er gwybodaeth)  
Rheolwr Gyfarwyddwr  
Prif Swyddogion

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**COUNTY BOROUGH OF BLAENAU GWENT**

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

**SUBJECT: JOINT SCRUTINY COMMITTEE  
(BUDGET MONITORING) –  
28<sup>TH</sup> SEPTEMBER, 2020**

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

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**PRESENT: COUNCILLOR S. HEALY (CHAIR)**

Councillors M. Cook  
D. Bevan  
G.A. Davies  
L. Elias  
M. Day  
P. Edwards  
K. Hayden  
W. Hodgins  
J. Hill  
M. Moore  
J.C. Morgan  
J. Millard  
L. Parsons  
K. Pritchard  
T. Smith  
B. Summers  
S. Thomas  
H. Trollope  
B. Willis  
L. Winnett

**WITH:** Chief Officer Resources  
Corporate Director Regeneration & Community  
Services  
Corporate Director Social Services  
Corporate Director Education (Interim)  
Chief Officer Commercial  
Scrutiny & Democratic Officer/Advisor

ITEM	SUBJECT	ACTION
No. 1	<p><b><u>SIMULTANEOUS TRANSLATION</u></b></p> <p>It was noted that no requests had been received for the simultaneous translation service.</p>	
No. 2	<p><b><u>APOLOGIES</u></b></p> <p>Apologies for absence were received from Councillors T. Sharrem, P. Baldwin, D. Wilkshire, G. Paulsen and the Managing Director who was attending a G10 Meeting.</p>	
No. 3	<p><b><u>DECLARATIONS OF INTERESTS AND DISPENSATIONS</u></b></p> <p>The following declarations of interest were reported:</p> <p><i><u>Item No. 7 Revenue Budget Monitoring 2020/21, Forecast Outturn to 31<sup>st</sup> March, 2021</u></i></p> <p>Councillors J.C. Morgan (Appendix 3 - Tredegar HLF)  Councillor W. Hodgins (Appendix 3 - Aneurin Leisure Trust)  Councillor L. Parsons (Appendix 3 - Aneurin Leisure Trust)  Councillor P. Edwards (Appendix 3 – Markets)</p> <p><i><u>Item No. 8 Capital Monitoring, Forecast for 2020/21 Financial Year (as at 30 June 2020)</u></i></p> <p>Councillor W. Hodgins (Appendix 1 &amp; 2 - Aneurin Leisure Trust)  Councillor L. Parsons (Appendix 1 &amp; 2 - Aneurin Leisure Trust)</p>	
No. 4	<p><b><u>TIME OF FUTURE MEETINGS</u></b></p> <p>The Committee AGREED that future meetings would be held at 10.00 a.m.</p>	
No. 5.	<p><b><u>JOINT SCRUTINY COMMITTEE (BUDGET MONITORING)</u></b></p> <p>The Minutes of the Joint Scrutiny Committee meeting held on 9<sup>th</sup> March, 2020 were submitted.</p>	

	<p>The Committee AGREED that the Minutes be accepted as a true record of proceedings.</p>	
<p><b>No. 6</b></p>	<p><b><u>ACTION SHEET – 9<sup>th</sup> MARCH, 2020</u></b></p> <p>The action sheet arising from the Joint Scrutiny (Budget Monitoring) Committee held on 9<sup>th</sup> March, 2020 was submitted, whereupon:-</p> <p><i><u>Civil Parking Enforcement</u></i></p> <p>A Member said he had requested information on the number of fixed penalty notices that had been issued, and the Corporate Director Regeneration &amp; Community Services confirmed that this information would be included in the Members Briefing Session.</p> <p>A discussion ensued when a Member said he understood the Council had agreed to prioritise the scope of enforcement activity to town centres and outside schools, and expressed concern that fines were being issued within residential areas.</p> <p>Another Member said following the lockdown period there seemed to be a lack of presence of traffic wardens within town centres.</p> <p>In response the Corporate Director Regeneration &amp; Community Services explained that Civil Parking Enforcement activity should be visible across the Borough following lockdown. In terms of the areas covered, whilst it had been agreed to focus activity in town centres and outside schools, it was agreed that parking issues elsewhere would also be reported.</p> <p>A Member said in his opinion patrols of the Borough's town centres and schools should be ample activity for the enforcement officers without undertaking patrols of residential areas.</p> <p>Another Member said due to the narrow residential streets within the Borough there were many areas where parking was causing problems, particularly access for the Waste &amp; Recycling crews.</p>	

	<p>A Member referred to previous discussions regarding a review of traffic orders across the Borough and sought an update on when this could be expected.</p> <p>The Chair confirmed that this would be subject to a report to the relevant Scrutiny Committee in due course</p> <p>A Member requested that a Members Briefing Session be convened at an appropriate juncture to provide an update to all Members.</p> <p>The Committee AGREED, subject to the foregoing, that the Action Sheet be noted.</p>	<p>Head of Community Services</p>
<p>No. 7</p>	<p><b><u>REVENUE BUDGET MONITORING -2020/2021, FORECAST OUTTURN TO 31 MARCH 2021 (AS AT 30 JUNE 2020)</u></b></p> <p>Consideration was given to report of the Chief Officer Resources.</p> <p>The Chief Officer Resources presented the report which detailed the forecast financial outturn position across all portfolios for the financial year 2020/2021 (as at 30th June 2020); the forecast outturn for Fees &amp; Charges; and progress on the achievement of the Bridging the Gap Projects for 2020/2021.</p> <p>The Officer said the overall forecast outturn as at June 2020 was an adverse variance of £3.185m, before the application of Welsh Government Hardship and Furlough funding forecast at £1.98m, which reduced the forecast adverse variance to £1.2m. The table at section 5.1.2 of the report detailed the forecast overall financial position across all portfolios at 30th June 2020, and before the inclusion of Covid-19 related expenditure.</p> <p>Following the submission of the WLGA Survey on Loss of Income, four areas have been identified where there was a consistent loss of income across all Welsh Authorities. These included parking, waste, school catering and cleaning and cultural services. The Chief Officer confirmed that Welsh Government had considered claims from LA's for loss of income for Quarter 1 relating to tranche 1, i.e. civil parking enforcement, grounds maintenance, school</p>	



catering, waste disposal and cultural services) and the Council had received a total sum of £973,000. As a result, £613,000 of lost income had been re-instated in the portfolio forecasts.

The Officer reported that in recent days, an additional £151k had been received from Welsh Government as part of tranche 2 of the Quarter 1 income loss claim. Taking into account the Hardship Funding, Furlough income and the initial claim for lost income, the net impact on the Council's Revenue Budget was a forecast adverse variance of £1.2m. The Officer reported that 50% of the forecast adverse variance related to the increased caseload around the Council Tax Reduction Scheme which was currently forecasting an adverse variance of £0.6m. Welsh Government were also considering the financial impact of this across Wales.

The Officer concluded that action plans to address cost pressures were attached at Appendix 4. However, she pointed out that many of the cost pressures would reduce with the application of further tranches of funding for loss of income (from chargeable services) and potential WG Hardship funding for Council Tax Reduction Support.

A Member referred to the Transformation Fund and asked how much money had been committed to the Festival Park project.

In response the Officer confirmed that £30k had been agreed.

The Member said given the fact that Welsh Government had provided a Hardship Fund, he expressed concern that as a grant funded organisation, the Council had received Furlough Funding when there were small businesses struggling in the Borough and people losing their jobs.

He also said the £460k uncommitted Transformation Fund should be used to address any cost pressures resulting from the pandemic, and whilst the Council pays for the Festival Park Business Case, he was disappointed that earmarked reserves had been utilised for some consultancy fees. However, he said the fact that the Council's reserves had increased above its 4% target level meant there was possibly

£900k in reserves, and in these very difficult times the Member proposed that a recommendation be made to the Executive that the uncommitted Transformation Fund be used to address costs pressures arising as a result of the pandemic.

In response the Chief Officer Resources confirmed that Welsh Government had advised the Council to Furlough staff where appropriate. However, she assured there was no duplication of funding from the National Furlough funding and the Welsh Government Hardship Fund.

In relation to the Transformation Fund, the Officer assumed this was fully committed, however, there had been no significant request for funding for that scheme to date. The Council was faced with financial challenges this year due to the pandemic and potentially next year, and some of the Transformation Fund may need to be utilised to provide support to progress current and future Bridging the Gap proposals. However, that budget was there to help us address any other cost pressures that the Council may face moving forward.

The Member said these were un-precedent times and felt that the Bridging the Gap proposals should come secondary to resolving issues within our community.

In relation to Furlough funding the Corporate Director Regeneration & Community Services said Welsh Government encouraged the Council to utilise the national Furlough scheme, and by utilising national funding, Welsh Government were able to draw more money into Wales to provide support elsewhere. He also pointed out that no member of staff had been at detriment during the pandemic and this was due to the Furlough scheme.

A Member said it was highly likely that sports clubs would need support following the pandemic and he hoped that money would be set aside for this purpose. He also referred to the redeployment of staff to Test, Trace, Protect and asked how much this was costing the Authority, and also what measures were in place to ensure the wellbeing of those staff.

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The Chief Officer Commercial assured that staff were being supported, and that daily briefing meetings were held with line managers. The process of scoping out recruitment to those teams was still ongoing, with the first tranche of permanent staff joining the Team this morning. The Team was currently at about 75% capacity, and would hopefully be 100% by next week. The Council was also drawing in mutual aid from the other 5 LA's and workloads were being monitored to ensure a Gwent wide service.

The Corporate Director Regeneration & Community Services said staff within Public Protection and Test, Trace, Protect were working as one Team. In terms of capacity he confirmed that staff from other sections had been transferred to provide additional support, and also additional agency staff with expertise in infectious disease control. The Council had also been working closely with other LA's across the region, and working actively to safeguard staff.

In relation to costs for Test, Trace, Protect the Chief Officer Resources undertook to provide that information, but confirmed that costs for the service are reimbursed by Public Health Wales who had been provided funding from Welsh Government to provide the service.

In response to the Member's comments regarding funding for sports clubs, the Corporate Director said the Council would continue to support any clubs wishing to go through the CAT process and deal with each club on its merits. Assumptions had been made within the budget around the loss of income on grounds activity, however, there was no resources package available for sports clubs.

In response to a question raised by a Member regarding the 6 month rent holiday on Industrial Units during the pandemic, the Chief Officer Resources reported that this would be 100% funded by Welsh Government.

A Member sought clarification on the adverse variance in relation to SLA's with schools, as he understood some schools still had cleaners working through April to July.

The Chief Officer Resources explained that the Council was predicting an adverse variance on building cleaning on the assumption that schools would not pay their SLAs as the vast

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majority were closed during the initial period of the pandemic. However, some schools were repurposed to provide childcare facilities for key workers. The Officer confirmed that discussions were ongoing with schools regarding the adverse variance. Moving forward additional cleaning would be required to ensure the safety of staff and pupils and she understood that funding was available from Welsh Government to support that additional expenditure.

A Member said the report highlighted the amount of work undertaken during the pandemic and commended Officers. He then referred to section 5.1.3 of the report which highlighted the savings made on travel and energy, and said this somewhat supported closure of the Civic Centre and the Council moving towards a more virtual and flexible services. However, he then referred to section 5.1.14 of the report which highlighted the drop in Council Tax payments, and urged the opening of the cash desk at the Civic Centre, with proper COVID-safe measures in place, or the provision of a cash desk in town centres, as many residents still liked to pay their bills in cash.

In response the Chief Officer Resources advised Members that residents wishing to pay by cash or cheque were able to pay bills at Post Office counters and Paypoint locations in the community.

Another Member referred to section 5.1.4 of the report and asked whether the Welsh Government funding for loss of income in relation to school catering would be transferred back to schools.

The Chief Officer explained that discussions were ongoing with schools to ensure that any funding owed to them would be reimbursed.

Councillor W. Hodgins left the meeting at this juncture.

A Member referred to the number of job vacancies highlighted in section 5.1.10 of the report and asked whether these related to vacant Social Worker posts. He also referred to the Corporate Director of Social Services' comments at the last Social Services Scrutiny Committee regarding funding, and asked whether this had now been received.

The Member also referred to section 5.1.27 of the report and sought clarity on the position of the grounds maintenance budget, in light of the fact that the majority of within the Borough had gone through the CAT process.

The Corporate Director of Social Services explained that the job vacancies highlighted in the report did not relate to Social Services. There were a number of vacant Social Worker posts at the beginning of the year, however, a number of internal staff had undertaken training and 5 staff had now qualified and taken up vacant positions. In relation to the Hardship Fund, the Corporate Director confirmed that the vast majority of funding had been received, and whilst a small number of elements were challenged by Welsh Government this was not significant at this point in time.

In relation to the grounds maintenance budget the Chief Officer Resources confirmed that an adverse variance of £83k was predicted. Whilst a number of clubs had gone through the CAT process, a number of those clubs still had SLAs with the Council to provide grounds maintenance, and as a result of the impact of COVID the Council have been unable to undertake grounds maintenance and are therefore unlikely to receive that income.

A Member said he was aware that the Council had received additional funding for education, for the employment of extra teaching staff, and sought assurance that this was money was ring-fenced for this purposes.

The Chief Officer Resources assured that where the Council was incurring additional costs, any additional funding received would be used to offset those costs and would not be allocated elsewhere.

In response the Interim Corporate Director of Education said the Member was referring to the Accelerated Learning Programme. He confirmed that the funding went directly into education and was pass-ported to schools to support extra teaching and learning capacity, particularly to address the response to COVID.

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A Member referred to the number of grants that the Council had received and asked what impact these would have on the forecast £1.2m adverse variance.

In response the Chief Officer Resources said it had reduced slightly, but the forecast adverse variance was still significant at this point in time. It was likely that the Council would receive 50% of its lost income, but this would be delayed. There were also still cost pressures in relation to the Council Tax Reduction Scheme and cost of collection, and Welsh Government have indicated that this would be reviewed early next year.

Another Member expressed concern regarding the impact of the pandemic on the Borough's markets, and asked whether provision had been made for the loss of income in this area. He also sought an update on cemeteries, as he understood that money received from Gwent Crematoria would be utilised to tidy-up the Borough's cemeteries. The Member also referred to the Council's nursery units, he said the budget had been showing an adverse variance for some time, and asked how many units were currently unoccupied and requiring repair, and also how much interest was being shown from companies, and also how many tenants had been lost during the pandemic.

In relation to the Borough's Markets, the Chief Officer Resources said no specific provision had been made, but the Council have made a claim to the Welsh Government Hardship Fund for loss of income being incurred as a result of the pandemic.

In terms of the Borough's cemeteries, the Chief Officer said a report was previously considered by Council which recommended, and was agreed, that any surplus money from Gwent Crematoria would go directly into reserves rather than be utilised to fund works to the cemeteries. However, as part of the Capital Programme funding had been allocated to undertake improvements to the Borough's cemeteries.

In response to the Member's question regarding the nursery units, the Corporate Director Regeneration & Community Services said this came under the remit of the Regeneration Scrutiny Committee, however, he would be happy to share this information with Members.

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	<p>In response to the Member's question regarding nursery units, the Chair of the Regeneration Scrutiny Committee confirmed that the Council's Industrial Units Portfolio formed part of the Scrutiny Committee's Forward Work Programme. A report was due to be submitted in December and he assured that it would cover the points raised by the Member.</p> <p>Another Member expressed concern regarding a delay in the collection of bulky items following payment, and the Corporate Director Regeneration &amp; Community Services said he was not aware of any issues but would raise it with the service area.</p> <p>A Member proposed that Option 1 be supported with the addition that in the present crisis, and as the report designated that the £462k remaining in the Transformation Fund was still uncommitted; that this money be transferred to the COVID fund.</p> <p>The proposal was seconded.</p> <p>Another Member proposed that Option 1 be supported as outlined in the report.</p> <p>The proposal was seconded.</p> <p>Upon a vote being taken,</p> <p>8 Members supported the amendment to Option 1; and 9 Members supported Option 1 as outlined in the report.</p> <p>The Committee AGEED to recommend that the report be accepted and Members support the action plans attached at Appendix 4, developed to address the forecast adverse variances at the end of June 2020 (Option 1).</p>	
<p><b>No. 8</b></p>	<p><b><u>CAPITAL BUDGET MONITORING, FORECAST FOR 2020/2021 FINANCIAL YEAR (AS AT 30 JUNE 2020)</u></b></p> <p>Consideration was given to report of the Chief Officer Resources.</p> <p>The Chief Officer Resources presented the report which provided an overview of each Portfolio's actual and forecast</p>	

capital expenditure against funding approvals for the 2020/2021 financial year, as at 30<sup>th</sup> June 2020, and details of any significant adverse and/or favourable variances.

The overall financial position forecast at 30th June 2020 indicated an adverse variance of £24,000 against a total in year capital budget of £20m. Despite the Covid-19 Pandemic actual expenditure to June 2020 of £2m was £300,000 higher compared to Quarter 1 in financial year 2019/2020. However, should the pandemic situation continue to improve it was expected that Capital Expenditure would reach £20m by 31st March 2021.

The Officer said the forecast over-spend of £24,000 related to the essential capital works following adverse weather and the resulting flood damage in the early part of 2020. A Funding request had been submitted to Welsh Government, however, the Council had yet to receive confirmation of grant funding to cover the costs. Where overall funding approvals were likely to be exceeded, and additional compensatory funding sources not be identified, budget holders would initially report the consequences to the Corporate Leadership Team, including proposals to defer/delete other approved schemes.

#### *P. 88 Flood Damage Emergency Repairs*

A Member referred to comments made at the previous meeting seeking a more prudent budget in relation to flooding, and said serious consideration should now be given to this in light of the number of flooding incidents across the Borough.

#### *P. 85 Play Equipment*

A Member sought clarification on the Welsh Government funding previously obtained for development of a 'splash park' in the Borough, and asked whether the funding had been returned to Welsh Government, or spent elsewhere.

In response the Chief Officer Resources explained that the 'splash park' proposal was no longer being progressed, however, following discussions with Welsh Government they agreed that the funding could be utilised for the provision of other play equipment in the Borough.



In response to a further question the Corporate Director Regeneration & Community Services said this came under the remit of the Community Services Scrutiny Committee. He confirmed that a report on play equipment had been considered, and recommended for approval, at the last meeting of the Scrutiny Committee, and part of the report gave consideration to the Welsh Government funding being utilised for play equipment, in line with the Council's Play Strategy previously agreed.

The Chair was experiencing technical difficulties, and the Vice-Chair took the Chair at this juncture.

A Member asked whether the Council's Play Strategy could now be reviewed in light of the additional Welsh Government funding.

In response the Corporate Director Regeneration & Community Services said there was no intention to review the Play Strategy, but the additional funding would allow us to go further down the priority list of the Strategy. The report also outlined the commitment to engage with all Ward Members to discuss sites identified for removal or otherwise.

A Member asked for a breakdown of the Welsh Government funding and play equipment budget.

P.84 Class Size Willowtown

In response to a question raised, the Interim Corporate Director of Education explained that this was Welsh Government funding to support class size grant developments in relation to capacity within schools, and in this instance was for external adaptations at the School.

P.84 21<sup>st</sup> Century School Schools Six Bells Project

The Interim Corporate Director of Education confirmed that this related to additional Welsh Government funding for car parking, however, this initiative had been delayed as a result of the Covid response.

Chief  
Officer  
Resource  
s

	<p>The Committee AGREED to recommend that the report be accepted and Members:-</p> <ul style="list-style-type: none"> <li>• Continue to support appropriate financial control procedures agreed by Council; and</li> <li>• To note the budgetary control and monitoring procedures in place within the Capital Team, to safeguard Authority funding (Option 1).</li> </ul>	
<p><b>No. 9</b></p>	<p><b><u>USE OF GENERAL AND EARMARKED RESERVES 2019/2020</u></b></p> <p>Consideration was given to report of the Chief Officer Resources.</p> <p>The Chief Officer Resources presented the report which provided the Reserves outturn position for 2019/2020 as at Quarter 4 (31st March 2020). Section 6 of the report provided an overall summary of the financial position in relation to the remaining balances in general and earmarked reserves at 31st March, 2020.</p> <p>The Officer then referred Members to table 1 at Section 6.1.3 which showed the outturn position for the general reserve at year-end 2019/2020 to be an increase of £0.454m, to £6.348m. This balance represented 4.69% of net revenue expenditure, £0.934m above the 4% target level of £5.414m. As a result of the positive provisional settlement, the Council approved an increase to Reserves in excess of £1.5m for 2020/2021 when setting the 2020/2021 Budget, to support medium term financial planning and strengthen the Council's financial resilience</p> <p>The Officer concluded that in in comparison to all other Welsh Authorities, at 31st March, 2018 Blaenau Gwent had the lowest level of general and earmarked reserves expressed as a percentage of Gross Revenue Expenditure. Comparative information drawn from audited statutory accounts indicated that this position had improved to the end of 2018/2019. However, in order to meet the Welsh average, general and earmarked reserves would need to be increased significantly.</p> <p><i><u>Appendix 2 Strategic Business Reviews</u></i></p>	

A Member asked why the procurement of specialist consultancy fees to support the Strategic Business Review had come out of earmarked reserves and not the Transformation Budget.

In response the Chief Officer Resources explained that the Transformation Budget was not established until the 2020/21 financial year, and these costs were incurred during the 2019/20 financial year.

The Committee AGREED to recommend that the report be accepted and Members considered the use of general and earmarked reserves for 2019/20; and

- Noted the draft increase of the General Reserve in 2019/2020 to £6.348m, being 4.69% of net revenue expenditure (above the 4% target level);
- Considered the impact the £0.454m favourable variance for 2019/2020 would have on the General Reserve target; and
- Continue to challenge budget overspends and implement appropriate service Action Plans, where required. (Option1).

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

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**Blaenau Gwent County Borough Council**

**Action Sheet**

**Joint Budget Scrutiny Committee – 28<sup>th</sup> September 2020**

<b>Item</b>	<b>Action to be Taken</b>	<b>By Whom</b>	<b>Action Taken</b>																																								
6	<p><b><u>Action Sheet – 9<sup>th</sup> March 2020</u></b></p> <p><b>Civil Parking Enforcement</b> – Members requested that a Member Briefing Session be arranged.</p>	Clive Rogers	Member Briefing Session arranged for 24 <sup>th</sup> November 2020.																																								
7	<p><b><u>Revenue Budget Monitoring – 2020/21</u></b></p> <p><b>Test, Trace, Protect Services</b> – Staffing costs to be provided in relation to Test, Trace, Protect Service.</p>	Rhian Hayden	<p><b>Test, Trace, Protect Service (TTP)</b></p> <p>The current forecasted cost of the TTP Service as at 30<sup>th</sup> September 2020, is as follows:</p> <table border="1"> <thead> <tr> <th><b>Role</b></th> <th><b>Grade</b></th> <th><b>FTE</b></th> <th><b>Forecast</b></th> </tr> </thead> <tbody> <tr> <td>Team Manager</td> <td>10</td> <td>1.00</td> <td>£36,246</td> </tr> <tr> <td>Shift Supervisor</td> <td>7</td> <td>3.00</td> <td>£69,707</td> </tr> <tr> <td>Tracer</td> <td>6</td> <td>9.00</td> <td>£161,797</td> </tr> <tr> <td>Advisors</td> <td>4</td> <td>26.00</td> <td>£351,391</td> </tr> <tr> <td>EHO</td> <td>9</td> <td>1.00</td> <td>£72,801</td> </tr> <tr> <td>IT Support</td> <td>8</td> <td>0.20</td> <td>£6,657</td> </tr> <tr> <td>Redeployed Model</td> <td></td> <td></td> <td>£98,783</td> </tr> <tr> <td>IT Equipment</td> <td></td> <td></td> <td>£75,175</td> </tr> <tr> <td><b>TOTAL</b></td> <td></td> <td><b>40.20</b></td> <td><b>£872,557</b></td> </tr> </tbody> </table>	<b>Role</b>	<b>Grade</b>	<b>FTE</b>	<b>Forecast</b>	Team Manager	10	1.00	£36,246	Shift Supervisor	7	3.00	£69,707	Tracer	6	9.00	£161,797	Advisors	4	26.00	£351,391	EHO	9	1.00	£72,801	IT Support	8	0.20	£6,657	Redeployed Model			£98,783	IT Equipment			£75,175	<b>TOTAL</b>		<b>40.20</b>	<b>£872,557</b>
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Advisors	4	26.00	£351,391																																								
EHO	9	1.00	£72,801																																								
IT Support	8	0.20	£6,657																																								
Redeployed Model			£98,783																																								
IT Equipment			£75,175																																								
<b>TOTAL</b>		<b>40.20</b>	<b>£872,557</b>																																								

8	<p><b><u>Capital Budget Monitoring – 2020/21</u></b></p> <p>A Member referred to the absence of the allocation of funding to the Splash Pad and also noted the allocation of £44,850 to Play Equipment and enquired if this was the same money. The Member requested a breakdown on what the funds had been spent on.</p>	Richard Crook / Dave Watkins	<p>The remaining budget of £44,850 is the same funding that was allocated originally to the “Splash Pad” project.</p> <p>The total budget of £110,000 was reallocated to the following;</p> <ol style="list-style-type: none"> <li>1. Purchase of play equipment - £65,150</li> <li>2. Installation of the equipment - £44,850</li> </ol> <p>A contractor has now been appointed to undertake the installation of the new play equipment, this work has now commenced.</p>
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# Agenda Item 6

*Executive Committee and Council only*

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: **Joint Budget Scrutiny Committee**

Date of meeting: **5th November 2020**

Report Subject: **Revenue Budget Monitoring -2020/2021, Forecast  
Outturn to 31 March 2021 (As at 30 September 2020)**

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

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

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
	05/11/2020	16.11.20			23/11/20	9/12/20		

## 1. Purpose of the Report

- 1.1 The purpose of the report is to provide Members with the forecast financial outturn position across all portfolios for the financial year 2020/2021 (as forecast at 30 September 2020).

## 2. Scope and Background

- 2.1 This report provides details on the following:

- Forecast financial position to the end of March 2021 across all portfolios
- Forecast outturn for Fees & Charges
- Progress on the achievement of the Bridging the Gap Projects for 2020/2021.

- 2.12 This report will inform the quarterly financial reporting framework to Members.

## 3. Options for Recommendation

### 3.1 Option 1 (Recommended Option)

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

### 3.2 Option 2

Members do not accept the report.

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

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

5. **Implications Against Each Option**

5.1 **Impact on Budget**

5.1.1 The overall forecast outturn as at September 2020, is an adverse variance of £3.402m. This is before the application of Welsh Government Hardship funding, reducing the forecast adverse variance to £0.248m. This is an improved position compared to the forecast as at June 2020, which indicated an adverse variance of £1.2m (after the application of Hardship and furlough funding).

5.1.2 The forecast overall financial position across all portfolios at 30 September 2020 (and before the inclusion of Covid-19 related expenditure) is shown in the table below:

<b>Portfolio/ Committee</b>	<b>2020/2021 Revised Revenue Budget</b>	<b>2020/2021 Forecast Outturn @ 30 Sept 2020</b>	<b>Favourable/ (Adverse) To 31 March 2021</b>	<b>Append ref:</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	
<b>Underspending Portfolios</b>				
Corporate Services & Financial Management & Strategy	16.726	16.639	0.087	2a
Education & Leisure	62.132	61.840	0.292	2c
Social Services	45.352	45.236	0.116	2b
<b>Sub Total (1)</b>	<b>124.21</b>	<b>123.715</b>	<b>0.495</b>	



<b>Overspending Portfolios</b>				
Economy	1.215	1.436	(0.221)	2d
Environment	25.532	25.934	(0.402)	2e
Planning	1.118	1.132	(0.014)	2f
Licensing	0.070	0.097	(0.027)	2f
<b>Sub Total (2)</b>	<b>27.935</b>	<b>28.599</b>	<b>(0.664)</b>	
<b>Total</b>	<b><u>152.145</u></b>	<b><u>152.314</u></b>	<b><u>(0.169)</u></b>	
<b>Covid-19 Costs</b>				
Social Services		1.474	(1.474)	
Education		0.059	(0.059)	
Environment		1.701	(1.701)	
<b>Sub Total – Covid19</b>		<b><u>3.234</u></b>	<b><u>(3.234)</u></b>	
<b>WG Hardship funding</b>			<b><u>2.454</u></b>	
<b>WG SS Hardship funding</b>			<b><u>0.701</u></b>	
<b>Revised Total</b>			<b><u>(0.248)</u></b>	

5.1.3 The forecast includes actual and estimated funding from the Hardship fund for April to September 2020 of £3.155m. In addition, the Council has been successful in claiming furlough funding from the national scheme for the period and £183,000 of this funding has been built into the current forecast (part of the furlough funding relates to school based staff, which are not included within the portfolio figures above). The forecast shows a positive movement of approximately £1m from the quarter 1 forecast. Movements greater than £100,000 relates to:

- Corporate Services - £163,000
- Economy - £104,000
- Environment - £687,000
- Infrastructure - £113,000

- 5.1.4 Welsh Government has considered claims from local authorities for loss of income for quarter 1 relating to tranche 1 (civil parking enforcement, grounds maintenance, school catering, waste disposal and cultural services) and tranche 2 (Social Services, room hire/ground rents, rechargeable fees) and the Council has received a total sum of £1,104,000 of which:
- £744,000 relates directly to portfolio budgets
  - £88,000 for schools who arrange their own catering arrangements and
  - £272,000 for the Leisure Trust.

Subsequently, £744,000 of lost income has been re-instated in the portfolio forecasts above. Claims for loss of income for quarter 2 are being collated, in line with a set of principles issues by Welsh Government. Consequently, the assumption in the portfolio forecasts is that loss of income will be funded to 31<sup>st</sup> March 2021.

- 5.1.5 Taking Hardship funding , Furlough income and the initial claims for lost income into account, the net impact on the Council's revenue budget is a forecast adverse variance of £0.248m.
- 5.1.6 The increased caseload in the Council Tax Reduction Scheme is currently forecasting an adverse variance of £0.5m. Welsh Government are committed to revisiting the situation across Wales by the end of the financial year.

#### 5.1.7 **PORTFOLIO ANALYSIS**

- 5.1.8 It has been assumed that "normal" budget activity would resume for the second half of the financial year. Future forecasts can be updated to take account of any revisions to the current situation, or example the local lockdown in Blaenau Gwent and the national "firebreak" lockdown across Wales. A summary of main adverse variances is shown as Appendix 1. Portfolio summaries are also included below.
- 5.1.9 The report also indicates the number of vacant posts as at 30th September 2020 (together with the monthly salary plus oncost value) in each portfolio, *where the vacant post has not been used to offset cost pressures elsewhere* and excluding grant funded posts (see Appendix 6). The Appendix indicates that there are currently 4 vacant posts at a total monthly salary value of £14,000 in this category. This equates to a potential saving of £84,000 to the end of the financial year (should the posts not be filled). The Appendix also includes information relating to vacant posts that are being held vacant to offset cost pressures for varying periods of time, at a total monthly salary value of £36,000.
- 5.1.10 Action plans to address cost pressures are attached at Appendix 4.
- 5.1.11 **Corporate Services – £87,365 favourable variance (qtr1 £75,570 adverse variance)**

The movement in the quarter 1 adverse variance of £76,000 to a favourable £87,000 variance relates to:

- WG loss of income received for CTRS £87,000

- Increase in the Corporate Services Departmental Budget favourable variance £53,000

There are three main adverse variances within the Portfolio:

5.1.12 **CTRS - £541,007**

As previously reported, this is due to an increase in the number of claimants resulting from the economic impact of the Covid-19 pandemic. It has been assumed that the increased level of claimants will continue for the remainder of the financial year. The WLGA has collated the CTRS cost pressure across Wales and information has been submitted to WG officials, with a view to it being considered by Ministers in the “Star Chamber”. Income of £87,000 has now been received from WG in respect of quarter 1.

5.1.13 **ICT Service - £160,000**

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

Attempts are being made to try to mitigate this adverse variance, with all IT contracts now being reviewed and re-negotiated through the Procurement team. In addition, following the deployment of Office 365, opportunities to scale back the number of systems operating across the council, are being explored, to reduce costs. However, this continues to be a cost pressure for the council.

5.1.14 **Registrars - £40,798**

The forecast adverse variance is due to a reduction in income from fees & charges. £3,958 has been received from WG in respect of loss of income for quarter 1, however this only equates to 50% of our initial claim, as it is assumed that income will improve throughout the year. Welsh Government will review this situation towards the end of the financial year as it is anticipated that this adverse variance will improve as services are re-introduced

5.1.15 These adverse variances have been offset by two main favourable variances:

5.1.16 **Cross cutting Budget £496,000**

Commercial & Contract Management (£496,410) – This budget has been set up to fund contract price increases during 2020/2021, however no requests have been received to date.

5.1.17 **Departmental Budgets £202,508**

The forecast favourable variance mainly relates to employee related savings due to vacant posts mostly as a result of long term secondments and maternity leave that cannot be filled at the moment due to the current circumstances, also staff on temporary reduced hours and one off grant funding being secured.

5.1.18 The Transformation Fund of £492,000 has been assumed to be fully committed at this stage, to progress and support the Bridging the Gap programme. However, the only transformation project that have come forward for funding is for the business case development for Festival Park.

5.1.19 **Social Services – £116,000 favourable variance (qtr1 £64,000 favourable variance)**

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

- Children's Services  
There is an overall adverse variance of £58,000 (down from £124,000 in qtr1) which is mainly due to the continuing cost pressure in legal fees resulting from court proceedings in relation to Children Looked After.

5.1.21 The adverse variance has been partially offset by the following areas:

- Adult Services  
The favourable variance of £125,000 is mainly due to the application of ICF Grant funding for a number of established posts, and the significant loss of income within Provider Services has been offset by Furlough payments and a reduction in staffing cover costs, there has been an assumption that Day Services will not resume service until the end of the calendar year.
- Support Services and Management Costs  
The favourable variance of £50,000 is due to accumulated underspends in staffing costs, travelling expenses and Supplies and Services within the departmental budget and the Workforce Development Plan budget.

5.1.22 **Education and Leisure– £293,000 favourable variance (qtr 1 £370,000 favourable variance)**

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

- School Budget Supporting SEN £106,000 favourable – relating mainly to a higher than estimated number of out of county SEN pupils attending BGCBC schools.
- Assuring Access £27,000 favourable – relating mainly to the 25% agreed reduction on Home to School Transport contracts. In addition, an estimated increase in Home to School Transport for pupils attending Pen y Cwm School has been forecast.
- LEA Budget Supporting SEN £77,000 favourable – relating to the secondment income for the Principal School Psychologist.

- Home to College Transport £32,000 favourable - relating a saving from the non-payment of travel passes for the summer term 2020.
- Strategic Management £35,000 favourable – relating to pension contributions to the local government pension scheme for school based staff.

5.1.24 **Economy – £221,000 adverse variance (qtr 1 £325,000 adverse variance)**

The forecast is made up of the following main variances:

- Industrial Units £182,000 adverse variance –down from £226,000 in quarter 1, as a result of a loss of income claim. At present the adverse variance relates to a contingency for loss of rental income for 6 months from tenants who are deemed high risk in terms of rent payment. It is intended to submit further claims for loss of income in quarters 3 and 4.
- Estates Non Rechargeable £11,000 adverse variance – The impact on COVID-19 on the collection of ground rents, albeit an improvement on the quarter 1 forecast of a £55,000 adverse variance. At this stage it is unclear if this income will be lost to the Council or the collection is delayed.

5.1.25 **Environment Portfolio – £402,000 adverse variance (qtr1 £1,202,000 adverse variance)**

5.1.26 The movement in the quarter 1 adverse variance of £1.2m to an adverse £0.4m variance relates to:

- There is a revised assumption that schools will fund the SLA for catering and cleaning services - £460,000 movement in the overall adverse variance.
- An improved Departmental Budget position - £120,000 movement in the overall adverse variance (primarily due to a loss of income claim)
- An improved waste collection/disposal position - £285,000 movement in the overall adverse variance (primarily due to WG Hardship funding, charging revenue costs to a capital grant and the resumption of side waste enforcement leading to a forecast reduction in residual waste disposal)

The main reason for the current adverse variance is due to:

Waste collection and disposal which is forecasting an adverse variance of- £0.331m, mainly due to

- Additional cost of 2 Waste Wardens which cannot be met within existing resources.
- An increase in residual waste tonnages during the lockdown period, which has only been partly offset by the WG Hardship Fund.

- There is a decrease in recyclate income of £90,000 compared to financial year 2019/2020. This is due to fluctuations in the market prices and a general downturn in activity. Only the decrease in income from the plastics, cardboard and textiles market has been directly affected by Covid-19 and hardship funding has been built in to partly offset this decrease.
- The delay to the opening of the HWRC as a result of Covid-19, has impacted on the forecast increase in the volume and sale of recyclate material.
- An increase in green waste recycling costs - £40,000 mainly as a result of the contractor closing for business which resulted in a contingency arrangement put in place at short notice, which has been costly. There is now a new contract in place for a longer term solution. The increased tonnage collected during the first lock down period has been partly been offset by the WG Hardship Fund.

#### 5.1.27 **Cross cutting issues**

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

- Car allowances – an increase in home working and the transfer of meetings online has led to a significant reduction in claims. For example, there has been a reduction in expenditure of approximately £144,000 comparing April to September 2020 to the previous financial year.
- Energy costs – the closure of some Council buildings and schools has led to a reduction in expenditure. For example, there has been a reduction in expenditure of approximately £230,000 comparing April to September 2020 to the previous financial year.

#### 5.1.29 **Fees & Charges**

5.1.30 The 2020/2021 portfolio estimates include income budgets in relation to fees & charges (excluding Council Tax) of £14.8m across all portfolios. Attached at Appendix 3 is an analysis of income received against budget for the financial year for individual portfolios, and current forecast indicates an adverse variance against this target of £1.33m, primarily relating to lost income in the sale of recyclate, charges for Community Care and rental income for Industrial Units.

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

5.1.32 **Bridging the Gap Programme**

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

5.1.34 Appendix 5 forecasts that £1.218m (83%) of savings will be achieved in this financial year. This forecast will be updated for the quarter 3 forecast and is therefore subject to change.

**Sensitivity Analysis**

5.1.35 Given that Public Health Wales (PHW) predictions of a further spike in Covid-19 relates cases in the autumn of 2020 are coming to fruition, it is prudent to consider the financial impact on the Council's finances, through sensitivity analysis.

5.1.36 Areas where there could be significant budgetary impact include:

- increased numbers of claimants claiming Council Tax Reduction payments over and above current forecast levels.
- Reduced or lost Council tax income (impacting on the Council Tax collection rate)
- Continuing Loss of income from fees & charges
- Non Achievement of the Bridging the Gap Programme
- Additional costs incurred across a range of services (e.g. PPE, maintaining social distancing, external social care costs)

5.1.37 On the basis that the forecast Covid-19 cost pressure for the April to September 2020 period in this report is £3.2m (as per the summary portfolio table above), the potential worst case scenario is as follows:

- October 2020 to December 2020 – additional cost pressure of £1.6m
- October 2020 to February 2021 – additional cost pressure of £2.65m
- October 2020 to March 2021 – additional cost pressure of £3.2m

5.1.38 A mid case scenario would suggest that the forecast Covid-19 cost pressure for the April to September 2020 period in this report is 50% of the worst case scenario ie £1.6m. The potential financial implications of this scenario are as follows:

- October 2020 to December 2020 – additional cost pressure of £0.8m
- October 2020 to February 2021 – additional cost pressure of £1.33m
- October 2020 to March 2021 – additional cost pressure of £1.6m

5.1.39 At this stage, the additional cost pressures are based on a pro rata calculation, based on known Covid-19 costs incurred. The sensitivity analysis can be updated if and when the situation develops.

5.1.40 Welsh Government has recently announced a £260m funding package for local government to assist with continuing Covid-19 related issues for the remainder of the financial year, which will assist with these forecast cost pressures.

## 5.2 **Risk including Mitigating Actions**

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

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

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

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

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

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

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

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

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

5.3 Legal  
N/A



5.4 Human Resources  
N/A

## 6. **Supporting Evidence**

### 6.1 **Performance Information and Data**

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

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

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

6.2.2 If overspends continue into the medium term, resources will be diminished and this may impact on the Council's ability to provide services to the public.

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

6.3.1 CLT have considered the forecast financial position for 2020/2021 (as 30 September 2020).

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

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

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

### 6.5 **Preventative focus**

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

### 6.6 **Collaboration / partnership working**

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

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

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

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

7. **Monitoring Arrangements**

*State how the work will be monitored e.g. through scrutiny or directorate performance management arrangements*

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

**Background Documents /Electronic Links**

*Appendix 1 – Summary of Main Forecast Adverse Variances 2020/21*

*Appendix 2 – Portfolios*

*Appendix 3 – Fees and Charges*

*Appendix 4 – Action Plan*

*Appendix 5 – Bridging the Gap Strategic Business Reviews*

*Appendix 6 – Vacant Posts*

**SUMMARY OF MAIN FORECAST ADVERSE VARIANCES 2020/2021**

		<b><u>Forecast Adverse Variance at June 2020</u></b>	<b><u>Forecast Adverse Variance at September 2020</u></b>	<b><u>Action Plan Ref:</u></b>
		<b><u>£</u></b>	<b><u>£</u></b>	
	<b><u>Adverse variances in Excess of £15,000</u></b>			
1.	<b><u>Corporate Services</u></b>			
	ICT Service		(160,000)	4a
	Registration of Births, Marriages and Deaths	(64,742)	(40,798)	4a
	Council Tax Collection	(64,151)	90,846	4a
	Council Tax Reduction Scheme	(627,383)	(541,007)	4a
2.	<b><u>Social Services</u></b>			
	<b><i>Childrens Services:</i></b>			
	Legal Costs	(399,699)	(499,699)	4b
3.	<b><u>Economy</u></b>			
	Estates Management Non Rechargeable	(54,831)	(10,769)	4c
	General Offices	(18,129)	(254)	4c
	Nursery Units	(226,063)	(181,869)	4c
4.	<b><u>Environment</u></b>			
	Technical Services	(96,000)	0	4d
	Waste Services	(548,076)	(331,583)	4d
	Grounds Maintenance	(83,003)	(17,000)	4d
	Corporate Landlord	(68,850)	(57,536)	4d
	Building Cleaning	(244,608)	0	4d
	Catering	(215,804)	0	4d
	Environmental Health	(66,642)	(89,044)	4d
	Cwmcrachen Caravan Site	(25,079)	(23,473)	4d
5.	<b><u>Planning + Licensing</u></b>			
	Planning Committee – Dealing with Applications	(31,293)	(31,293)	4e
	Licensing Committee	(25,904)	(26,419)	4e

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## CORPORATE SERVICES PORTFOLIO

Item	Revised Estimate 2020/2021	Total Forecast Expenditure to March 2021	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Jun 20
	£	£	£	£
<b>SUMMARY</b>				
<b><u>DEPARTMENTAL AND OTHER RECHARGEABLE SERVICES</u></b>				
Corporate Services Department	(65,990)	(269,039)	203,049	150,209
Resources Department	(22,110)	(21,569)	(541)	(9,806)
<i>Sub Total</i>	<i>(88,100)</i>	<i>(290,608)</i>	<i>202,508</i>	<i>140,403</i>
<b><u>COMMERCIAL SERVICES</u></b>				
Archives	151,640	142,789	8,851	8,851
Festival Park	92,820	98,188	(5,368)	(5,368)
Housing Benefit	(117,130)	(120,892)	3,762	3,705
ICT Service	467,240	627,240	(160,000)	0
Cross Cutting	(50,000)	(50,000)	0	0
<i>Sub Total</i>	<i>544,570</i>	<i>697,325</i>	<i>(152,755)</i>	<i>7,188</i>
<b><u>LEGAL &amp; CORPORATE COMPLIANCE SERVICES</u></b>				
Registration of Electors	16,670	13,588	3,082	3,082
Registration of Births, Marriages and Deaths	33,630	74,428	(40,798)	(64,742)
<i>Sub Total</i>	<i>50,300</i>	<i>88,016</i>	<i>(37,716)</i>	<i>(61,660)</i>
<b><u>GOVERNANCE &amp; PARTNERSHIP SERVICES</u></b>				
Corporate Management	107,370	112,009	(4,639)	(4,639)
Democratic Representation and Management	1,239,940	1,242,169	(2,229)	(10,398)
CCTV Cameras	84,000	67,437	16,563	29,745
Civil Contingencies	100,820	100,102	718	(12,580)
<i>Sub Total</i>	<i>1,532,130</i>	<i>1,521,717</i>	<i>10,413</i>	<i>2,128</i>
<b><u>RESOURCES SERVICES</u></b>				
Corporate Management	338,810	331,335	7,475	19,195
Non Distributed Costs	846,240	843,658	2,582	2,582
Apprenticeship Levy	320,000	314,622	5,378	5,559
Council Tax Collection	(1,333,860)	(1,424,706)	90,846	(64,151)
Council Tax Reduction Scheme	9,257,740	9,798,747	(541,007)	(627,383)
N.N.D.R. Collection	(107,040)	(110,257)	3,217	4,157
Grants and Subscriptions	57,270	57,270	0	0
Cross Cutting Budget	988,410	492,000	496,410	496,410
<i>Sub Total</i>	<i>10,367,570</i>	<i>10,302,668</i>	<i>64,902</i>	<i>(163,631)</i>
<b><u>CORPORATE CHARGES</u></b>				
Corporate Recharges	4,319,750	4,319,737	13	0
Senior Management Restructure	0	0	0	0
<i>Sub Total</i>	<i>4,319,750</i>	<i>4,319,737</i>	<i>13</i>	<i>0</i>
Covid-19 Related Expenditure	0		0	(147,712)
<b>CORPORATE SERVICES TOTAL EXPENDITURE</b>	<b>16,726,220</b>	<b>16,638,855</b>	<b>87,365</b>	<b>(223,284)</b>

## SOCIAL SERVICES PORTFOLIO

Item	Revised Estimate 2020/2021	Total Forecast Expenditure to March 2021	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Jun 20
	£	£	£	£
<b>SUMMARY</b>				
<b><u>SOCIAL SERVICES</u></b>				
Children's Services - Commissioning and Social Work	3,562,584	3,492,893	69,691	74,735
Looked After Children	6,920,102	7,156,837	(236,735)	(275,209)
Family Support Services	188,603	183,220	5,383	2,637
Youth Justice	232,922	228,118	4,804	9,702
Other Children's and Family Services	2,343,590	2,244,827	98,763	64,603
Older People Aged 65 or Over	5,710,020	5,617,393	92,627	123,786
Adults Aged Under 65 with a Physical Disability or Sensory Impairment	41,800	43,571	(1,771)	(1,771)
Adults Aged Under 65 with Learning Disabilities	3,687,899	3,621,258	66,641	74,385
Adults Aged Under 65 with Mental Health Needs	596,710	619,016	(22,306)	(12,540)
Other Adult Services	357,910	355,878	2,032	(2,260)
Community Care	15,723,813	15,736,331	(12,518)	(14,452)
Support Service and Management Costs	1,023,280	973,405	49,875	19,670
Corporate Recharges	4,962,770	4,962,772	(2)	(10)
Social Services COVID-19 Costs	0	1,473,709	(1,473,709)	(762,640)
<b>Sub Total</b>	<b>45,352,003</b>	<b>46,709,228</b>	<b>(1,357,225)</b>	<b>(699,364)</b>
Social Services Emergency Flood Costs	0	0	0	0
Covid-19 Related Expenditure	0	0	0	0
<b>Total Expenditure</b>	<b>45,352,003</b>	<b>46,709,228</b>	<b>(1,357,225)</b>	<b>(699,364)</b>

## EDUCATION PORTFOLIO

Item	Revised Estimate 2020/2021	Total Forecast Expenditure to March 2021	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Jun 20
	£	£	£	£
<b>SUMMARY</b>				
<b>SCHOOLS BUDGET</b>				
Individual Schools Budget	45,069,380	45,069,380	0	0
Education Improvement Grant	257,800	269,530	(11,730)	(9,174)
Other Costs	662,320	662,843	(523)	(567)
Supporting Special Education Needs	1,707,570	1,601,760	105,810	111,788
<i>Schools Budget Total Expenditure</i>	<u>47,697,070</u>	<u>47,603,513</u>	<u>93,557</u>	<u>102,047</u>
<b>LEA BUDGET</b>				
Strategic Management	2,282,620	2,247,456	35,164	8,817
Assuring Access to Schools	2,133,370	2,106,122	27,248	129,540
Facilitating School Improvement	419,760	399,647	20,113	12,006
Supporting Special Education Needs	337,940	260,679	77,261	63,101
<i>LEA Budget Total Expenditure</i>	<u>5,173,690</u>	<u>5,013,904</u>	<u>159,786</u>	<u>213,464</u>
<b>OTHER EDUCATION SERVICES</b>				
Further Education and Training	133,290	101,450	31,840	27,807
Youth Service	380,873	376,099	4,774	11,743
Other Expenditure	141,037	135,550	5,487	(3,453)
Education Departmental Budget	0	10,877	(10,877)	9,895
<i>Other Education Services Total Expenditure</i>	<u>655,200</u>	<u>623,976</u>	<u>31,224</u>	<u>45,992</u>
<b>CORPORATE CHARGES</b>				
Corporate Support Recharges	4,225,700	4,225,700	0	0
<i>Corporate Charges Total Expenditure</i>	<u>4,225,700</u>	<u>4,225,700</u>	<u>0</u>	<u>0</u>
Covid-19 Related Expenditure	0		0	(21,818)
<b>Total Expenditure</b>	<u><u>57,751,660</u></u>	<u><u>57,467,093</u></u>	<u><u>284,567</u></u>	<u><u>339,685</u></u>
 <b>LEISURE TRUSTS</b>				
<b>LEISURE TRUSTS</b>				
Leisure Trusts	3,215,660	3,232,688	(17,028)	(17,028)
<i>Sub Total</i>	<u>3,215,660</u>	<u>3,232,688</u>	<u>(17,028)</u>	<u>(17,028)</u>
<b>RETAINED SERVICES</b>				
Corporate Recharges	1,164,900	1,140,321	24,579	24,838
General Reserve Funding Re: Staff Support	0	0	0	0
<i>Sub Total</i>	<u>1,164,900</u>	<u>1,140,321</u>	<u>24,579</u>	<u>24,838</u>
<b>LEISURE TRUSTS TOTAL EXPENDITURE</b>	<u><u>4,380,560</u></u>	<u><u>4,373,009</u></u>	<u><u>7,551</u></u>	<u><u>7,810</u></u>

## ECONOMY PORTFOLIO

Item	Revised Estimate 2020/2021	Total Forecast Expenditure to March 2021	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Jun 20
	£	£	£	£
<b>SUMMARY</b>				
<b><u>DEPARTMENTAL SERVICES</u></b>				
Economic Strategy and Development - Departmental Budget	(1,240)	13,724	(14,964)	(14,000)
Estates Management - Rechargeable	0	8,751	(8,751)	524
<b>Sub Total</b>	<b>(1,240)</b>	<b>22,475</b>	<b>(23,715)</b>	<b>(13,476)</b>
<b><u>ECONOMY SERVICES</u></b>				
Affordable Housing	0	0	0	0
Aspire	0	0	0	0
Community Benefits Investment	0	0	0	0
CSCS	(10,000)	2,913	(12,913)	(12,909)
Destination Management	16,150	16,150	0	0
DRIVE	0	0	0	0
Financial Support to Business	4,140	4,140	0	0
General Offices	(75,762)	(75,508)	(254)	(18,129)
Industrial Land	6,946	(2,450)	9,396	0
Inspire	0	0	0	0
Nursery Units/Misc. Industrial Premises	(827,315)	(645,446)	(181,869)	(226,063)
Pentagon	0	0	0	0
Regeneration Projects	4,900	6,075	(1,175)	0
Resilient Project	0	0	0	0
Estates Management Non Rechargeable	(92,998)	(82,229)	(10,769)	(54,831)
<b>Sub Total</b>	<b>(973,939)</b>	<b>(776,355)</b>	<b>(197,584)</b>	<b>(311,932)</b>
Corporate Recharges	2,189,880	2,189,880	0	0
Funding from General Reserves	0	0	0	0
<b>Total Expenditure</b>	<b>1,214,701</b>	<b>1,436,000</b>	<b>(221,299)</b>	<b>(325,408)</b>



## ENVIRONMENT PORTFOLIO

Item	Revised Estimate 2020/2021	Total Forecast Expenditure to March 2021	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Jun 20
	£	£	£	£
<b>SUMMARY</b>				
<b><u>COMMUNITY SERVICES</u></b>				
<b><u>DEPARTMENTAL SERVICES</u></b>				
Environment Department - Corporate Division	0	(9,463)	9,463	26,363
Environmental Services Division	0	30,984	(30,984)	(73,128)
Technical Services - Engineering & Property Management	(6,386)	(6,386)	0	(96,000)
<b>Sub Total</b>	<b>(6,386)</b>	<b>15,135</b>	<b>(21,521)</b>	<b>(142,765)</b>
<b><u>WASTE SERVICES</u></b>				
Waste Services Team	0	0	0	0
<b>Sub Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>WASTE COLLECTION</u></b>				
Household and Trade Waste Collection	612,320	642,290	(29,970)	0
Recycling Collection	2,012,370	2,081,716	(69,346)	(93,484)
Bulky Waste Collection	(4,224)	(9,520)	5,296	(23,603)
<b>Sub Total</b>	<b>2,620,466</b>	<b>2,714,486</b>	<b>(94,020)</b>	<b>(117,087)</b>
<b><u>WASTE TRANSFER</u></b>				
Civic Amenity Sites	247,970	335,992	(88,022)	(29,386)
HWRC Roseheyworth	260,480	78,143	182,337	104,195
Transfer Station	569,370	603,878	(34,508)	(56,236)
<b>Sub Total</b>	<b>1,077,820</b>	<b>1,018,013</b>	<b>59,807</b>	<b>18,573</b>
<b><u>WASTE DISPOSAL</u></b>				
Disposal Of Waste	999,730	1,063,365	(63,635)	(126,971)
Recycling Disposal	18,294	218,386	(200,092)	(221,966)
Trade Waste Collection, Transfer & Disposal	(30,974)	2,669	(33,643)	(100,625)
<b>Sub Total</b>	<b>987,050</b>	<b>1,284,420</b>	<b>(297,370)</b>	<b>(449,562)</b>
<b><u>PUBLIC SERVICES</u></b>				
County Borough Cleansing	1,086,700	1,057,822	28,878	38,080
Cemeteries / Crematorium	(280,381)	(307,785)	27,404	125,856
Community Meals	0		0	0
Grounds Maintenance	942,857	959,857	(17,000)	(83,003)
Countryside Recreation Sites	34,690	32,608	2,082	2,082
General Entertainment	2,530	2,530	0	0
<b>Sub Total</b>	<b>1,786,396</b>	<b>1,745,032</b>	<b>41,364</b>	<b>83,015</b>
<b><u>FACILITIES MANAGEMENT</u></b>				
Corporate Landlord	1,235,205	1,292,741	(57,536)	(68,850)
Corporate Property	11,300	11,298	2	0
Building Cleaning	70,240	70,240	0	(244,608)
Catering Account	137,462	137,462	0	(215,804)
Appetite For Life	42,854	42,854	0	0
School Breakfast Club	384,010	371,825	12,185	12,185
<b>Sub Total</b>	<b>1,881,071</b>	<b>1,926,420</b>	<b>(45,349)</b>	<b>(517,077)</b>

## ENVIRONMENT PORTFOLIO

Item	Revised Estimate 2020/2021	Total Forecast Expenditure to March 2021	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Jun 20
	£	£	£	£
<b><u>HIGHWAYS &amp; ROADS SERVICES</u></b>				
Highways - Street Care Team	0	1,754	(1,754)	(1,399)
Non Operational Land	1,460	0	1,460	1,460
Licensing (Highway Permits)	(34,018)	(34,018)	0	(8,168)
Shopping Arcade, Abertillery	2,780	2,105	675	675
Road and Street Works Acts	(33,496)	(39,285)	5,789	0
Multi-Storey Car Parks	272,740	272,740	0	0
On Street Parking	1,100	1,100	0	0
Surface Car Parks	31,790	31,790	0	0
Public Transport Co-Ordination	910	910	0	0
Bridges	77,590	90,973	(13,383)	0
Structural Maintenance (Principal and Other Roads)	169,410	171,300	(1,890)	0
Environmental Maintenance (Principal and Other Roads)	19,440	19,440	0	0
Safety Maintenance (Principal and Other Roads)	71,596	71,453	143	0
Routine Repairs (Principal and Other Roads)	839,918	827,606	12,312	0
Street Lighting	1,193,090	1,193,090	0	0
Winter Maintenance	390,340	390,340	0	0
<b>Sub Total</b>	<b>3,004,650</b>	<b>3,001,298</b>	<b>3,352</b>	<b>(7,432)</b>
<b><u>TRANSPORT SERVICES</u></b>				
Traffic Orders	(16,024)	(16,024)	0	2,025
Highways Adoptions	(9,560)	(9,560)	0	0
Traffic / Accident Research	15,690	15,690	0	5,258
Traffic Management	6,760	6,760	0	1,276
Civil Parking Enforcement	0	0	0	5,396
Road Safety Education	18,340	18,340	0	0
Crossing Patrols	149,220	146,617	2,603	5,280
Concessionary fares and Support to Operators	281,060	281,060	0	0
Local Transport Plans	2,620	2,620	0	0
Home to School Transport	0	0	0	0
Transport and Heavy Plant	58,850	58,850	0	0
<b>Sub Total</b>	<b>506,956</b>	<b>504,353</b>	<b>2,603</b>	<b>19,235</b>
<b><u>CULTURAL &amp; ENVIRONMENTAL SERVICES</u></b>				
General Administration and Markets	(23,870)	(23,870)	0	(14,348)
Countryside Programme and Management	1,990	1,990	0	0
Landscaping and Afforestation	20,470	20,470	0	0
Reservoirs, Tips, Quarries and Mines	10,130	10,130	0	0
Flood Defence And Land Drainage	55,380	55,380	0	0
ENRaW	0	0	0	0
City Deal	62,700	62,700	0	0
<b>Sub Total</b>	<b>126,800</b>	<b>126,800</b>	<b>0</b>	<b>(14,348)</b>
<b>COMMUNITY SERVICES TOTAL EXPENDITURE</b>	<b>11,984,823</b>	<b>12,335,957</b>	<b>(351,134)</b>	<b>(1,127,448)</b>

## ENVIRONMENT PORTFOLIO

Item	Revised Estimate 2020/2021	Total Forecast Expenditure to March 2021	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Jun 20
	£	£	£	£
<b><u>PUBLIC PROTECTION</u></b>				
<b><u>DEPARTMENTAL SERVICES</u></b>				
Environmental Health	8,000	97,044	(89,044)	(66,642)
<i>Sub Total</i>	<u>8,000</u>	<u>97,044</u>	<u>(89,044)</u>	<u>(66,642)</u>
<b><u>CARAVAN SITES</u></b>				
Cwmcraehen Caravan Site	(54,735)	(31,262)	(23,473)	(25,079)
<i>Sub Total</i>	<u>(54,735)</u>	<u>(31,262)</u>	<u>(23,473)</u>	<u>(25,079)</u>
<b><u>ENVIRONMENTAL HEALTH</u></b>				
Food Safety	6,311	8,359	(2,048)	(3,783)
Control of Pollution	9,717	13,180	(3,463)	4,376
Dog Wardens	1,512	2,630	(1,118)	(1,304)
Animal Health and Welfare	23,358	20,000	3,358	3,360
Pest Control	62,000	62,509	(509)	(8,000)
Littering and Dog Control Orders	0	2,744	(2,744)	(2,744)
Health and Safety at Work (Commercial Prem.)	1,514	1,255	259	(81)
<i>Sub Total</i>	<u>104,412</u>	<u>110,678</u>	<u>(6,266)</u>	<u>(8,176)</u>
<b><u>HOUSING SERVICES</u></b>				
Homelessness	244,683	164,832	79,851	63,434
20 Church Street	12,311	14,129	(1,818)	(1,206)
General Properties	(8,164)	(7,416)	(748)	(594)
Housing Access	64,167	46,290	17,877	17,944
Works in Default	17	4,187	(4,170)	(4,167)
Disabled Facilities Grants	1,040	863	177	177
<i>Sub Total</i>	<u>314,054</u>	<u>222,885</u>	<u>91,169</u>	<u>75,588</u>
<b><u>TRADING STANDARDS</u></b>				
Trading Standards	(18,000)	(26,311)	8,310	6,646
Inspection and Enforcement	4,388	3,230	1,158	1,160
<i>Sub Total</i>	<u>(13,612)</u>	<u>(23,080)</u>	<u>9,468</u>	<u>7,806</u>
<b>PUBLIC PROTECTION TOTAL EXPENDITURE</b>	<u><u>358,119</u></u>	<u><u>376,265</u></u>	<u><u>(18,146)</u></u>	<u><u>(16,503)</u></u>

## ENVIRONMENT PORTFOLIO

Item	Revised Estimate 2020/2021	Total Forecast Expenditure to March 2021	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Jun 20
	£	£	£	£
<b><u>CORPORATE CHARGES</u></b>				
Fire Service	3,405,680	3,405,680	0	0
Coroner's Court	120,830	120,830	0	0
Corporate Recharges	9,662,500	9,662,631	(131)	0
Procurement Saving	0		0	0
Prudential Borrowing	0		0	0
Flood Costs	0	32,845	(32,845)	(5,515)
Income Generation	0	0	0	(52,750)
<b>CORPORATE CHARGES TOTAL EXPENDITURE</b>	<b><u>13,189,010</u></b>	<b><u>13,221,986</u></b>	<b><u>(32,976)</u></b>	<b><u>(58,265)</u></b>
Covid-19 Related Expenditure	0	1,701,174	(1,701,174)	(1,040,693)
<b>TOTAL EXPENDITURE</b>	<b><u>25,531,952</u></b>	<b><u>27,635,382</u></b>	<b><u>(2,103,430)</u></b>	<b><u>(2,242,909)</u></b>

## PLANNING COMMITTEE AND LICENSING COMMITTEE

Item	Revised Estimate 2020/2021	Total Forecast Expenditure to March 2021	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at Jun 20
	£	£	£	£
<b>PLANNING COMMITTEE SUMMARY</b>				
<b><u>BUILDING CONTROL</u></b>				
<b><u>DEPARTMENTAL SERVICES</u></b>				
Building Control	0	0	0	0
<b><u>BUILDING CONTROL SERVICES</u></b>				
Building Regulations	3,140	3,140	0	0
Dangerous Structures	22,200	18,018	4,182	4,149
<i>Building Control Total Expenditure</i>	<u>25,340</u>	<u>21,158</u>	<u>4,182</u>	<u>4,149</u>
<b><u>DEVELOPMENT MANAGEMENT</u></b>				
<b><u>DEPARTMENTAL SERVICES</u></b>				
Development Management	0	(12,641)	12,641	12,641
<b><u>DEVELOPMENT MANAGEMENT SERVICES</u></b>				
Dealing with Applications	(202,740)	(171,447)	(31,293)	(31,293)
Planning Appeals	3,190	3,193	(3)	0
Enforcement	(30)	3	(33)	(30)
<i>Development Management Total Expenditure</i>	<u>(199,580)</u>	<u>(180,892)</u>	<u>(18,688)</u>	<u>(18,682)</u>
<b><u>DEVELOPMENT PLANS</u></b>				
<b><u>DEPARTMENTAL SERVICES</u></b>				
Development Plans	0	(59)	59	0
<b><u>DEVELOPMENT PLANS SERVICES</u></b>				
Development Plans	34,080	34,080	0	0
<i>Development Plans Total Expenditure</i>	<u>34,080</u>	<u>34,021</u>	<u>59</u>	<u>0</u>
Corporate Recharges	1,257,740	1,257,740	0	0
Funding from General Reserves	0	0	0	0
Covid-19 Related Expenditure	0	0	0	0
<b>Planning Committee Total Expenditure</b>	<u><u>1,117,580</u></u>	<u><u>1,132,027</u></u>	<u><u>(14,447)</u></u>	<u><u>(14,533)</u></u>
<b>LICENSING COMMITTEE SUMMARY</b>				
Licensing	33,360	59,779	(26,419)	(25,904)
Internal Recharges	37,010	37,010	0	0
Funding from General Reserves	0	0	0	0
Covid-19 Related Expenditure	0	0	0	0
<b>Licensing Committee Total Expenditure</b>	<u><u>70,370</u></u>	<u><u>96,789</u></u>	<u><u>(26,419)</u></u>	<u><u>(25,904)</u></u>

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## Fees and Charges Forecast 2020/2021 (As at September 2020)

Portfolio	Service	Description of Income	Income Source	Revised Estimate 2020/2021	Forecast	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at June 2020
				£	£	£	£
<b>Fees &amp; Charges</b>							
Corporate Services	Communications	Advertising	Fees & Charges	19,910	1,400	(18,510)	(19,010)
Corporate Services	Business Support	External Printing and photocopying charges.	Fees & Charges	8,000	2,036	(5,964)	(4,238)
Corporate Services	Legal Fees	Legal Charges	Fees & Charges	14,330	3,067	(11,263)	(12,440)
Corporate Services	Corporate Support	Land Charges	Fixed - Set Locally	32,150	23,456	(8,694)	(5,631)
Economy	General Offices	Rental Income	Fees & Charges	64,969	55,977	(8,992)	(14,499)
Economy	Departmental	Reimbursement of staff costs and receipts for external works	SLA	66,494	33,468	(33,026)	19,073
Environment	Household and Trade Waste Collection		Fees & Charges	0	0	0	0
Environment	Recycling Collection	Recycling Collection & Disposal Income - Commercial Customers	Fees & Charges	0	0	0	0
Environment	Trade Waste	Trade Waste Collection & Disposal Income - Commercial Customers	Fees & Charges	140,593	132,392	(8,201)	(130,624)
Environment	Bulky Waste Collection	Bulky Waste Collection	Fees & Charges	71,687	75,522	3,835	(23,281)
Environment	Recycling Disposal	Sale of Recyclate Materials	Fees & Charges	629,721	418,377	(211,344)	(272,605)
Environment	County Borough Cleansing	C&CR - External Cleansing Works	Fees & Charges	210	0	(210)	(210)
Environment	Cemeteries / Crematorium	Burial Fees	Fees & Charges	495,080	457,772	(37,308)	101,690
Environment	Cemeteries / Crematorium	General Properties	Fees & Charges	2,630	3,000	370	420
Social Services	Meals On Wheels	Sale of Meals	Fees & Charges	175,280	175,974	694	(29,244)
Environment	Grounds Maintenance	Income from Letting of Playing Fields, Ground Rent & Way Leaves	Fees & Charges	59,901	66,372	6,471	22,762
Environment	General Properties	Rental Income	Fees & Charges	8,015	7,416	(599)	(599)
Environment	Cwmcrachen Caravan Site	Rental	Fees & Charges	113,947	109,984	(3,963)	(10,808)
Environment	Dog Wardens	Byelaw Enforcement Fees	Fees & Charges	5,665	895	(4,770)	(5,171)
Environment	Corporate Landlord	Civic Centre - Rental of Land	Miscellaneous	797	693	(104)	(104)
Environment	School Catering Service	Sale of Meals		814,091	829,434	15,343	330
Financial Management and Strategy	Accountancy Division	Administration charges for administering Appointeeships	Fees & Charges	26,030	14,583	(11,447)	(11,405)
Infrastructure	Technical Services - Engineering & Property Management	Reimbursement of staff costs and receipts for external works	Fees & Charges	410,724	476,479	65,755	36,589
Infrastructure	FEP - Increase in Income	Fees	Fees & Charges	0	0	0	(52,750)
Infrastructure	Licensing (Highway Permits)	Skips & Scaffolding Permits	Fees & Charges	34,173	34,173	0	(8,167)
Infrastructure	General Administration and Markets	Rental income	Fees & Charges	23,870	23,870	0	(14,348)
Infrastructure	Traffic Orders	Income from contractors, Welsh Water etc. for road works	Fees & Charges	24,324	24,324	0	0
Infrastructure	Road and Street Works Acts	Inspection fees, section 74's, FPN, coring, Dropped kerbs etc.	Fees & Charges	69,046	95,867	26,821	0
Infrastructure	Highways Adoptions	Highway Searches	Fees & Charges	9,563	9,563	0	0
Infrastructure	Multi-storey Carparks	Charge to Coleg Gwent	Fees & Charges	30,000	30,000	0	0
Infrastructure	Civil Parking Enforcement	FPN's	Fees & Charges	105,000	96,000	(9,000)	(8,000)
Infrastructure	Public Transport Co-Ordination	Charge to bus companies for use of Brynmawr Bus Station	Fees & Charges	234	234	0	0
Licensing	Hackney Carriages	Licence Fees	Fees & Charges	78,030	48,995	(29,035)	(30,649)
Licensing	Private Hire Vehicles	Licence Fees	Fees & Charges	1,830	183	(1,647)	(1,591)
Licensing	Scrap Metal	Sale of Scrap Metal	Fees & Charges	600	424	(176)	(161)
Planning	Enforcement	Enforcement Fees	Fees & Charges	610	0	(610)	(610)
Planning	Development Plans	Heritage Officer Income	Fees & Charges	0	0	0	0
Social Services	Other Children's and Family Services	Training Fees (Early Years tied in with expenditure which is set	Fees & Charges	0	0	0	0
Social Services	Older People aged 65 or over	Fees & Charges in respect of Care (Cwrt Mytton, Home Care, Extra Care & Joint Day Care Unit)	Fees & Charges	588,720	534,608	(54,112)	(58,501)
Social Services	Adults aged under 65 with Learning Disabilities	Fees & Charges in respect of Care (Augusta, Supported Living Bungalows & Community Options)	Fees & Charges	337,580	141,528	(196,052)	(165,005)
Social Services	Adults aged under 65 with Mental Health Needs	Fees & Charges in respect of Care (Vision House & Ysbyty'r Tri Chwm)	Fees & Charges	24,920	1,674	(23,246)	(20,307)
Social Services	Support Service and Management Costs	Fees & Charges in respect of Piper Alarms (IAA)	Fees & Charges	0	0	0	0
		<b>Sub - Total</b>		<b>4,488,724</b>	<b>3,929,740</b>	<b>(558,984)</b>	<b>(719,094)</b>

## Fees and Charges Forecast 2020/2021 (As at September 2020)

Portfolio	Service	Description of Income	Income Source	Revised Estimate 2020/2021	Forecast	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at June 2020
				£	£	£	£
<b>Fees &amp; Charges - Set Nationally</b>							
Corporate Services	Registration of Births, Marriages and Deaths	Registration of Births, Marriages and Deaths	Fixed - Set Nationally	94,770	49,328	(45,442)	(69,770)
Environment	Food Safety	Hygiene ratings & Health Certificates	Fixed - Set Nationally	2,040	5,320	3,280	3,280
Environment	Control of Pollution	Environmental Permits	Fixed - Set Nationally	16,563	9,855	(6,708)	1,080
Environment	Health and Safety at Work (Commercial Prem.)	Petroleum + Tattoo Licences	Fixed - Set Nationally	0	586	586	250
Environment	Trading Standards	Explosives Licences	Fixed - Set Nationally	776	735	(41)	(41)
Licensing	Licence Fees	Various (Gambling, Premises/ Clubs & Street Trading)	Fixed - Set Nationally	57,900	56,837	(1,063)	1,239
Planning	Dealing with Applications	Planning Application Fees	Fees & Charges	213,360	176,588	(36,772)	(102,495)
Planning	Building Regulations	Building Regulation Fees	Fixed - Set Nationally	95,620	95,620	0	0
Social Services	Older People aged 65 or over	CHC Income (Home Care)	Fixed - Set Nationally	0	70,403	70,403	70,403
Social Services	Adults aged under 65 with Learning Disabilities	CHC Income (Augusta House; Supported Living Bungalows; Community Options)	Fixed - Set Nationally	50,000	29,982	(20,018)	40,952
Social Services	Community Care	Fees & Charges in respect of Care	Fixed - Set Nationally	3,412,830	3,204,205	(208,625)	(270,905)
Social Services	Older People aged 65 or over	Sale of Property (Cwrt Mytton)	Fixed - Set Nationally	0	16,886	16,886	0
Social Services	Community Care	Sale of Property	Fixed - Set Nationally	292,340	292,340	0	0
Social Services	Community Care	CHC Income	Fixed - Set Nationally	391,000	12,344	(378,656)	0
Social Services	Support Service and Management Costs	CHC Income (Adult Service Managers)	Fixed - Set Nationally	0	0	0	0
		<b>Sub - Total</b>		<b>4,627,199</b>	<b>4,021,029</b>	<b>(606,170)</b>	<b>(326,007)</b>
<b>Fees &amp; Charges - In Line with Local Agreements</b>							
Economy	Industrial Land	Ground rent and commercial bookings	Fixed - Set Locally	2,824	2,824	0	0
Economy	Nursery Units/Misc. Industrial Premises	Rental income for industrial units	Fixed - Set Locally	841,195	659,653	(181,542)	(225,763)
Economy	Estates - Non Rechargeable	Ground Rent	Fixed - Set Locally	143,358	117,734	(25,624)	(66,433)
Economy	Financial Support to Business	Ground rent and commercial bookings	Fixed - Set Locally	2,650	2,650	0	0
Economy	CSCS	Charges for Construction Skills Certificates	Fixed - Set Locally	10,000	3,272	(6,728)	(6,728)
Environment	Corporate Landlord	Little Stars Nursery - Rent (Recovery of costs)	Miscellaneous	8,496	12,464	3,968	4,443
Education	Inter Authority Recoupment	Charges to other Local Authorities for SEN placements within Blaenau Gwent Schools	Fixed - Set Locally	631,370	756,069	124,699	204,452
		<b>Sub - Total</b>		<b>1,639,893</b>	<b>1,554,666</b>	<b>(85,227)</b>	<b>(90,029)</b>
		<b>Total - Fees &amp; Charges</b>		<b>10,755,816</b>	<b>9,505,435</b>	<b>(1,250,381)</b>	<b>(1,135,129)</b>
<b>SLA</b>							
Aneurin Leisure Trust	SLA Income	Provision of Support Services	SLA	243,600	243,600	0	0
Environment	Grounds Maintenance	SLA	SLA	189,220	168,847	(20,373)	(144,762)
Environment	Building Maintenance	SLA	SLA				
Financial Management and Strategy	Accountancy Division	Support Services SLA with Schools	SLA	178,270	178,270	0	0
Corporate Services	Organisational Development, Payroll & Health & Safety	Support Services SLA with Schools	SLA	307,210	307,210	0	0
Corporate Services	Legal Fees & GDPR	Support Services SLA with Schools	SLA	40,350	40,350	0	0
Corporate Services	Communications	Support Services SLA with Schools	SLA	3,130	3,130	0	0
Corporate Services	Performance (SIMS Support)	Support Services SLA with Schools	SLA	74,260	74,260	0	0
Corporate Services	Business Support (Courier)	Support Services SLA with Schools	SLA	5,550	5,550	0	0
Financial Management and Strategy	Creditors Division	Support Services SLA with Schools	SLA	6,230	6,230	0	0
Corporate Services	ICT	Support Services SLA with Schools	SLA	0	0	0	0
Environment	School Catering	SLA with Schools (excludes Corporate Landlord)	SLA	1,089,772	1,089,772	0	(90,000)
Environment	Cleaning Services	SLA with Schools	SLA	1,069,989	1,069,989	0	(270,000)
Infrastructure	CPM - Schools Biodiversity SLA	SLA with Schools	SLA	14,000	14,000	0	0
Infrastructure	Winter Maintenance	SLA with LA's for salt Storage	SLA	13,000	13,000	0	0
		<b>Sub - Total</b>		<b>3,234,581</b>	<b>3,214,208</b>	<b>(20,373)</b>	<b>(504,762)</b>



## Fees and Charges Forecast 2020/2021 (As at September 2020)

Portfolio	Service	Description of Income	Income Source	Revised Estimate 2020/2021	Forecast	Variance Favourable / (Adverse)	Variance Favourable / (Adverse) as at June 2020
				£	£	£	£
<b>Court Fees/Fixed Penalty Notices/Fines</b>							
Corporate Services	Corporate Services and Strategy	Legal income and land charges. Advertising.	Court Fees/FPN/Fines/Legal	10,000	12,873	2,873	(1,686)
Education	Welfare Service	Fixed Penalty Notices	Court Fees/FPN/Fines/Legal	2,110	2,110	0	0
Environment	Littering and Dog Control Orders	Income in relation to FPNs	Court Fees/FPN/Fines/Legal	128,765	5,560	(123,205)	(92,755)
Corporate Services	Payroll Division	Attachment Orders	Court Fees/FPN/Fines/Legal	1,020	610	(410)	(478)
Financial Management and Strategy	Council Tax Collection	Court Costs	Court Fees/FPN/Fines/Legal	162,680	151,286	(11,394)	(11,394)
Financial Management and Strategy	NNDR	Court Costs	Court Fees/FPN/Fines/Legal	1,800	1,800	0	158
Corporate Services	Housing Benefits Account	Admin Penalties	Court Fees/FPN/Fines/Legal	25,000	25,000	0	0
		<b>Sub - Total</b>		<b>331,375</b>	<b>199,239</b>	<b>(132,136)</b>	<b>(106,155)</b>
<b>Consortium Arrangements</b>							
Economy	General Offices	Annual Service & Rental Charge to Torfaen CBC in relation to Archives	Consortium Arrangements	76,438	85,021	8,583	8,584
Environment	Disposal Of Waste	Contribution from SVWS	Consortium Arrangements	110,000	110,000	0	0
Environment	Cemeteries / Crematorium	Crematorium Income - Reallocation of surplus at year end	Consortium Arrangements	131,925	167,114	35,189	1,766
Environment	20 Church Street	Housing Advice Centre Contribution	Consortium Arrangements	11,975	20,400	8,425	8,425
Environment	Housing Access	Income from Housing Associations in relation to Administration of the Common Housing Register	Consortium Arrangements	95,564	108,086	12,522	12,458
Environment	Environmental Health	Public Protection Collaboration with Torfaen CC	Consortium Arrangements	0	0	0	0
		<b>Sub - Total</b>		<b>425,902</b>	<b>490,621</b>	<b>64,719</b>	<b>31,233</b>
<b>Miscellaneous</b>							
Education	Supporting Special Educational Needs	Internal Income - Recovery of pupil lead funding from schools.	Internal Income	50,000	50,000	0	0
Corporate Services	Corporate Procurement Division	Rebates - Energy & Randstad	Miscellaneous	95,700	92,410	(3,290)	6,300
Corporate Services	Corporate Procurement Division	Purchase Card Income	Miscellaneous	5,140	13,299	8,159	(140)
Infrastructure	L&A - Invasive Weeds	Contribution from Caerphilly for Treatment of Knotweed	Miscellaneous	10,000	10,000	0	0
		<b>Sub - Total</b>		<b>160,840</b>	<b>165,709</b>	<b>4,869</b>	<b>6,160</b>
		<b>TOTAL</b>		<b>14,908,514</b>	<b>13,575,212</b>	<b>(1,333,302)</b>	<b>(1,708,653)</b>

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## Action Plan

### Corporate Services 2020/21 Forecast Adverse Variances (as at 30 September 2020)

Appendix 4a

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	Action Required & Timescale	Financial Impact  £	Responsible Officer
IT Service		(160,000)	<p><b><u>Reason for Adverse variance</u></b></p> <ul style="list-style-type: none"> <li>• In the original IT Collaboration Business Plan, £100,000 income was built into the budget to be funded from reserves, with the view that future savings, due to merging of software systems, would produce savings and therefore reduce the need of reserve funding.</li> <li>• These savings have not yet been achieved, as the Software Contracts are still Blaenau Gwent's responsibility.</li> <li>• The increasing cost of the SRS Management Fee, since its start, has also increased this cost pressure of £4,000 and £29,000 which has been shown on the PSBA income line.</li> <li>• The Information Security service provided by Gwent Police has also increased over the years by £10,000.</li> <li>• Also, Gwent Archives now have a direct SLA with the SRS £17,000.</li> </ul> <p><b><u>Actions</u></b></p> <ul style="list-style-type: none"> <li>• All IT contracts are now reviewed and re-negotiated through the Procurement team, to ensure that the best terms and conditions are achieved.</li> <li>• Following the deployment of Office 365, opportunities to scale back the number of systems operating across the council, are being explored, to reduce costs.</li> </ul>	Unknown	Anne-Louise Clark

## Action Plan

### Corporate Services 2020/21 Forecast Adverse Variances (as at 30 September 2020)

Appendix 4a

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	Action Required & Timescale	Financial Impact  £	Responsible Officer
			<p><b><u>Updates</u></b></p> <ul style="list-style-type: none"> <li>• Holding £84,000 refund from SRS, however, this may be required for the Data Centre move.</li> <li>• Will be considering options to reduce software expenditure, due to Office 365 upgrade.</li> <li>• Working with SRS to review and suspend contracts, I.e. telephony costs.</li> <li>• Cannot mitigate the management fee increase over and above set estimates.</li> <li>• Cannot mitigate Information Security officer.</li> <li>• Cannot mitigate PSBA income line.</li> <li>• Seeking refund for Gwent Archives, due to SLA not being direct with the SRS.</li> </ul>		
<p><b>Registration of Births, Marriages and Deaths</b></p>	<p>(64,742)</p>	<p>(40,798)</p>	<p><b><u>Reason for Adverse variance</u></b></p> <ul style="list-style-type: none"> <li>• Reduced income, due to Covid-19 pandemic (e.g. restrictions on wedding ceremonies)</li> </ul> <p><b><u>Actions</u></b></p> <ul style="list-style-type: none"> <li>• Loss of income formed part of the quarter 1 claim to WG for financial support. In addition, The Registrar Service is working to clear the backlog of registration services which could have a positive impact on the forecast level of income by the year end.</li> </ul>	<p>Unknown</p>	<p>Andrea Jones</p>

## Action Plan

### Corporate Services 2020/21 Forecast Adverse Variances (as at 30 September 2020)

Appendix 4a

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	Action Required & Timescale	Financial Impact  £	Responsible Officer
			<p><b><u>Updates</u></b></p> <ul style="list-style-type: none"> <li>• Quarter 2 has seen a slight improvement in income following the easing of the lockdown. It has been assumed that this level of income will continue for the rest of the financial year however, it could be dependent upon further lockdowns being enforced.</li> <li>• Funding from WG regarding loss of income due to Covid-19 has been received. This equates to 50% of our initial claim as it is assumed that income will improve throughout the year. This will be reviewed towards the end of the financial year.</li> </ul>	3,960	
<p><b>Council Tax Reduction Scheme</b></p>	(627,383)	(541,007)	<p><b><u>Reason for Adverse variance</u></b></p> <ul style="list-style-type: none"> <li>• This is due to an increase in the number of claimants following the Covid-19 pandemic. It has been assumed that the increased level of claimants will continue for the remainder of the financial year. New claims processed in Quarter 1 of 2020, compared to the same period in 2019, have increased by 911 (an increase of 158%).</li> </ul> <p><b><u>Actions</u></b></p> <ul style="list-style-type: none"> <li>• The WLGA, on behalf of all LA's, has collated the CTRS cost pressure across Wales and information has been</li> </ul>	Unknown	Rhian Hayden

## Action Plan

### Corporate Services 2020/21 Forecast Adverse Variances (as at 30 September 2020)

#### Appendix 4a

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	Action Required & Timescale	Financial Impact  £	Responsible Officer
			<p>submitted to WG officials, with a view to it being considered by Ministers in the “Star Chamber”. It is hoped that WG will consider providing additional funding to address this pressure.</p> <p><b>Updates</b></p> <ul style="list-style-type: none"> <li>• New claims processed in Quarter 2 of 2020, compared to the same period in 2019, are consistent indicating that the cost pressure will not worsen. This however could be dependent upon further lockdowns being enforced.</li> <li>• £87,000 income has now been received from WG in respect of Quarter 1.</li> </ul>	87,000	

## Action Plan

### Social Services

#### 2020/21 Forecast Adverse Variances (as at 30 September 2020)

Appendix 4b

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

## Action Plan

### Economy

#### 2020/21 Forecast Adverse Variances (as at 30 September 2020)

Appendix 4c

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	Action Required & Timescale	Financial Impact  £	Responsible Officer
<b>General Offices</b>	(18,132)	(254)	<p><b><u>Reason for Adverse variance</u></b></p> <ul style="list-style-type: none"> <li>• Covid 19, which resulted in the GO being closed to the general public, has had a detrimental effect on conference and meeting room facilities (including refreshments and equipment hire).</li> </ul> <p><b><u>Actions</u></b></p> <ul style="list-style-type: none"> <li>• A claim for loss of income to Welsh Government has been submitted</li> <li>• Re-open the facility to business users and tenants.</li> <li>• Consider diversifying from meeting rooms to office rentals.</li> <li>• Review BGCBC staff office and consider making available as offices to let to businesses.</li> <li>• Future proof the building and adopt new technology for Microsoft Team Meetings, as the video conferencing will have a huge effect on our industry, so we need to embrace it.</li> <li>• Introduce a registered business address for a fee.</li> <li>• Engage with academia (Coleg Gwent), to consider lecture theatre i.e. cinema.</li> </ul>		



## Action Plan

### Economy

#### 2020/21 Forecast Adverse Variances (as at 30 September 2020)

Appendix 4c

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	Action Required & Timescale	Financial Impact  £	Responsible Officer
			<p><b><u>Update:</u></b></p> <ul style="list-style-type: none"> <li>• Loss of income funding has been received from Welsh Government which has contributed towards the improved financial position.</li> </ul>	8,500	
<b>Nursery Units</b>	(226,063)	(181,869)	<p><b><u>Reason for Adverse variance</u></b></p> <ul style="list-style-type: none"> <li>• a delay to the refurbishment/investment to improve attractiveness to incoming and existing tenants as a result of Covid-19</li> <li>• 1 month rental holiday in April given to all businesses within the Units</li> <li>• Covid 19, detrimental effect to the worldwide/local economy. Business start-ups, expansions (including business relocations) on hold. Business community in hibernation mode.</li> <li>• Business Tenant Support Scheme introduced to support SME's within the portfolio i.e. April rent free period and rental holidays.</li> </ul> <p><b><u>Actions</u></b></p> <ul style="list-style-type: none"> <li>• Business Rates and Business Innovation Team at BGCBC, worked extremely hard to support business tenants with Covid 19 grants schemes.</li> </ul>		

## Action Plan

### Economy

#### 2020/21 Forecast Adverse Variances (as at 30 September 2020)

Appendix 4c

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	Action Required & Timescale	Financial Impact  £	Responsible Officer
			<ul style="list-style-type: none"> <li>• Refurbishment scheme underway at Roseheyworth Business Park to focus on constrained business, which will result in further revenue potential.</li> <li>• An exercise to re-value the rentals and potential yield investments.</li> <li>• Secure marketing budget, to Increase marketing awareness to attract new customers i.e. rightmove.co.uk</li> <li>• Re-gear existing leases and offer financial incentives for new tenants.</li> <li>• Exploring options to secure external funding for further refurbishment schemes (WG) i.e. Phase 2 – Roseheyworth Business Park.</li> <li>• Investment plan to review and secure funding for wider refurbishment scheme across the portfolio.</li> </ul> <p><b><u>Update:</u></b></p> <ul style="list-style-type: none"> <li>• Loss of income funding has been received from Welsh Government which has contributed towards the improved financial position.</li> </ul>	57,890	

## Action Plan

### Economy

#### 2020/21 Forecast Adverse Variances (as at 30 September 2020)

Appendix 4c

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	Action Required & Timescale	Financial Impact  £	Responsible Officer
<b>Estate Management Non Rechargeable</b>	(54,831)	(10,769)	<p><b><u>Reason for Adverse variance</u></b></p> <ul style="list-style-type: none"> <li>• Review of non-operational -assets under Bridging the Gap delayed due to staff redeployment on Covid-19 workstreams and suspension of recruitment within the Council</li> </ul> <p><b><u>Actions</u></b></p> <ul style="list-style-type: none"> <li>• Recruitment commenced</li> <li>• Reduction of expenditure could help but large items of maintenance could limit possibilities</li> </ul> <p><b><u>Update:</u></b></p> <ul style="list-style-type: none"> <li>• Loss of income funding has been received from Welsh Government which has contributed towards the improved financial position.</li> </ul>	25,540	

## Action Plan

### Environment

#### 2020/21 Forecast Adverse Variances (as at 30 September 2020)

#### Appendix 4d

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	Action Required & Timescale	Financial Impact  £	Responsible Officer
<b>Technical Services</b>	(96,000)	0	<p><b><u>Reason for Adverse variance</u></b></p> <ul style="list-style-type: none"> <li>• Anticipated loss of income as a result of COVID-19.</li> </ul> <p><b><u>Actions</u></b></p> <ul style="list-style-type: none"> <li>• Loss of income to potentially be met by way of Covid-19 grant funding from WG in 20/21.</li> </ul> <p><b><u>Updates</u></b></p> <ul style="list-style-type: none"> <li>• Income received from Hardship fund has improved the financial position from quarter 1</li> </ul>	93,920	C Rogers / M Price
<b>Waste Services</b>	(548,076)	(331,583)	<p><b><u>Reason for Adverse variance</u></b></p> <ul style="list-style-type: none"> <li>• Additional cost of 2 Wardens with no budget</li> <li>• An increase in residual waste tonnages during the lockdown period, offset partly by the WG Hardship Fund.</li> <li>• There is a decrease in recycle income of £90k compared to 19/20. This is due to fluctuations in the market prices and a general downturn. Only the decrease in income from the plastics, cardboard and textiles market has been directly affected by Covid, and hardship funding has been built in to offset this.</li> <li>• Also, an additional savings target was built in of £90k based on Consultants analysis, assuming this would be achieved as a result of the opening of the New HWRC.</li> </ul>		C Rogers / M Stent

## Action Plan

### Environment

#### 2020/21 Forecast Adverse Variances (as at 30 September 2020)

Appendix 4d

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	Action Required & Timescale	Financial Impact  £	Responsible Officer
			<p>However, this has not been achieved partly due to the delay in opening.</p> <ul style="list-style-type: none"> <li>• An increase in green waste recycling costs - £40,000 mainly as a result of the contractor closing for business which resulted in BG having to implement a contingency arrangement at short notice which has been costly. There is now a new contract in place. The increased tonnage collected during first lock down has been partly been offset by the hardship fund.</li> <li>• New Commercial Waste Service was suspended due to covid-19. The loss of income for the period April 2020 to June 2020 has been offset by the WG Hardship Fund. The budget is being reviewed.</li> </ul> <p><b><u>Actions</u></b></p> <ul style="list-style-type: none"> <li>• Increased costs to be potentially met by way of Covid 19 grant funding from WG in 20/21.</li> <li>• Commencing side waste enforcement from July 2020, which will reduce residual waste charges. Currently due to easement of side waste, the cost to the authority is approx. £18,000 per month. This figure will reduce as restrictions on black bags commence borough-wide.</li> </ul>		

## Action Plan

### Environment

#### 2020/21 Forecast Adverse Variances (as at 30 September 2020)

#### Appendix 4d

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	Action Required & Timescale	Financial Impact  £	Responsible Officer
			<ul style="list-style-type: none"> <li>• Capital bids have been accepted by Welsh Government for receptacles. This will contribute £80,000 towards the revenue budget.</li> <li>• The delay in the opening of the new HWRC has contributed positively to the revenue budget.</li> </ul> <p><b><u>Update:</u></b></p> <ul style="list-style-type: none"> <li>• Income received from Hardship fund has improved the financial position from quarter 1 relating to loss of income (£88,00) and increased disposal costs (£48,810) for April to August 2020.</li> </ul>	136,810	
<b>Grounds Maintenance</b>	(83,003)	(17,000)	<p><b><u>Reason for Adverse variance</u></b></p> <ul style="list-style-type: none"> <li>• This includes an overspend on Premises expenditure, which could be in relation to CATS. This budget is currently being reviewed.</li> </ul> <p><b><u>Update:</u></b></p> <ul style="list-style-type: none"> <li>• Income received from Hardship fund has improved the financial position from quarter 1</li> <li>• Full year SLA costs charged to the schools.</li> </ul>	39,000	C Rogers/ D Watkins

## Action Plan

### Environment

#### 2020/21 Forecast Adverse Variances (as at 30 September 2020)

#### Appendix 4d

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	Action Required & Timescale	Financial Impact  £	Responsible Officer
<b>Corporate Landlord</b>	(68,850)	(57,536)	<p><b><u>Reason for Adverse variance</u></b></p> <p>Forecast overspend due to Social Services Buildings £41,000 and Non Operational and CATs buildings £16,000.</p> <p>There is £40,600 of rates expenditure due to Non Operational buildings, which includes £20,000 for the Business Resource Centre, which has now been disposed of. Need to release Non-Operational buildings, as these still have on-going residual costs to the authority.</p> <p><b><u>Actions</u></b></p> <ul style="list-style-type: none"> <li>• Minimise and monitor expenditure on all non-essential maintenance buildings.</li> </ul>		C Rogers / M Price
<b>Building Cleaning</b>	(244,608)	0	<p><b><u>Reason for Adverse variance</u></b></p> <ul style="list-style-type: none"> <li>• Potential reduction in schools SLA due to school's closure as a result of Covid 19</li> </ul> <p><b><u>Actions</u></b></p> <ul style="list-style-type: none"> <li>• Loss of income to be potentially met by way of Covid 19 grant funding from WG in 20/21.</li> </ul>		C Rogers / M Price

## Action Plan

### Environment

#### 2020/21 Forecast Adverse Variances (as at 30 September 2020)

#### Appendix 4d

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	Action Required & Timescale	Financial Impact  £	Responsible Officer
			<u>Updates</u> <ul style="list-style-type: none"> <li>Full year SLA costs charged to Schools have mitigated the cost pressure.</li> </ul>		
<b>Catering Account</b>	(215,804)	0	<u>Reason for Adverse variance</u> <ul style="list-style-type: none"> <li>Potential reduction in schools SLA and loss of school meals income due to school closure as a result of Covid 19, over and above the loss of income claim to Welsh Government for the period April to June 2020</li> </ul> <u>Actions</u> <ul style="list-style-type: none"> <li>Further loss of income claims to be potentially met by way of Covid 19 grant funding from WG in 20/21.</li> </ul> <u>Updates</u> <ul style="list-style-type: none"> <li>Income received from Hardship fund in relation to paid meals.</li> </ul>	270,000	C Rogers / M Price
<b>Environmental Health</b>	(66,642)	(£89,044)	<u>Reason for Adverse variance</u> <ul style="list-style-type: none"> <li>Budget pressure arising from the end of the Public Protection Collaboration.</li> <li>Some savings delayed due to staff sickness/extended notice period into the new financial year</li> </ul>		D Thompson



## Action Plan

### Environment

#### 2020/21 Forecast Adverse Variances (as at 30 September 2020)

#### Appendix 4d

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	Action Required & Timescale	Financial Impact  £	Responsible Officer
			<ul style="list-style-type: none"> <li>• Other staff savings postponed due to Covid 19 pandemic and reassessment of service needs.</li> </ul> <p><b><u>Actions</u></b></p> <ul style="list-style-type: none"> <li>• SMR 2 report and reassessment of service needs delayed due to Covid 19 pandemic. The Service is likely to need to submit an application for a cost pressure for 2021/22</li> </ul> <p><b><u>Updates</u></b></p> <ul style="list-style-type: none"> <li>• No further update due to the ongoing pandemic.</li> </ul>		
Cwmcrachen Caravan Site	(25,079)	(£23,473)	<p><b><u>Reason for Adverse variance</u></b></p> <ul style="list-style-type: none"> <li>• Electricity costs are the main reasons for the variance. The plan of action from 19/20 has continued (electricity meter changes and resident recharge increases) and this is led to a decrease in forecast net costs. Work is continuing.</li> </ul> <p><b><u>Actions</u></b></p> <ul style="list-style-type: none"> <li>• Further work is planned to attempt to reduce losses.</li> </ul> <p><b><u>Updates</u></b></p> <ul style="list-style-type: none"> <li>• Ongoing</li> </ul>		D Thompson

**Action Plan**

**Environment**

**2020/21 Forecast Adverse Variances (as at 30 September 2020)**

**Appendix 4d**

## Action Plan

### Planning Committee and Licensing Committee 2020/21 Forecast Adverse Variances (as at 30 September 2020)

#### Appendix 4e

Service Area	2020/2021 Variance at June 2020 Forecast £	2020/2021 Variance at Sept 2020 Forecast £	Action Required & Timescale	Financial Impact  £	Responsible Officer
<b>Licensing</b>	(25,904)	(26,419)	<p><b><u>Reason for Adverse variance</u></b></p> <ul style="list-style-type: none"> <li>• Delayed income, due to Covid 19 pandemic – (e.g. Pub and Club renewals)</li> <li>• Reduced income, due to Taxi fee proposed increases not actioned in 2019/20 and for 2020/21 due to pandemic, but inflationary increases have been applied to the budget in both years.</li> <li>• Potential further loss of income if local businesses are affected by the economic impacts of the pandemic</li> </ul> <p><b><u>Actions</u></b></p> <ul style="list-style-type: none"> <li>• Managers will monitor the budget and consider options to reduce costs. The Service is likely to need to submit an application for a cost pressure for 2021/22.</li> </ul> <p><b><u>Updates</u></b></p> <ul style="list-style-type: none"> <li>• Due to the ongoing pandemic, a revised fee setting policy approach is being considered (that will support local business but result in a continued shortfall)</li> </ul>		D Thompson

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Saving Proposal	Approved Estimated Achievement £ 1,465,000	Forecast to be Achieved £	Favourable / (Adverse) Variance £
<b>Overall Savings target</b>			
<b>1 Third Party Expenditure</b> a Contract Management - Removing of Inflation applied to the Draft Estimates b Early Settlement Terms / Increased use of the Procurement Card	<b>550,000</b> 500,000 50,000	500,000 50,000	0 0
<b>2 Fees &amp; Charges</b> a Stretched Income Targets b Increase in Fees & Charges of 5.5% from April 2020	<b>200,000</b> 105,000 95,000	47,000 74,000	(58,000) (21,000)
<b>3 Property &amp; Asset Review</b> Corporate Landlord - Reduction in the Rates & Maintenance Budgets following the CAT transfer / Selling/demolition: a Worcester St - £13,630 Brynmawr District Office - £24,730 Greenacre - £1,600	<b>130,000</b> 73,000	73,000	0
b Corporate Landlord - Reduction in the Rates & Maintenance Budgets re: Buildings to be sold: Bryngwyn Primary & Queen St Primary - £18,000	18,000	4,500	(13,500)
d Increase income re: Land and other charges	3,760	0	(3,760)
e Net reduction in Alt management fee	28,000	0	(28,000)
e Energy Costs - Reduction in budget due to efficiency savings identified following implementation of RE:FIT	7,240	7,240	0
<b>4 Growth Strategy</b> a Council Tax - Increase in collection following the removal of the Empty Property Discount b Council Tax Income	<b>220,000</b> 170,000 50,000	220,000	0

Saving Proposal	Approved Estimated Achievement	Forecast to be Achieved	Favourable / (Adverse) Variance
<b>5 Industrial Portfolio Review</b> - Review of service charges and insurance to pass onto Tenants - Increase income through Investment of capital funding to upgrade units	100,000	0	(100,000)
<b>6 Commercial Waste</b>  Service review - implementation 1/4/2020	23,000	0	(23,000)
<b>7 Low Carbon</b>  Removal of the Carbon Reduction Commitment Budget	138,000	138,000	0
<b>8 Work Place Transformation</b> Cost reduction Measures - ICT Budget - Rationalising systems - Managing Suppliers - Review of printing, scanners, postage etc - Review of telephony	50,000	50,000	0
<b>9 Income Recovery</b>  Review of Income Recovery activities	54,000	54,000	0
<b>TOTAL APPROVED SAVINGS</b>	1,465,000	1,217,740	- 247,260

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

	number of posts	salary plus oncost per month £
corp serv	2	7,520
soc serv	1	4,560
educ	0	0
env		
highways	0	0
econ	1	2,258
planning		
licensing	0	0
	<u>4</u>	<u>14,337</u>

APPENDIX 6

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

	number of posts	salary plus oncost per month £
	5	22,617
	0	0
	1	11,537
	0	0
	1	2,258
	0	0
	<u>7</u>	<u>36,411</u>

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# Agenda Item 7

*Executive Committee and Council only*

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: **Joint (Budget) Scrutiny Committee**

Date of meeting: **23<sup>rd</sup> November 2020**

Report Subject: **Capital Budget Monitoring, Forecast for 2020/2021  
Financial Year (as at 30 September 2020)**

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

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

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
	10/11/2020				23/11/2020	09.12.20		

## 1. Purpose of the Report

- 1.1 To provide members with an overview of each Portfolio's actual and forecast capital expenditure against funding approvals for the 2020/2021 financial year, as at 30<sup>th</sup> September 2020.

## 2. Scope and Background

- 2.1 This report provides details on the following:

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

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

## 3. Options for Recommendation

### 3.1 Option 1 (Recommended Option)

Members of the Scrutiny Committee accept the report; and

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

### 3.2 Option 2

Do not accept the report.

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

4.1 This report supports the Forward Looking Corporate Plan 2020/22 as it ensures effective forward financial planning arrangements are in place to support the Council’s financial resilience. This is a key element to achieving “An ambitious and innovative council delivering the quality services we know matter to our communities”

5. **Implications Against Each Option**

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

5.1.1 The overall financial position as forecast at 30<sup>th</sup> September 2020 indicates an adverse variance of £24,000 against a total in year capital budget of £23.2m.

The overall position across all Portfolios is shown below: -

Total Approvals Q2 (Sept 2020)	Future funding	In year funding	Actual Expenditure to 30/09/2020 (Month 6)	Forecast Expenditure 2020/2021	Forecast Variance underspent / (overspent)
£000	£000	£000	£000	£000	£000
62,805	39,581	23,224	7,359	23,248	(24)

5.1.2 Despite the Covid-19 Pandemic actual expenditure to September 2020 of £7.3m is £836,000 higher, compared to Quarter two in financial year 2019/2020. It is expected that Capital Expenditure will largely be unaffected by the Lockdowns and is estimated to reach £23.6m by 31<sup>st</sup> March 2021.

5.1.3 The forecast over-spend of £24,000 in relation to Flood Recovery Works is now expected to be mitigated following positive news that Welsh Government will be providing financial support and has subsequently advised the Council to commence any urgent works. However, whilst formal confirmation of this award is awaited it is prudent that we continue to report the overspend in quarter two.

5.1.4 Following the commitment from Welsh Government it is anticipated that the Council’s own resources will not be required for Aberbeeg Road. However, whilst formal confirmation of this award is awaited the capital programme reflects the previous decisions of Council.

## 5.2 Risk including Mitigating Actions

- 5.2.1 Expenditure against external funding approvals needs to be maximised in order to avoid loss of funding. If significant delays in capital expenditure are anticipated or contract costs rise due to the impact of Covid-19, liaison with funding bodies will be required at the earliest opportunity in order to secure approval for funding re-profile.
- 5.2.2 If funding re-profile cannot be agreed and capital schemes are not kept within budget, then capital reserves may be committed beyond affordable levels, with the consequence that projects that have not yet commenced may be deferred or not undertaken, so impacting upon future Capital Programmes.
- 5.2.3 If capital schemes do not achieve the required level of expenditure within the correct financial year and further peaks of the Covid-19 pandemic results in projects facing significant delay, funding may be lost to the Authority and be detrimental to the Authority's chances of securing future funding.
- 5.2.4 The aforementioned risks are mitigated as far as possible through close working relationship with Budget Holders, Technical Services and external funding bodies such as Welsh Government. This ensures that where possible, funding is maximised or funding amendments are secured should the need arise
- 5.2.5 Where overall funding approvals are likely to be exceeded and additional compensatory funding sources cannot be identified, budget holders will initially report the consequences to the Corporate Leadership Team, including proposals to defer/delete other approved schemes.
- 5.2.6 There is a potential risk of increase in Constructions costs & services following the ongoing situation regarding the UK's Exit from the European Union.
- 5.2.7 The UK's Exit from the EU has been added as an organisational risk to the corporate risk register, whilst a separate, more detailed, high level action plan has been developed and is being monitored by the Core Planning Group.

## 5.3 Legal N/A

## 5.4 Human Resources N/A

## 6. Supporting Evidence

### 6.1 *Performance Information and Data*

- 6.1.2 The capital programme is attached at Appendix 1.2 and 1.2.
- 6.1.3 Appendix 2 provides information of funding changes since the first quarter report

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

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

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

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

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

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

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

6.5 ***Preventative focus***

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

6.6 ***Collaboration / partnership working***

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

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

N/A

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

N/A

7. **Monitoring Arrangements**

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

**Background Documents /Electronic Links**

- Appendix 1.1
- Appendix 1.2
- Appendix 2



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Management Reports

Reporting Year: and Period: 2021/6

Capital Programme Funding Estimates Summary

<i>Portfolio</i>	<i>Total Funding</i>	<i>In Year Budget</i>	<i>Future Funding</i>	<i>Expenditure To: September 2020</i>	<i>Remaining in Year Budget</i>	<i>Forecast Expenditure</i>	<i>Forecast Variance (Adv)/Fav</i>
Corporate Services Portfolio	398,111	119,469	278,642	116,068	3,401	119,469	0
Social Services Portfolio	5,281,669	1,285,399	3,996,270	312,396	973,003	1,285,399	0
Economy Portfolio	17,592,720	13,537,227	4,055,493	3,799,393	9,737,834	13,537,227	0
Education and Active Living	28,225,369	2,409,931	25,815,438	594,772	1,815,159	2,409,931	0
Environment Portfolio	6,922,941	2,856,898	4,066,043	1,671,049	1,185,849	2,856,898	0
Infrastructure Portfolio	3,412,957	2,484,100	928,857	858,424	1,649,672	2,508,096	(23,996)
All Portfolios	971,334	531,152	440,182	7,152	524,000	531,152	0
<b>Total Capital Funding</b>	<b>62,805,101</b>	<b>23,224,176</b>	<b>39,580,925</b>	<b>7,359,254</b>	<b>15,888,918</b>	<b>23,248,172</b>	<b>(23,996)</b>

End of Report

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

**Management Reports**

Reporting Year: and Period: 2021/6

**Capital Programme Funding Estimates**

<i>Code</i>	<i>Scheme</i>	<i>Total Funding</i>	<i>In Year Budget</i>	<i>Future Funding</i>	<i>Expenditure to: September 2020</i>	<i>Remaining in Year Budget</i>	<i>Forecast Expenditure</i>	<i>Forecast Variance (Adv)/Fav</i>
<b>Corporate Services Portfolio</b>								
<b>Corporate Services</b>								
101385	Workplace Transformation	135,457	66,068	69,389	66,068	0	66,068	0
327100	Ebbw Vale Test Track	50,000	50,000	0	50,000	0	50,000	0
327101	Emergency Electrical & IT Works Civic Ce	209,253	0	209,253	0	0	0	0
328090	CCTV Upgrade	3,401	3,401	0	0	3,401	3,401	0
<b>Corporate Services</b>		<b>398,111</b>	<b>119,469</b>	<b>278,642</b>	<b>116,068</b>	<b>3,401</b>	<b>119,469</b>	<b>0</b>
<b>Corporate Services Portfolio</b>		<b>398,111</b>	<b>119,469</b>	<b>278,642</b>	<b>116,068</b>	<b>3,401</b>	<b>119,469</b>	<b>0</b>

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

**Management Reports**

Reporting Year: and Period: 2021/6

**Capital Programme Funding Estimates**

Code	Scheme	Total Funding	In Year Budget	Future Funding	Expenditure to: September 2020	Remaining in Year Budget	Forecast Expenditure	Forecast Variance (Adv)/Fav
<b>Social Services Portfolio</b>								
<b>Childrens Services</b>								
323152	Beaufort Road - Extension Training Flat	130,475	130,475	0	481	129,994	130,475	0
323153	Beaufort Road - Outdoor spaces and Exiti	38,675	38,675	0	0	38,675	38,675	0
324719	Flying Start - Cwm 2	10,000	10,000	0	0	10,000	10,000	0
324721	Flying Start - Ebbw Vale North	150,000	150,000	0	0	150,000	150,000	0
324724	Flying Start - Sirhowy Primary	10,000	10,000	0	0	10,000	10,000	0
324735	Flying Start Brynithel FS Centre	20,000	20,000	0	0	20,000	20,000	0
324736	Flying Start Additional Works	90,000	90,000	0	12,591	77,409	90,000	0
324770	Childcare Offer - Sixbells Scheme	1,492,862	0	1,492,862	0	0	0	0
324771	Childcare Offer - Badminton Scheme	1,500,000	50,000	1,450,000	0	50,000	50,000	0
324772	Childcare Offer - Blaina ICC Scheme	437,243	50,000	387,243	0	50,000	50,000	0
324773	Childcare Offer - Swfryd Scheme	500,000	50,000	450,000	1,228	48,772	50,000	0
<b>Childrens Services</b>		<b>4,379,255</b>	<b>599,150</b>	<b>3,780,105</b>	<b>14,300</b>	<b>584,850</b>	<b>599,150</b>	<b>0</b>
<b>Adult Services</b>								
323003	Health & Safety	63,192	6,460	56,732	6,460	0	6,460	0
323005	Tackling Food Poverty - WLGA	23,147	0	23,147	0	0	0	0
323120	Disabled equipment	279,750	279,750	0	279,750	0	279,750	0
323144	ICF Main Capital Programme	99,233	7,394	91,839	7,394	1	7,394	0
323147	Intermediate Care Fund	3,292	160	3,132	160	0	160	0
323148	ICF - Digital & Mobile Assistive Technol	19,000	0	19,000	0	0	0	0
323149	Better Care Capital Project	26,648	4,333	22,315	4,333	0	4,333	0

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

<b>Management Reports</b>		<b>Capital Programme Funding Estimates</b>						
<i>Reporting Year: and Period: 2021/6</i>								

<i>Code</i>	<i>Scheme</i>	<i>Total Funding</i>	<i>In Year Budget</i>	<i>Future Funding</i>	<i>Expenditure to: September 2020</i>	<i>Remaining in Year Budget</i>	<i>Forecast Expenditure</i>	<i>Forecast Variance (Adv)/Fav</i>
323151	Augusta House - Enablement Pods	<b>388,152</b>	<b>388,152</b>	<b>0</b>	<b>0</b>	<b>388,152</b>	<b>388,152</b>	<b>0</b>
	<b>Adult Services</b>	<b>902,414</b>	<b>686,249</b>	<b>216,165</b>	<b>298,096</b>	<b>388,153</b>	<b>686,249</b>	<b>0</b>
	<b>Social Services Portfolio</b>	<b>5,281,669</b>	<b>1,285,399</b>	<b>3,996,270</b>	<b>312,396</b>	<b>973,003</b>	<b>1,285,399</b>	<b>0</b>

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

Management Reports

Reporting Year: and Period: 2021/6

Capital Programme Funding Estimates

Code	Scheme	Total Funding	In Year Budget	Future Funding	Expenditure to: September 2020	Remaining in Year Budget	Forecast Expenditure	Forecast Variance (Adv)/Fav
<b>Economy Portfolio</b>								
<b>Tredegar Regeneration</b>								
326163	Tredegar HLF	893,051	893,051	0	138,758	754,293	893,051	0
	<b>Tredegar Regeneration</b>	<b>893,051</b>	<b>893,051</b>	<b>0</b>	<b>138,758</b>	<b>754,293</b>	<b>893,051</b>	<b>0</b>
<b>Ebbw Vale Town Centre</b>								
326191	TRI - Urban Centre Commercial Property I	407,496	407,496	0	60,495	347,001	407,496	0
326192	TRI- Urban Centre Residential Property E	123,957	123,957	0	0	123,957	123,957	0
	<b>Ebbw Vale Town Centre</b>	<b>531,453</b>	<b>531,453</b>	<b>0</b>	<b>60,495</b>	<b>470,958</b>	<b>531,453</b>	<b>0</b>
<b>Valleys Regional Park</b>								
326205	VRP - Discovery Gateway	89,461	89,461	0	16,119	73,342	89,461	0
326206	Local Places for Nature Capital Funding	61,401	61,401	0	0	61,401	61,401	0
	<b>Valleys Regional Park</b>	<b>150,862</b>	<b>150,862</b>	<b>0</b>	<b>16,119</b>	<b>134,743</b>	<b>150,862</b>	<b>0</b>
<b>The Works Site</b>								
325097	Big Arch	627,638	19,023	608,615	19,023	0	19,023	0
325103	Learning Works	75,000	75,000	0	35,531	39,469	75,000	0
325220	Site Investigation Works	19,000	0	19,000	0	0	0	0
325225	Ebbw Valley Railway - Northern Extension	2,441	0	2,441	0	0	0	0
	<b>The Works Site</b>	<b>724,079</b>	<b>94,023</b>	<b>630,056</b>	<b>54,554</b>	<b>39,469</b>	<b>94,023</b>	<b>0</b>
<b>Other Regeneration</b>								

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

**Management Reports**

Reporting Year: and Period: 2021/6

**Capital Programme Funding Estimates**

<b>Code</b>	<b>Scheme</b>	<b>Total Funding</b>	<b>In Year Budget</b>	<b>Future Funding</b>	<b>Expenditure to: September 2020</b>	<b>Remaining in Year Budget</b>	<b>Forecast Expenditure</b>	<b>Forecast Variance (Adv)/Fav</b>
326006	Tech Valley s Initiative	475,000	0	475,000	0	0	0	0
326180	Lime Avenue Business Park	6,199,476	6,199,476	0	2,869,993	3,329,483	6,199,476	0
326181	Lime Avenue Employment park	2,501,013	4,113	2,496,900	4,113	1	4,113	0
326182	Box Works	703,992	703,992	0	241,644	462,348	703,992	0
326183	Regain 2	3,918,513	3,918,513	0	25,303	3,893,210	3,918,513	0
326184	Brexit Schemes	369,465	0	369,465	0	0	0	0
326193	TRI - Town Centre COVID-19 recovery ad:	600,000	600,000	0	67	599,933	600,000	0
326225	Heat Networks Project	17,385	0	17,385	0	0	0	0
326226	Electric Vehicle Chargepoints	276,897	276,897	0	261,366	15,531	276,897	0
326252	Constrained Units - Roseheyworth	164,847	164,847	0	126,980	37,867	164,847	0
326265	Victoria Business Park - Development	66,687	0	66,687	0	0	0	0
	<b>Other Regeneration</b>	<b>15,293,275</b>	<b>11,867,838</b>	<b>3,425,437</b>	<b>3,529,466</b>	<b>8,338,372</b>	<b>11,867,838</b>	<b>0</b>
	<b>Economy Portfolio</b>	<b>17,592,720</b>	<b>13,537,227</b>	<b>4,055,493</b>	<b>3,799,393</b>	<b>9,737,834</b>	<b>13,537,227</b>	<b>0</b>

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Code	Scheme	Total Funding	In Year Budget	Future Funding	Expenditure to: September 2020	Remaining in Year Budget	Forecast Expenditure	Forecast Variance (Adv)/Fav
<b>Education and Active Living</b>								
<b>Education Services</b>								
324125	Education Minor Works	71,000	71,000	0	2,485	68,515	71,000	0
324138	Education Capital Maintenance	120,000	120,000	0	3,700	116,300	120,000	0
324142	Georgetown Windows & Boiler Replacement	8,671	1,681	6,990	1,681	0	1,681	0
324143	Rhos-y-fedwyn - Refurbishment	5,378	1,434	3,944	1,434	0	1,434	0
324144	St Marys - Refurbishment	130,000	130,000	0	0	130,000	130,000	0
324145	Tredegar Comp - Food & Technology	280,000	280,000	0	148,631	131,369	280,000	0
324146	Deighton - Kitchen	639	639	0	639	0	639	0
324147	Tredegar Comp Upgrade Services and Accommodation	79,524	79,524	0	76,551	2,973	79,524	0
324148	Coed y Garn Roof & Remedial Works	50,000	50,000	0	5,400	44,600	50,000	0
324149	Brynbach Primary Disabled Adaptations	70,000	70,000	0	7,370	62,630	70,000	0
324150	Ebbw Fawr - Developing 3/4 classrooms, timber	100,000	100,000	0	2,900	97,100	100,000	0
324201	Class Size - Willottown	69,557	69,557	0	0	69,557	69,557	0
324203	Period Poverty	6,045	0	6,045	0	0	0	0
324206	Georgetown S106	3,667	3,667	0	3,667	0	3,667	0
324519	Digital 2030 Capital Grant - Post 16	4,620	0	4,620	0	0	0	0
324530	ALN	122,298	0	122,298	0	0	0	0
324532	Ebbw Fawr ASD	3,890	0	3,890	0	0	0	0
324560	Schools IT Infrastructure	140,282	140,282	0	39,798	100,484	140,282	0
324580	Brynmawr 3G Pitch	793,378	793,378	0	350	793,028	793,378	0
324590	Tredegar Comp 3G Pitch	153,410	17,311	136,099	17,311	0	17,311	0
324743	21st Century Schools Six Bells Project	416,940	196,639	220,301	145,349	51,290	196,639	0

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<i>Code</i>	<i>Scheme</i>	<i>Total Funding</i>	<i>In Year Budget</i>	<i>Future Funding</i>	<i>Expenditure to: September 2020</i>	<i>Remaining in Year Budget</i>	<i>Forecast Expenditure</i>	<i>Forecast Variance (Adv)/Fav</i>
324750	Band B - Welsh Medium New Build	5,993,612	0	5,993,612	0	0	0	0
324751	Band B - New Primary Ebbw Fawr Valley	9,295,589	75,669	9,219,920	75,669	0	75,669	0
324752	Band B - Secondary Remodelling Brynma	3,198,936	0	3,198,936	0	0	0	0
324753	Band B - Secondary Remodelling Abertille	3,199,893	0	3,199,893	0	0	0	0
324754	Band B - Secondary Remodelling Tredega	3,198,335	0	3,198,335	0	0	0	0
324755	Band B - Welsh Medium Remodelling Bro	588,116	100,000	488,116	0	100,000	100,000	0
<b>Education Services</b>		<b>28,103,780</b>	<b>2,300,781</b>	<b>25,802,999</b>	<b>532,934</b>	<b>1,767,847</b>	<b>2,300,781</b>	<b>0</b>
<b>Active Living Services</b>								
329089	Abertillery LC Demolition	4,600	4,600	0	4,600	0	4,600	0
329092	ALC - Changing Room Refurbishment	59,700	59,700	0	57,238	2,462	59,700	0
329097	Play Equipment	44,850	44,850	0	0	44,850	44,850	0
332368	Play Area Schemes - Boroughwide	12,439	0	12,439	0	0	0	0
<b>Active Living Services</b>		<b>121,589</b>	<b>109,150</b>	<b>12,439</b>	<b>61,838</b>	<b>47,312</b>	<b>109,150</b>	<b>0</b>
<b>Education and Active Living</b>		<b>28,225,369</b>	<b>2,409,931</b>	<b>25,815,438</b>	<b>594,772</b>	<b>1,815,159</b>	<b>2,409,931</b>	<b>0</b>

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**Capital Programme Funding Estimates**

Code	Scheme	Total Funding	In Year Budget	Future Funding	Expenditure to: September 2020	Remaining in Year Budget	Forecast Expenditure	Forecast Variance (Adv)/Fav
<b>Environment Portfolio</b>								
<b>Environmental Services</b>								
327018	RCAF Long Term Organics Procurement	26,512	0	26,512	0	0	0	0
327039	Kerbside Collections	2,115	0	2,115	0	0	0	0
327042	Collaborative Change Programme 18-19	176,872	0	176,872	0	0	0	0
327043	Household Waste Recycling Centre	1,754,482	950,873	803,609	950,873	0	950,873	0
327044	AHP Waste Collections	176,000	176,000	0	0	176,000	176,000	0
327045	BRC Decommissioning Project	145,511	0	145,511	0	0	0	0
327046	Repair Cafe	4,541	4,541	0	3,475	1,066	4,541	0
327047	Council Buildings Recycling Infrastructu	16,705	16,705	0	0	16,705	16,705	0
327061	CATS	80,000	80,000	0	0	80,000	80,000	0
327065	Re:Fit	2,922,084	517,549	2,404,535	517,549	0	517,549	0
327067	Market Hall - Asbestos Removal	11,321	3,071	8,250	3,071	0	3,071	0
327068	Cemeteries Investment Programme	200,028	0	200,028	0	0	0	0
327070	WRAP Cymru Capital Funding	85,100	85,100	0	0	85,100	85,100	0
	<b>Environmental Services</b>	<b>5,601,271</b>	<b>1,833,839</b>	<b>3,767,432</b>	<b>1,474,969</b>	<b>358,870</b>	<b>1,833,839</b>	<b>0</b>
<b>Housing Environmental Health</b>								
328221	Remediation of Contaminated Land/Dereli	154,269	0	154,269	0	0	0	0
350510	Improvement grants - new scheme	544,241	420,000	124,241	163,339	256,661	420,000	0
350550	Support for Independent Living	112,901	92,800	20,101	4,577	88,223	92,800	0
350560	Empty Property Grants	510,259	510,259	0	28,165	482,094	510,259	0



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<b>Management Reports</b>		<b>Capital Programme Funding Estimates</b>						
<i>Reporting Year: and Period: 2021/6</i>								

<i>Code</i>	<i>Scheme</i>	<i>Total Funding</i>	<i>In Year Budget</i>	<i>Future Funding</i>	<i>Expenditure to: September 2020</i>	<i>Remaining in Year Budget</i>	<i>Forecast Expenditure</i>	<i>Forecast Variance (Adv)/Fav</i>
	Housing Environmental Health	1,321,670	1,023,059	298,611	196,081	826,978	1,023,059	0
	Environment Portfolio	6,922,941	2,856,898	4,066,043	1,671,049	1,185,849	2,856,898	0

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**Capital Programme Funding Estimates**

Code	Scheme	Total Funding	In Year Budget	Future Funding	Expenditure to: September 2020	Remaining in Year Budget	Forecast Expenditure	Forecast Variance (Adv)/Fav
<b>Infrastructure Portfolio</b>								
<b>Engineering Services</b>								
328040	Cwm By Pass	13,970	0	13,970	0	0	0	0
328148	SRIC - Ebenezer Street	40,000	40,000	0	0	40,000	40,000	0
328310	Local Transport Fund	243,271	243,271	0	31,625	211,646	243,271	0
328312	Local Transport Fund 2020/21	150,000	150,000	0	0	150,000	150,000	0
328314	Local Transport Network Fund	75,000	75,000	0	0	75,000	75,000	0
328315	Local Transport Fund - Project Retention	22,948	0	22,948	0	0	0	0
328318	Active Travel Fund	256,316	256,316	0	241,377	14,939	256,316	0
328319	Active Travel Fund 2020/21	234,000	234,000	0	1,337	232,663	234,000	0
328322	Local Sustainable Transport Covid Respor	144,000	144,000	0	0	144,000	144,000	0
328340	LTF Metro Plus	250,000	250,000	0	0	250,000	250,000	0
328350	Access Improvement Grant	34,691	34,691	0	0	34,691	34,691	0
<b>Engineering Services</b>		<b>1,464,196</b>	<b>1,427,278</b>	<b>36,918</b>	<b>274,339</b>	<b>1,152,939</b>	<b>1,427,278</b>	<b>0</b>
<b>Highways Network Management</b>								
328063	Bridge Strengthening Works	1,857	0	1,857	0	0	0	0
328095	Ebbw Vale Railway study Phase 3	973	973	0	973	0	973	0
328269	Highways PB Imp. Works.	20,946	0	20,946	0	0	0	0
328270	Highways Improvement Works	1,186,835	383,099	803,736	147,929	235,170	383,099	0
328334	LGBI - Trinant Hall	65,400	0	65,400	0	0	0	0
328404	Flood Damage - Emergency Repairs	0	0	0	23,996	0	23,996	(23,996)
328405	Aberbeeg Road Repairs	405,000	405,000	0	278,386	126,614	405,000	0

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<i>Reporting Year: and Period: 2021/6</i>								

<i>Code</i>	<i>Scheme</i>	<i>Total Funding</i>	<i>In Year Budget</i>	<i>Future Funding</i>	<i>Expenditure to: September 2020</i>	<i>Remaining in Year Budget</i>	<i>Forecast Expenditure</i>	<i>Forecast Variance (Adv)/Fav</i>
328406	Small Scale Works Grant	267,750	267,750	0	132,801	134,949	267,750	0
	<b>Highways Network Management</b>	<b>1,948,761</b>	<b>1,056,822</b>	<b>891,939</b>	<b>584,085</b>	<b>496,733</b>	<b>1,080,818</b>	<b>(23,996)</b>
	<b>Infrastructure Portfolio</b>	<b>3,412,957</b>	<b>2,484,100</b>	<b>928,857</b>	<b>858,424</b>	<b>1,649,672</b>	<b>2,508,096</b>	<b>(23,996)</b>

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**Capital Programme Funding Estimates**

<i>Code</i>	<i>Scheme</i>	<i>Total Funding</i>	<i>In Year Budget</i>	<i>Future Funding</i>	<i>Expenditure to: September 2020</i>	<i>Remaining in Year Budget</i>	<i>Forecast Expenditure</i>	<i>Forecast Variance (Adv)/Fav</i>
<b>All Portfolios</b>								
<b>All Portfolios</b>								
300300	City Deal	233,500	0	233,500	0	0	0	0
303990	OS Capital Admin/Design & Supervision	524,000	524,000	0	0	524,000	524,000	0
321112	Disabled Access - Special Programme	16,871	7,152	9,719	7,152	0	7,152	0
324672	The Company Shop - Tred	196,963	0	196,963	0	0	0	0
<b>All Portfolios</b>		<b>971,334</b>	<b>531,152</b>	<b>440,182</b>	<b>7,152</b>	<b>524,000</b>	<b>531,152</b>	<b>0</b>
<b>All Portfolios</b>		<b>971,334</b>	<b>531,152</b>	<b>440,182</b>	<b>7,152</b>	<b>524,000</b>	<b>531,152</b>	<b>0</b>

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

<b>Management Reports</b>		<b>Capital Programme Funding Estimates</b>						
<i>Reporting Year: and Period: 2021/6</i>								

<i>Code</i>	<i>Scheme</i>	<i>Total Funding</i>	<i>In Year Budget</i>	<i>Future Funding</i>	<i>Expenditure to: September 2020</i>	<i>Remaining in Year Budget</i>	<i>Forecast Expenditure</i>	<i>Forecast Variance (Adv)/Fav</i>
	<b>Total Capital Funding</b>	<b>62,805,101</b>	<b>23,224,176</b>	<b>39,580,925</b>	<b>7,359,254</b>	<b>15,888,918</b>	<b>23,248,172</b>	<b>(23,996)</b>

End of Report

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## New Approvals and/or material Funding Changes in Quarter Two

Portfolio	Cost Centre	Scheme	Amount (£)	Funding Body	Type	Additional Information
<b>Economy</b>						
	326206	Local Places for Nature Capital Funding 2020-21	61,401	Welsh Government	European Funding	Approval for Environmental Growth & Greening the Public Estate
	326193	TRI - Town Centre COVID-19 recovery adaptations	600,000	Welsh Government	Targeted Regeneration Initiative	Funding to local businesses to deliver measures which adapt to the comprehensive social distancing changes required in town, city and district centres because of the COVID-19 pandemic and which support the recovery of town centres.
	325103	Learning Works	75,000			Essential Works to Ebbw Vale Leisure Centre Changing Rooms
<b>Education, Active Living and Learning</b>						
	324138	Education Capital Maintenance	-596,000	Welsh Government	2019/20 Education Maintenance Grant	Virement to individual Education Property projects as per below
	324144	St Marys - Refurbishment	70,000			Allocation of Funding to individual projects from the 2019/20 Education maintenance & Corporate Landlord Capital funding allocation.
	324145	Tredeggar Comp - Food & Technology	180,000			
	324147	Tredeggar Comp Upgrade Services and Access Road	79,524			
	324148	Coed y Garn Roof & Remedial Works	50,000			
	324149	Brynbach Primary Disabled Adaptations	70,000			
	324150	Ebbw Fawr - Developing 3/4 classrooms, toilet facilities	100,000			
	324151	Tredeggar Comp Upgrade Electrical Supply	50,000			
	324152	Brynmawr Canopy	50,000			
	324125	Education Minor Works	71,000			
<b>Environment</b>						
	350510	Improvement grants - new scheme	-158,930	Blaenau Gwent	Capital Programme	Match Funding for Welsh Government Grant
	350510	Improvement grants - new scheme	-42,638	Income		Match Funding for Welsh Government Grant
	350560	Empty Property Grants	295,000	Welsh Government	Valleys Taskforce Empty Homes Grant Scheme	New Approval
	350560	Empty Property Grants	158,930	Blaenau Gwent	Capital Programme	Match Funding for Welsh Government Grant
	350560	Empty Property Grants	42,638	Income		Match Funding for Welsh Government Grant
<b>Infrastructure</b>						
	328340	LTF Metro Plus	250,000	Welsh Government	Local Transport Fund	New Approval for Abertillery Interchange & Brynmawr Transport Interchange

## All Portfolios

It should be noted that the funding changes detailed above will not balance to total funding changes between Q1 to Q2

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# Agenda Item 8

*For Executive and Council Only*

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: **Joint Budget Scrutiny Committee**  
Date of meeting: **23 November 2020**  
Report Subject: **Use of General and Earmarked Reserves  
2020/2021**  
Portfolio Holder: **Cllr Nigel Daniels, Leader / Executive Member  
Corporate Services**  
Report Submitted by: **Rhian Hayden, Chief Officer Resources**

Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
	04/11/20	16.11.20			23/11/20	09/12/20		

## 1. Purpose of the Report

- 1.1 To report to the members of the Joint Budget Scrutiny Committee the forecast reserves position for 2020/2021 as at Quarter 2 (30 September 2020).

## 2. Scope and Background

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

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

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

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

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

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

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

### 3. **Options for Recommendation**

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

- consider the impact of the £0.248m adverse variance for 2020/2021 would have on the budgeted contribution to the General Reserve; and
- note the forecast decrease of the General Reserve in 2020/2021 to £6.387m, being 4.72% of net revenue expenditure (above the 4% target level).
- continue to challenge budget overspends and implement appropriate service Action Plans, where required.

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

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

#### 4.1 **National Well-being Goals**

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

#### 4.2 **Corporate Priorities**

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

### 5. **Implications Against Each Option**

#### 5.1 **Financial Impact**

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

5.1.2 Table 1 at 6.1.3 (below) shows the forecast position for the general reserve at year-end 2020/2021 to be a decrease of £0.048m, to £6.387m. This balance would represent 4.72% of net revenue expenditure, £0.973m above the 4% target level of £5.414m, indicating further progress towards strengthening the financial resilience of the Council and providing a buffer to deal with unexpected future issues.

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

- currently forecast net portfolio overspends of £0.248m offset by;
- an agreed budget contribution in 2020/21 of £0.200m to support medium term financial planning and strengthen the Council's financial resilience

5.1.4 Table 2 at 6.1.7 (below) shows the forecast level of earmarked reserves at 31 March 2021 to be £8.661m, an in year increase of £0.956m. Further details of earmarked reserve movements are included in Appendix 1.

## 5.2 Risk

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

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

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

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

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

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

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

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

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

### 5.3 Legal

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

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

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

### 5.4 Personnel

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

## 6. Supporting Evidence

### 6.1 Performance Information and Data

6.1.1 The level of the Council's general reserve disclosed in the draft statutory accounts for the financial year ended 31 March 2020 was £6.435m equating to 4.75% of net revenue expenditure (as reported in the 2019/2020 Revenue Outturn forms). The current 4% target level of general reserves is £5.414m.

6.1.2 The revenue budget forecast year-end position for 2020/2021 (as at end of Quarter 2) indicates a deficit of £0.248m.

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

Table 1: General Reserve	£000
Balance at 31 March 2020	6,435
Budgeted Contribution to General Reserve	200
Contribution from the Reserve: Net Portfolio Overspends	(248)
Forecast Balance at 31 March 2021	6,387

6.1.4 Appendix 1 gives details of the total earmarked reserves held at the start of the 2020/2021 financial year (£7.705m) with actual reserve movements to the end of quarter 2 (30 September 2020) and forecast movements to 31 March 2021.

6.1.5 The level of earmarked reserves has been determined in accordance with the agreed reserves protocol. The level of earmarked reserves available to the Authority is forecast to increase by £0.956m in 2020/2021.

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

Table 2: Earmarked Reserves	£000
Balance at 31 March 2020	7,705
Budgeted Contribution to Earmarked Reserves	1,444
Actual Expenditure to Q2	(51)
Forecast Expenditure to Q4	(437)
Provisional Balance at 31 March 2021	8,661

6.1.7 For those reserves that have been utilised to fund actual expenditure to 30 September 2020 (£0.51m), details of the expenditure funded have been provided in Appendix 2.

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

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

6.3 **Involvement** (*consultation, engagement, participation*)  
Not applicable.

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

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

6.5 **Preventative focus**  
Not applicable.

6.6 **Collaboration / partnership working**  
Not applicable.

6.7 **Integration (across service areas)**  
Not applicable.

## 6.8 **EqIA**

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

## 7. **Monitoring Arrangements**

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

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

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

### **Background Documents /Electronic Links**

*Appendix 1 – Qtr 2 Reserves*

*Appendix 2 – Qtr 2 Reserves*



**Appendix 1: Earmarked Reserves Movements 2020-2021**

<u>Name of Reserve</u>	<u>Balance Brought Fwd 1 April 2020</u>	<u>Reserve Adjustments</u>		<u>Total Reserve Adjustments</u>	<u>Actual Expenditure</u>	<u>Forecast Expenditure</u>	<u>Balance Carried Fwd 31 March 2021</u>
		<u>Increases</u>	<u>Decreases</u>				
	£	£	£	£	£	£	£
Corporate Procurement	4,437.62	0.00	0.00	0.00	0.00	0.00	4,437.62
CRASB	11,058.00	0.00	0.00	0.00	0.00	0.00	11,058.00
Education - Gypsy Travellers	40,804.42	0.00	0.00	0.00	0.00	0.00	40,804.42
IER	72,152.28	0.00	0.00	0.00	0.00	0.00	72,152.28
Leadership Hallmark	24,837.66	0.00	0.00	0.00	0.00	(4,930.00)	19,907.66
Period Poverty	12,796.05	0.00	0.00	0.00	0.00	0.00	12,796.05
Planning WAG Grant Planning Committee	2,103.66	0.00	0.00	0.00	0.00	0.00	2,103.66
Prevent	10,000.00	0.00	0.00	0.00	0.00	0.00	10,000.00
Regen General Contributions Unapplied (Town Centre Management)	47,588.25	0.00	0.00	0.00	0.00	0.00	47,588.25
Rights of Way Diversions	20,255.00	0.00	0.00	0.00	0.00	0.00	20,255.00
Section 106 Agreements	171,041.31	0.00	0.00	0.00	0.00	0.00	171,041.31
SEW Adoption Collaboration	506,621.11	0.00	0.00	0.00	0.00	0.00	506,621.11
SMIFFs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sports Council	29,700.00	0.00	0.00	0.00	(29,700.00)	0.00	0.00
SIA/PLOF Grant	2,806.08	0.00	0.00	0.00	0.00	(2,806.08)	0.00
Syrian Resettlement Programme	122,980.73	0.00	0.00	0.00	(21,443.91)	0.00	101,536.82
Workforce Development Collaboration	92,477.25	0.00	0.00	0.00	0.00	0.00	92,477.25
Youth Service	67,902.34	0.00	0.00	0.00	0.00	0.00	67,902.34
<b>Total:</b>	<b>7,705,159.49</b>	<b>1,444,000.00</b>	<b>0.00</b>	<b>1,444,000.00</b>	<b>(51,143.91)</b>	<b>(437,032.97)</b>	<b>8,660,982.61</b>



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

<u>Name of Reserve</u>	<u>Actual Expenditure to Q2</u>	<u>Purpose of Expenditure</u>
	£	
Sports Council	29,700.00	Refurbishment of changing rooms at Abertillery Sports Centre
Syrian Resettlement Programme	21,443.91	Costs relate to the resettlement of families
<b>Total to Qtr 2:</b>	<b>51,143.91</b>	

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