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Am unrhyw ymholiad yn ymwneud â'r agenda hwn cysylltwch â Sharon Hughes  
(Rhif Ffôn: 01443 864281 E-bost: [hughesj@caerphilly.gov.uk](mailto:hughesj@caerphilly.gov.uk))

**Dyddiad: Dydd Mercher, 17 Chwefror 2021**

Annwyl Syr/Fadam,

Bydd cyfarfod o'r **Pwyllgor Craffu Polisi ac Adnoddau** yn cael ei gynnal trwy Microsoft Teams ar **Dydd Mawrth, 23ain Chwefror, 2021** am **5.30 pm** i ystyried materion a gynhwysir yn yr agenda canlynol. Gall cynghorwyr a'r cyhoedd sy'n dymuno siarad am unrhyw eitem wneud hynny drwy wneud cais i'r Cadeirydd. Mae croeso i chi ddefnyddio'r iaith Gymraeg yn y cyfarfod, a dylid rhoi cyfnod rhybudd o 3 diwrnod gwaith os ydych yn dymuno gwneud hynny.

Bydd y cyfarfod hwn yn cael ei recordio a bydd ar gael i'w weld trwy wefan y Cyngor, ac eithrio trafodaethau sy'n ymwneud ag eitemau cyfrinachol neu eithriedig. Felly, bydd delweddau/sain yr unigolion sy'n bresennol ac/neu sy'n siarad yn ystod ar gael i'r cyhoedd trwy'r recordiad ar wefan y Cyngor yn [www.caerffili.gov.uk](http://www.caerffili.gov.uk)

Yr eiddoch yn gywir,

A handwritten signature in black ink, appearing to read 'Christina Harrhy'.

**Christina Harrhy**  
PRIF WEITHREDWR

## A G E N D A

Tudalennau

- 1 I dderbyn ymddiheuriadau am absenoldeb
- 2 Datganiadau o Ddiddordeb.

Atgoffi'r Cynghorwyr a Swyddogion o'u cyfrifoldeb personol i ddatgan unrhyw fuddiannau personol a/neu niweidiol mewn perthynas ag unrhyw eitem o fusnes ar yr agenda hwn yn unol â Deddf Llywodraeth Leol 2000, Cyfansoddiad y Cyngor a'r Cod Ymddygiad ar gyfer Cynghorwyr a Swyddogion.

A greener place Man gwyrddach



I gymeradwyo a llofnodi'r cofnodion canlynol:-

- |   |  |         |
|---|--|---------|
| 3 | Pwyllgor Craffu Polisi ac Adnoddau a gynhaliwyd ar 12 Ionawr 2021.   | 1 - 6   |
| 4 | Arbennig Pwyllgor Craffu Polisi ac Adnoddau a gynhaliwyd ar 21 Ionawr 2021.  | 7 - 10  |
| 5 | Ystyried unrhyw fater a gyfeiriwyd at y Pwyllgor hwn yn unol â'r drefn galw i mewn.  |         |
| 6 | Rhaglen Waith y Dyfodol Pwyllgor Craffu Polisi ac Adnoddau.  | 11 - 20 |
| 7 | I dderbyn ac ystyried yr adroddiadau* Cabinet canlynol:-<br><br>1. Cynigion Cyllideb Drafft ar gyfer 2021/22 – 13eg Ionawr 2021;<br>2. Polisi Rheoli Legionella – 10fed Chwefror 2021;<br>3. Cynllun Beicio i'r Gwaith – 10fed Chwefror 2021;<br>4. Cyngor Bwrdeistref Sir Caerffili - Crynodeb o Archwiliad Blynyddol 2020 – 10fed Chwefror 2021;<br>5. Cynigion y Gyllideb ar gyfer 2021/22 a'r Rhagolwg Ariannol Tymor Canolig– 17eg Chwefror 2021. |         |

*\* Os oes aelod o'r Pwyllgor Craffu yn dymuno i unrhyw un o'r adroddiadau Cabinet uchod i gael eu dwyn ymlaen ar gyfer adolygiad yn y cyfarfod, cysylltwch â Sharon Hughes 01443 864281, erbyn 10.00 a.m. ar ddydd Llun, 22ain Chwefror 2021.*

I dderbyn ac ystyried yr adroddiadau Craffu canlynol:-

- |    |   |         |
|----|---|---------|
| 8  | Asesiad Perfformiad y Gyfadran - Diweddariad Chwe Mis 2020.   | 21 - 48 |
| 9  | Dangosyddion Darbodus Rheoli'r Trysorlys ac Ariannu Cyfalaf - Adroddiad Monitro Chwarter 3 (1 Ebrill 2020 i 31 Rhagfyr 2020). | 49 - 60 |
| 10 | Adroddiad Monitro Cyllideb Refeniw yr Awdurdod Cyfan (Cyfnod 9).  | 61 - 72 |

### **Cylchrediad:**

**Cynghorwyr** M.A. Adams, Mrs E.M. Aldworth, Mrs C. Forehead, Miss E. Forehead, L. Harding, G. Johnston, G. Kirby (Is Gadeirydd), C.P. Mann, B. Miles, Mrs D. Price, J. Pritchard (Cadeirydd), R. Saralis, Mrs M.E. Sargent, G. Simmonds, J. Taylor a L.G. Whittle

A Swyddogion Priodol

### **SUT FYDDWN YN DEFNYDDIO EICH GWYBODAETH**

Bydd yr unigolion hynny sy'n mynychu cyfarfodydd pwyllgor i siarad/roi tystiolaeth yn cael eu henwi yng nghofnodion y cyfarfod hynny, weithiau bydd hyn yn cynnwys eu man gweithio neu fusnes a'r barnau a fynegir. Bydd cofnodion o'r cyfarfod gan gynnwys manylion y siaradwyr ar gael i'r cyhoedd ar wefan y Cyngor ar [www.caerffili.gov.uk](http://www.caerffili.gov.uk). ac eithrio am drafodaethau sy'n ymwneud ag eitemau cyfrinachol neu eithriedig.

Mae gennych nifer o hawliau mewn perthynas â'r wybodaeth, gan gynnwys yr hawl i gael mynediad at wybodaeth sydd gennym amdanoch a'r hawl i gwyno os ydych yn anhapus gyda'r modd y mae eich gwybodaeth yn cael ei brosesu.

Am wybodaeth bellach ar sut rydym yn prosesu eich gwybodaeth a'ch hawliau, ewch i'r Hysbysiad Preifatrwydd Cyfarfodydd Pwyllgor Llawn ar ein gwefan <http://www.caerffili.gov.uk/Pwyllgor/Preifatrwydd> neu cysylltwch â Gwasanaethau Cyfreithiol drwy e-bostio [griffd2@caerffili.gov.uk](mailto:griffd2@caerffili.gov.uk) neu ffoniwch 01443 863028.

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## **POLICY AND RESOURCES SCRUTINY COMMITTEE**

### **MINUTES OF THE DIGITAL MEETING HELD VIA MICROSOFT TEAMS ON TUESDAY, 12TH JANUARY 2021 AT 5.30 P.M.**

#### **PRESENT:**

Councillor J. Pritchard - Chair  
Councillor G. Kirby - Vice Chair

#### **Councillors:**

M.A. Adams, Mrs E.M. Aldworth, L. Harding, G. Johnston, C.P. Mann, B. Miles, Mrs D. Price, R. Saralis, Mrs M.E. Sargent, G. Simmonds, J. Taylor, L.G. Whittle

#### **Cabinet Members:**

C. Gordon (Cabinet Member for Corporate Services), Mrs E. Stenner (Cabinet Member for Finance, Performance and Customer Services)

#### **Together with:**

R. Edmunds (Corporate Director for Education and Corporate Services), S. Harris (Head of Financial Services & S151 Officer), D. Roberts (Principal Group Accountant), A. Southcombe (Finance Manager - Corporate Finance), R. Williams (Group Accountant-Treasury and Capital), M. Jacques (Scrutiny Officer), R. Barrett (Committee Services Officer)

### **RECORDING AND VOTING ARRANGEMENTS**

The Chair reminded those present that the meeting was being filmed and would be made available to view following the meeting via the Council's website – [Click Here to View](#). Members were advised that voting on decisions would take place by way of Microsoft Forms.

#### **1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Mrs C. Forehead and Miss E. Forehead.

#### **2. DECLARATIONS OF INTEREST**

There were no declarations of interest received at the commencement or during the course of the meeting.

**3. MINUTES – 10TH NOVEMBER 2020**

It was moved and seconded that the minutes of the meeting held on the 10th November 2020 be agreed as a correct record and by way of Microsoft Forms (and in noting there were 10 for, 0 against and 1 abstention) this was agreed by the majority present.

RESOLVED that the minutes of the Policy and Resources Scrutiny Committee held on 10th November 2020 (minute nos. 1 – 9) be approved as a correct record and signed by the Chair.

**4. CALL-IN PROCEDURE**

There had been no matters referred to the Scrutiny Committee in accordance with the call-in procedure.

**5. POLICY AND RESOURCES SCRUTINY COMMITTEE FORWARD WORK PROGRAMME**

Mark Jacques (Scrutiny Officer) presented the report which outlined details of the Policy and Resources Scrutiny Committee Forward Work Programme (FWP) for the period January 2021 to May 2021. Members were asked to consider any changes and agree the final forward work programme prior to publication.

Consideration was given to the list of reports and it was noted that Councillor C. Gordon should be listed as the Cabinet Member for the Flexible Working Update, in place of Councillor E. Stenner.

Following consideration of the report, it was moved and seconded that subject to the aforementioned amendment to the FWP, the report recommendation be approved. By way of Microsoft Forms (and in noting there were 11 for, 0 against and 0 abstentions) this was unanimously agreed.

RESOLVED that subject to one minor amendment (in that Councillor C. Gordon be listed as the Cabinet Member for the Flexible Working Update) the Forward Work Programme as appended to the meeting papers be published on the Council's website.

**6. CABINET REPORTS**

There had been no requests for any of the Cabinet reports to be brought forward for discussion at the meeting.

**REPORTS OF OFFICERS**

Consideration was given to the following reports.

**7. CORPORATE SERVICES & MISCELLANEOUS FINANCE 2020/21 BUDGET MONITORING REPORT (PERIOD 7)**

The Cabinet Member for Finance, Performance and Customer Services presented the report, which informed Members of the projected revenue expenditure for the Directorate of Corporate Services and Miscellaneous Finance for the 2020/21 financial year, based on expenditure and

income trends for the first seven months of the financial year. The Scrutiny Committee were asked to note the contents of the report.

Members were advised that the report projections do not include the ongoing financial impact of Covid-19, as these costs are being dealt with on a separate basis and claims are being submitted to Welsh Government on a monthly basis for costs incurred and on a quarterly basis for income losses. It was explained that these figures will be included in the forthcoming Whole Authority Budget Report being presented to Cabinet at the end of January which will include an update on the position in respect of Covid-19 funding.

During the course of the ensuing debate, clarification was sought on the reasons for several departmental overspends outlined in the report and Officers provided further information on these queries in turn. Particular reference was made to additional charges (£125k) incurred to complete the external audit of the 2019/20 Financial Statements. The Scrutiny Committee were reminded of the many challenges and competing priorities faced by the Council as a result of Covid-19 which combined with the loss of an experienced senior member of staff at a crucial time led to delays in completing the accounts and resulted in additional fees. Despite these challenges, the statutory deadline was met, with the 2019/20 Financial Statements being approved by Council on 24th November 2020 and subsequently signed-off by the Auditor General. It was noted that the robust audit work undertaken and the recommendations in the Auditor's report ensures that the Council will be well-placed moving forward, with many of the recommendations already having been addressed.

Officers also provided clarification on Members' queries relating to the savings made as a result of staff not reaching the top of their pay scales in the current financial year, the reasons for some temporary reduced hours and the savings associated with staff working from home. References were made to the overspend around the Transformation Team and it was explained that some costs were incurred due to additional support around Communications and Community Engagement, and base budgets will be put in place for this post moving forward. It was also noted that a report on the work of the Transformation Team to date had been presented to a previous meeting of the Scrutiny Committee.

Reference was made to the level of underspends over recent years and in response to a Member's query it was confirmed that a proportion of year-end underspends are transferred into the General Fund and that in recent years surplus General Fund balances have been redirected into Capital Earmarked Reserves, much of which will be used to support investments in the "Place Shaping" agenda. A specific query was received on the revised structures across Corporate Services and it was agreed that the Director would provide further information to the Member following the meeting.

Following consideration of the report, the Scrutiny Committee noted its contents.

## **8. CAPITAL STRATEGY REPORT 2021/2022**

The Cabinet Member for Finance, Performance and Customer Services presented the report, which detailed the Authority's Capital Strategy report for the 2021/22 financial year in accordance with the Prudential Code that was introduced by the Local Government Act 2003. The Scrutiny Committee were asked to note the contents of the annual Capital Strategy Report ahead of its presentation to Special Council on 24th February 2020 for approval.

It was noted that the Capital Strategy outlines the principles and framework at the very high level that shape the Authority's capital investment proposals. The principal aim is to deliver an affordable programme of capital consistent with the financial strategy that contributes to the achievement of the Council's priorities and objectives as set out in the Authority's Corporate

Plan; consider associated risks; recognise financial constraints over the longer-term; and represent value for money. The Strategy defines at the highest level how the capital programme decision making identifies the issues and options that influence capital spending, and sets out how the resources and capital programme will be managed, whilst complying with the Prudential Code for Local Authority investment and its key objectives to ensure that capital investment plans are affordable, prudent and sustainable; that treasury management decisions are taken in accordance with good professional practice; and that local strategic planning, asset management and proper option appraisal are supported.

The Scrutiny Committee considered the report and a Member asked if capital receipts had been used to fund expenditure incurred as a result of transforming service delivery, as per a Welsh Government directive allowing this avenue of funding. Officers advised that the Council have not made use of this capitalisation directive because it is intended to utilise capital receipts as part of the funding of the "Place Shaping" agenda. In response to a Member query on the use of the Caerphilly Enterprise Fund, Officers advised that the Fund had been fully utilised through grants to support local businesses and is administered by the Business Enterprise & Renewal Team. It was explained that there are appropriate governance arrangements in place for these grants and Officers confirmed that they would liaise with the Business Enterprise & Renewal Team Leader following the meeting to provide further information to the Member on the process.

Following consideration of the report and having noted its contents, it was moved and seconded that the following recommendation be forwarded to Council for approval. By way of Microsoft Forms (and in noting there were 11 for, 0 against and 0 abstentions) this was unanimously agreed.

RECOMMENDED to Council that the annual Capital Strategy Report for 2021/2022 be approved.

**9. TREASURY MANAGEMENT ANNUAL STRATEGY, CAPITAL FINANCE PRUDENTIAL INDICATORS AND MINIMUM REVENUE PROVISION POLICY FOR 2021/2022.**

The Cabinet Member for Finance, Performance and Customer Services presented the report, which detailed the Council's Annual Strategy for Treasury Management, Capital Finance Prudential Indicators and the Minimum Revenue Provision Policy for 2021/2022. Members were asked to consider the report ahead of its presentation to Special Council on 24th February 2021.

Members were advised that in accordance with legislative requirements, Welsh Government guidance and Codes of Practice, the Council is required to approve a Treasury Management Strategy on an annual basis, which sets out its borrowing and investment strategies for the forthcoming year. The Council is also obliged to approve and publish a number of indicators relevant to Capital Finance and Treasury Management, and to prepare an Annual Minimum Revenue Provision Policy Statement. Further details were contained in the report and its appendices and it was noted that Appendix 7 is based on an indicative capital programme.

The Scrutiny Committee discussed the report and Members referred to the challenges around planning financial strategies and the difficulty in making accurate financial predictions in the current uncertain climate as a result of the Covid-19 pandemic. Officers acknowledged the bleak global economic outlook but advised that the draft budget proposals being considered by the Joint Scrutiny Committee later that week would give a flavour of the financial outlook for the four years beyond 2021/22. It was explained that potential savings could range from £8m-£32m but this would depend on the Local Government Financial Settlement moving forward.



A Member asked if it was necessary to borrow £37.2m from the General Fund in view of historic underspends across the capital programme. Officers explained that the figure represented borrowing approvals to support the capital programme over an extended period, but the Council has not needed to borrow to date by instead using cash balances linked to the Authority's reserves and investments, which is more financially prudent than incurring interest costs. It was explained that the borrowing is included in the report to ensure budget cover, but the Council is not currently expecting to borrow in the next financial year.

In response to a Member's query, it was also confirmed that there is no intention to borrow from the Municipal Bond Agency at this stage but that Officers are in dialogue with the Council's Treasury Management Advisors (Arlingclose) regarding possible longer-term investment options that would maximise returns, and it is anticipated that some proposals will be finalised in the coming months. During the course of the debate, it was agreed that Officers would arrange an all-Members Seminar with Arlingclose to provide an update on the economic outlook and outline potential avenues in relation to future investments.

Following consideration of the report and in noting the contents of the Strategy, it was moved and seconded that the following recommendations be referred to Council for approval. By way of Microsoft Forms (and in noting there were 11 for, 0 against and 0 abstentions) this was unanimously agreed.

RECOMMENDED to Council that: -

- (i) the Annual Strategy for Treasury Management 2021/22 be approved;
- (ii) the strategy be reviewed quarterly within the Treasury Management monitoring reports presented to Policy & Resources Scrutiny Committee and any changes recommended be referred to Cabinet, in the first instance, and to Council for a decision. The Authority will also prepare a half-yearly report on Treasury Management activities;
- (iii) the Prudential Indicators for Treasury Management be approved as per Appendix 5;
- (iv) the Prudential Indicators for Capital Financing be approved as per Appendices 6 & 7 based on the indicative capital programme;
- (v) Members adopt the MRP policy as set out in Appendix 8;
- (vi) the continuation of the 2020/21 investment strategy and the lending to financial institutions and Corporates in accordance with the minimum credit rating criteria disclosed within this report be approved;
- (vii) the Authority borrows £37.2m for the General Fund to support the 2021/22 capital programme and £52.0m for the HRA WHQS and Affordable Homes programme;
- (viii) the Authority continues to adopt the investment grade scale as a minimum credit rating criterion to assess the credit worthiness of suitable counterparties when placing investments;
- (ix) the Authority adopts the monetary and investment duration limits as set in Appendix 3 of the report.

## 10. UPDATE ON RESERVES

The Cabinet Member for Finance, Performance and Customer Services presented the report, which provided details of the usable reserves held by the Authority, including the audited balances as at the 1st April 2020 along with updated balances reflecting in-year adjustments actioned to date for the 2020/21 financial year.

Members were referred to Appendix 1 of the report which provided details of the Authority's usable reserves totalling £139.425m as at the 1st April 2020. Based on an assessment of in-year adjustments actioned to date, the current balance on usable reserves is £140.501m, and the Scrutiny Committee were asked to note the contents of the report.

Officers confirmed that the latest General Fund balance of £10.684m represents 3% of the 2020/21 Net Revenue Budget which is the minimum balance recommended by the Section 151 Officer. Members were reminded that an annual Update on Reserves report is prepared for the Scrutiny Committee as part of the Reserves Strategy agreed by Cabinet in July 2016 which introduced a 3% cap on the cumulative amount that can be held by Directorates in service underspend reserves. It was explained that as no Directorates have current balances that exceed the 3% cap this year so on this occasion there are no proposals to utilise these excess reserves for Members to consider.

A Member asked if the 3% cap could be revisited in view of the Covid-19 impact to allow Directorates to retain more of their underspends for future use. Officers explained that the current approach is in place to incentivise service areas to manage their budgets effectively, and that there are no plans to amend the cap at this time as the financial impact of Covid-19 is currently being managed outside of corporate budgets, although this will be kept under review in case the financial situation worsens. It was noted that Council have agreed to set aside £2.7m to deal with the impact of Covid-19 and a higher amount will be recommended if the need arises.

A Member sought clarification on the reasons for the current level of balance held in reserves (£140.501m) and Officers explained some reserves have to be retained to meet future financial obligations, including those for PFI schools and insurance commitments. Members were reminded that the total includes £24.5m of capital reserves previously agreed for the "Place Shaping" agenda and assurances were given that Officers are reviewing the reserves line by line with Heads of Service to determine if any reserves can be released to boost investment in the "Place Shaping" agenda. It was highlighted to Members that the Council makes use of these balances and receives returns on these investments and also that some of these cash balances are used in lieu of borrowing which saves money on debt charges. Assurances were also given that Cabinet is fully committed to supporting the "Place-Shaping" agenda and will seek to release funding wherever available in order to provide the additional resources required to support this ambitious plan.

Following consideration of the report, the Scrutiny Committee noted the contents of the Update on Reserves.

In thanking Members and Officers for their contributions, the Chair wished everyone a Happy New Year and the meeting closed at 6.42 p.m.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 23rd February 2021, they were signed by the Chair.

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CHAIR



## **SPECIAL POLICY AND RESOURCES SCRUTINY COMMITTEE**

### **MINUTES OF THE SPECIAL DIGITAL MEETING HELD VIA MICROSOFT TEAMS ON THURSDAY, 21ST JANUARY 2021 AT 5.30 P.M.**

#### PRESENT:

Councillor J. Pritchard - Chair  
Councillor G. Kirby - Vice Chair

#### Councillors:

M. A. Adams, Mrs E. M. Aldworth, L. Harding, G. Johnston, B. Miles, R. Saralis, M. Sargent, J. Taylor and L. G. Whittle

#### Cabinet Members:

C. Gordon (Corporate Services), Mrs E. Stenner (Finance, Performance and Customer Services), Mrs L. Phipps (Housing and Property)

#### Together with:

R. Edmunds (Corporate Director for Education and Corporate Services), L. Donovan (Head of People Services), S. Richards (Head of Education, Planning and Strategy), M. Lloyd (Head of Infrastructure), L. Dallimore (Unison Branch Secretary), M. Jacques (Scrutiny Officer), C. Evans (Committee Services Officer), S. Hughes (Committee Services Officer)

## **RECORDING AND VOTING ARRANGEMENTS**

The Chair reminded those present that the meeting was being filmed but would not be live streamed, however a recording would be available following the meeting via the Council's website – [Click Here To View](#). He advised that decisions would be made by Microsoft Forms.

### **1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Mrs C. Forehead, Miss E. Forehead, Mrs D. Price, C. P. Mann, G. Simmonds.

### **2. DECLARATIONS OF INTEREST**

There were no declarations of interest received at the commencement or during the course of the meeting.

## REPORTS OF OFFICERS

Consideration was given to the following reports.

### 3. FLEXIBLE WORKING UPDATE REPORT

The report provided the Scrutiny Committee with an update on the progress with the Flexible Working Corporate Review following the previous report presented to Scrutiny Committee on 29th September 2020.

It was noted that because of the speed and nature of the COVID-19 lockdown, the Council was required to equip and train a significant proportion of its workforce to work and to provide services remotely from their usual places of work and, in many cases, from home. Whilst Agile Working Principles were in place prior to the pandemic, they were mainly being used on an ad hoc basis.

While the transformation to this new model of service delivery happened at a significant pace, the technology platforms that have formed the foundations of remote working have proven to be intuitive and stable.

Some sections of the workforce have been operating remotely and very effectively since the beginning of lockdown and, over time, further services have been enabled and brought back online with much less of a reliance on buildings, premises and travel.

It was noted that this has enabled many services to the public to be delivered safely and continuously and for the Council's employees to manage multiple aspects of their professional and personal lives in a way that has brought about a much greater work-life balance than was possible previously.

The Flexible Working Corporate Review Group has been formed and are considering the changes and effects of moving to a more flexible working model approach and an update on the progress of the review over the last 3 months is included within this report as requested by Policy and Resources Scrutiny Committee on 29th September.

Whilst the focus of the report related to staff who have primarily worked from buildings, it was noted that opportunities for flexible working is available in front line services, which support employees' career choices and also personal circumstances, via part time working, shift patterns, for example.

The report embraces the TeamCaerphilly transformation strategy, echoing the mantra - *A new "whole-authority" operating model to ensure a resilient Caerphilly County Borough for the future.*

The Committee thanked the Officer for the report and discussion ensued.

Members discussed the report at length and raised queries and concerns around staff Mental Health and Well-being, Domestic Abuse, tax relief and the additional costs associated with working from home.

Officers provided detailed responses to the queries from members, offering assurances that regular meetings are being undertaken with staff and managers in order to discuss any issues they may have, as well as information being provided by Care First. In discussing Domestic Abuse, Officers assured Members that there is a policy in place, which would be circulated to the Committee and provision would be made for an individual to work outside of the home, in order to keep them safe and reduce their risk of harm.

Discussions took place around an additional staff survey, which will include Well-being monitoring, as well as source information around the Tax Relief scheme offered by HMRC. Members were asked to note that the categorisation would be undertaken prior to the sourcing

of furniture to accommodate home/ agile working, and staff will be offered the equipment they need, should they require it, to undertake their roles.

Discussions took place around Town Centres and the loss of several businesses prior to the Pandemic, and concerns that this will be exacerbated following the pandemic. Members were concerned for the decrease in footfall and Officers explained that detailed impact assessments would be undertaken, consultation exercises and Scrutiny and Cabinet considered prior to any building closure decisions.

Following consideration and discussion and with the inclusion of an additional recommendation at *vii*) which was unanimously agreed, it was moved and seconded that the recommendations in the report be approved. By way of electronic voting this was by the majority present.

RESOLVED that for the reasons contained in the Officers Report and including the additional recommendation at *viii*): -

- i) The Policy and Resources Scrutiny Committee provided comments on the work done to date and recommended to Cabinet that: -
- ii) the proposed flexible working employee categorisation identified within section 5.15 of the report be formally adopted;
- iii) the proposal to consider different approaches to the supply of equipment to individuals based on their circumstances in relation to the provision of furniture to allow more flexible/home working where appropriate be supported;
- iv) the continued work to consider the impacts of any property portfolio rationalisation as a result of changes in office requirements be supported;
- v) the review of how the local communities may be affected and how effective and constructive future engagement can be undertaken be supported;
- vi) the formally identified workstreams in the Flexible Working Corporate Review Dashboard (Appendix 1) be noted.
- vii) *A further staff survey be undertaken.*

The meeting closed at 6.33 p.m.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 23rd February 2021, they were signed by the Chair.

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CHAIR

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## **POLICY AND RESOURCES SCRUTINY COMMITTEE – 23RD FEBRUARY 2021**

**SUBJECT: POLICY AND RESOURCES SCRUTINY COMMITTEE FORWARD  
WORK PROGRAMME**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE  
SERVICES**

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### **1. PURPOSE OF REPORT**

1.1 To report the Policy and Resources Scrutiny Committee Forward Work Programme.

### **2. SUMMARY**

2.1 Forward Work Programmes are essential to ensure that Scrutiny Committee agendas reflect the strategic issues facing the Council and other priorities raised by Members, the public or stakeholder.

### **3. RECOMMENDATIONS**

3.1 That Members consider any changes and agree the final forward work programme prior to publication.

### **4. REASONS FOR THE RECOMMENDATIONS**

4.1 To improve the operation of scrutiny.

### **5. THE REPORT**

5.1 The Policy and Resources Scrutiny Committee forward work programme includes all reports that were identified at the scrutiny committee meeting on Tuesday 12<sup>th</sup> January 2021. The work programme outlines the reports planned for the period February 2021 to May 2021.

5.2 The forward Work Programme is made up of reports identified by officers and members. Members are asked to consider the work programme alongside the cabinet work programme and suggest any changes before it is published on the council website. Scrutiny committee will review this work programme at every

meeting going forward alongside any changes to the cabinet work programme or report requests.

- 5.3 The Policy and Resources Scrutiny Committee Forward Work Programme is attached at Appendix 1, which presents the current status as at 1<sup>st</sup> February 2021. The Cabinet Work Programme is attached at Appendix 2. A copy of the prioritisation flowchart is attached at appendix 3 to assist the scrutiny committee to determine what items should be added to the forward work programme.

#### 5.4 **Conclusion**

The work programme is for consideration and amendment by the scrutiny committee prior to publication on the council website.

### 6. **ASSUMPTIONS**

- 6.1 No assumptions are necessary.

### 7. **LINKS TO RELEVANT COUNCIL POLICIES**

- 7.1 The operation of scrutiny is required by the Local Government Act 2000. The Local Government Wales Measure 2011 and subsequent Statutory Guidance include requirements to publicise the work of scrutiny committees. The operation of scrutiny committee forward work programmes was agreed following decisions by Council in October 2013 and October 2015.

#### 7.2 **Corporate Plan 2018-2023.**

Scrutiny Committee forward work programmes contributes towards and impacts upon the Corporate Well-being Objectives by ensuring that the Executive is held to account for its Corporate Objectives, which are:

Objective 1 - Improve education opportunities for all

Objective 2 - Enabling employment

Objective 3 - Address the availability, condition and sustainability of homes throughout the county borough and provide advice, assistance or support to help improve people's well-being

Objective 4 - Promote a modern, integrated and sustainable transport system that increases opportunity, promotes prosperity and minimises the adverse impacts on the environment

Objective 5 - Creating a county borough that supports a healthy lifestyle in accordance with the sustainable Development Principle within the Wellbeing of Future Generations (Wales) Act 2015

Objective 6 - Support citizens to remain independent and improve their well-being



## **8. WELL-BEING OF FUTURE GENERATIONS**

8.1 This report contributes to the well-being goals and is consistent with the five ways if working as defined within the sustainable development principle in that by ensuring the scrutiny function is effective when reviewing services and policies and ensure is considers the wellbeing goals.

8.2 The Forward Work Programmes contribute to the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2016 by ensuring there is an effective scrutiny function and that council policies are scrutinised against the following goals:

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

## **9. EQUALITIES IMPLICATIONS**

9.1 There are no specific equalities implications arising as a result of this report.

## **10. FINANCIAL IMPLICATIONS**

10.1 There are no specific financial implications arising as a result of this report.

## **11. PERSONNEL IMPLICATIONS**

11.1 There are no specific personnel implications arising as a result of this report.

## **12. CONSULTATIONS**

12.1 There are no consultation responses that have not been included in this report.

## **13. STATUTORY POWER**

13.1 The Local Government Act 2000.

Author: Mark Jacques, Scrutiny Officer jacqu@carphilly.gov.uk

Consultees: Richard Edmunds, Corporate Director for Education and Corporate Services  
Robert Tranter, Head of Legal Services/ Monitoring Officer  
Lisa Lane, Head of Democratic Services and Deputy Monitoring Officer, Legal Services

Councillor James Pritchard, Chair Policy and Resources Scrutiny  
Committee  
Councillor Gez Kirby, Vice Chair Policy and Resources Scrutiny  
Committee

Appendices:

- Appendix 1 Policy and Resources Scrutiny Committee Forward Work Programme
- Appendix 2 Cabinet Forward Work Programme
- Appendix 3 Forward Work Programme Prioritisation Flowchart

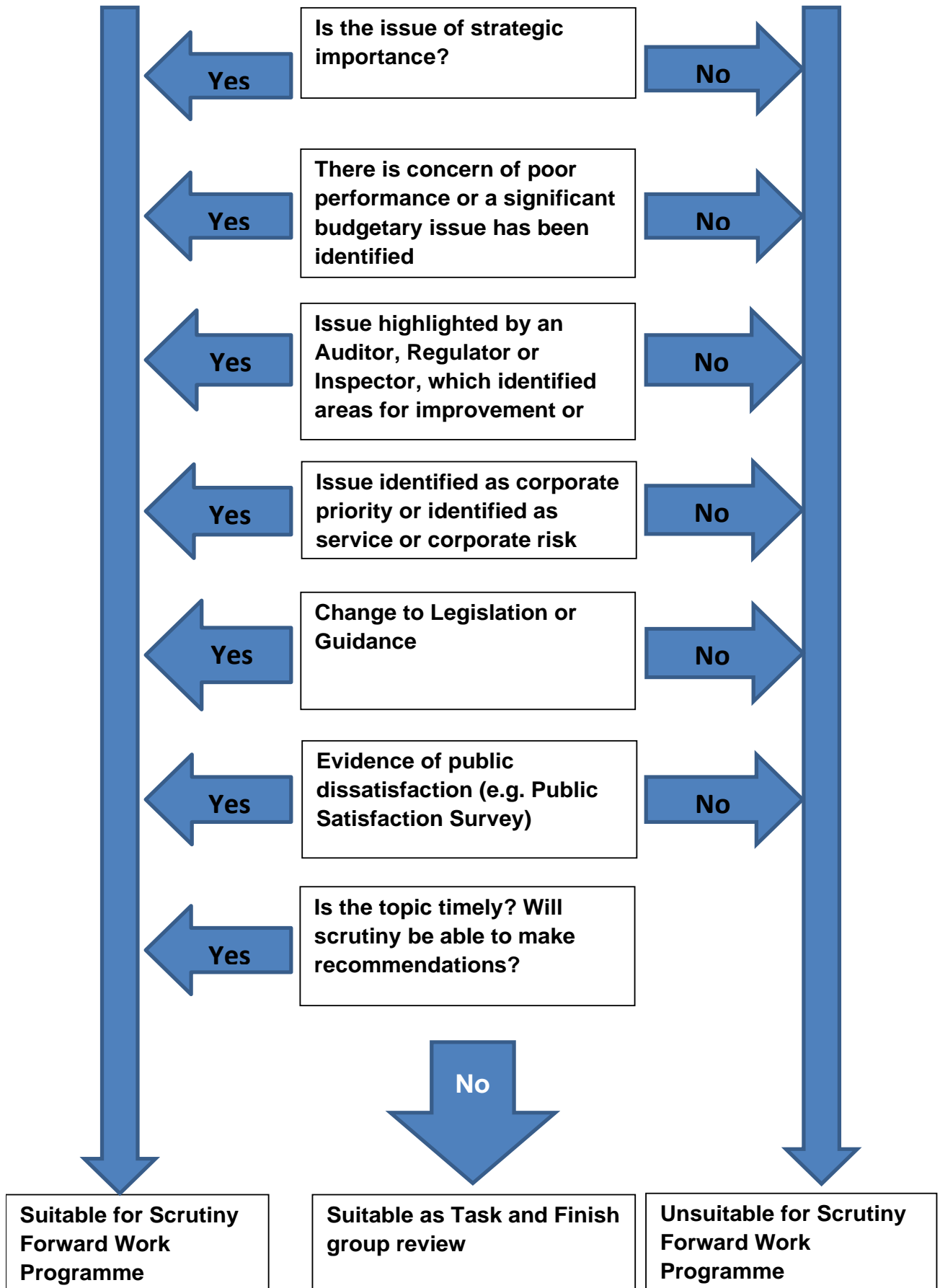
Forward Work Programme - Policy & Resources					Appendix 1
Date	Title	Key Issues	Author	Cabinet Member	
23/02/21 17:30	Information Item - Corporate services & Miscellaneous Finance 2020/21 budget monitoring report (period 9)		Roberts, David;	Cllr. Stenner, Eluned;	
23/02/21 17:30	Treasury Management and Capital Financing Prudential Indicators Quarter 3 Report 2020/21		Harris, Stephen R;	Cllr. Stenner, Eluned;	
23/02/21 17:30	Whole-Authority Revenue Budget Monitoring Report (Period 9)		Harris, Stephen R;	Cllr. Stenner, Eluned;	
23/02/21 17:30	Directorate Performance Assessment (6 Months) P&R		Edmunds, Richard (Ed);	Cllr. Stenner, Eluned;	
06/04/21 17:30	Team Caerphilly: 6-Month Update		Peters, Kathryn;	Cllr. George, Nigel;	
06/04/21 17:30	Team Caerphilly Transformation Programme – 6 monthly update	To provide members with an update on progress against the Team Caerphilly Transformation Strategy	Richards, Sue;	Cllr. Stenner, Eluned;	
25/05/21 17:30	Volunteering Policy		Richards, Sue;	Cllr. Stenner, Eluned;	
28/09/21 17:30	Directorate Performance Report – Corporate Services Year End Report 2020/21		Edmunds, Richard (Ed);	Cllr. Gordon, Colin J;	
28/09/21 17:30	Annual Performance Report		Richards, Sue; Roberts, Ros;	Cllr. Stenner, Eluned;	
28/09/21 17:30	DPA'S/CPA (Linked to APR timeline)		Richards, Sue;	Cllr. Stenner, Eluned;	

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Cabinet Date	Title	Key Issues	Author	Cabinet Member
24/02/21 10:30	Wellbeing and Placeshaping Framework	To seek approval to consult and engage on the capital investment programme for the county borough	Harrhy, Christina;	Cllr. Marsden, Philippa;Cllr. Morgan, Sean
24/02/21 10:30	Annual Leave	For Cabinet to consider options to address the annual leave balances in excess of 5 days carry over for 2020.	Donovan, Lynne;	Cllr. Gordon, Colin J
24/02/21 10:30	Whole-Authority Revenue Budget Monitoring Report (Period 9).	To provide Cabinet with details of projected whole-authority revenue budget expenditure for the 2020/21 financial year and to seek approval for proposed one-off investments.	Harris, Stephen R;	Cllr. Stenner, Eluned;
24/03/21 10:30	Gender Pay Gap	For CMT and Cabinet to agree the Gender Pay Gap report which has to be published by 31st March	Donovan, Lynne	Cllr. Gordon, Colin J;
24/03/21 10:30	Interim Report from the Task and Finish Group on the Non-Residential Care Charges	To recommend to Members that they request that Cabinet extends the current rate increase for the 2021/22 financial year. This would allow the Task and Finish Group to continue their inquiry and to draft recommendations for Cabinet's consideration on the charge for Non-Residential Care from 2022/23 onwards	Jacques, Mark;	Cllr. Cook, Shayne;
24/03/21 10:30	White Paper on Rebalancing Care and Support	To share the proposal of the Welsh Government White Paper on Rebalancing Care and Support and to seek Members views with regards to a consultation response.	Street, Dave;	Cllr. Cook, Shayne;
24/03/21 10:30	Annual Equalities Report 2019/20	To seek Cabinet approval of the statutory Annual Equalities Report 2019/20 which provides an update of the progress made during the financial year 2019/20 against targets in the Councils current Strategic Equalities Plan.	Cullinane, Anwen;Peters, Kathryn;Richards, Sue;	Cllr. Stenner, Eluned;

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**Scrutiny Committee Forward Work Programme Prioritisation**



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## **POLICY AND RESOURCES SCRUTINY COMMITTEE – 23RD FEBRUARY 2021**

**SUBJECT:           DIRECTORATE PERFORMANCE ASSESSMENT SIX MONTH  
UPDATE 2020**

**REPORT BY:       CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE  
SERVICES**

### **1.       PURPOSE OF REPORT**

- 1.1    To present Scrutiny with the new Corporate Services Directorate Performance Assessment (DPA) which is part of the Council's new Performance Framework.
- 1.2    The DPA provides information and analysis for the 6-month period April – September 2020. The DPA forms part of the overall Council 'self-assessment' activity, of which members are invited to discuss, challenge and scrutinise the information in the DPA.

### **2.       SUMMARY**

- 2.1    The Council's Performance Framework had been in its current format for several years and formed a foundation stone of the Council's governance arrangements.
- 2.2    As the Council embarked on its ambitious Transformation Programme, Team Caerphilly, alongside the emergence of new legislation such as the Local Government and Elections (Wales) Bill 2019, it became both timely and opportune that the Framework was redeveloped and enhanced.
- 2.3    The new Performance Framework was endorsed by Cabinet February 2020 and this report introduces one of the key components of the Framework, the Directorate Performance Assessment, (DPA). The DPA is a 'self-assessment' of Directorate's progress across a wide range of information types.
- 2.4    Directorate Performance Assessments are an opportunity to bring together a range of information and intelligence into one picture to answer the self-assessment question of 'how well are we performing and how do we know? Appendix A is the Corporate Directorates Performance Assessment up to September 2020.

### **3.       RECOMMENDATIONS**

- 3.1    Members review the attached document (Appendix A) and discuss, challenge and

scrutinise the information contained within.

#### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 Scrutiny members are involved in the 'self-assessment' process by scrutinising the information within the Directorate Performance Assessment. This also supports the principles within the new section (Part 6, Chapter 1) of the Local Government and Elections (Wales) Bill which provides for a new performance and governance regime for principal councils

#### **5. THE REPORT**

- 5.1 The Council started reviewing its Performance Management Framework 2 years ago with a view to making better use of the wide range of information and intelligence that it holds and to future proof any new processes in line with the new Performance legislation.
- 5.2 The new Performance Framework has been developed to meet several strategic and operational needs as well as to align with emerging legislation and further the Council's desire to be a high performing learning organisation focused on meeting the needs of its residents.
- 5.3 The framework was piloted in 2019 and endorsed by Cabinet February 2020
- 5.4 Part of the framework was to develop a reporting dashboard at directorate level. This report introduces and shares the Corporate Services DPA. To show how the DPA fits into the overall framework the components are noted below:

##### **5.5 The Framework**

The Council's new Performance Framework has several component parts:

- Corporate Performance Assessment (CPA)
- **Directorate Performance Assessment (DPA)**
- Service Planning, identifying priorities resources and actions to improve.
- Risk Management – the barriers that may prevent improvement.
- MyTime Extra – personal learning and development, skills to deliver on objectives.

- 5.6 The Corporate Performance Assessment (CPA) dashboard is used by the Corporate Management Team (CMT) and Cabinet to monitor the Council's progress in delivering its strategic priorities, identifying and challenging areas of underperformance and discussing and agreeing any remedial actions that may be required.

The dashboard is received by CMT on a quarterly basis as well as being shared twice yearly with Cabinet. While the dashboard itself offers a rich insight, it is set at a high-level position and designed to be an 'at a glance' overall picture. The detail that sits underneath it is within the DPA.

## 5.7 Directorate Performance Assessment (DPA)

The DPA dashboards are developed for all directorates. The report provides Directorate Management Teams with a range of data to keep progress under review, drive performance improvement and manage resources, intelligence and risks. Information within the DPA dashboards is grouped as follows:

- Overall summary of the Quarter
- Progress on a Directorate's Priorities
- Performance Data
- Customer Intelligence
- Resources – financial / workforce and assets
- Risk Register
- Well-being Objectives
- Lessons Learned
- Conclusion

The DPAs are received by Senior Management Teams on a quarterly basis providing opportunities to account for progress, challenge performance and agree improvement activity. Data from DPAs will be shared with relevant Scrutiny Committees twice yearly.

5.8 The focus of the Directorate Performance Assessments (Appendix A) to continue our development as a learning organisation. The DPA is less about performance and targets (though they have their place) rather is designed to provide a wider picture of knowledge and learning, to identify cause and effect and to invite mature conversations that enhance learning which leads to improvement.

## 5.9 Conclusion

The Council's new Performance Framework as set out will provide Cabinet, Scrutiny Committees, CMT and DMTs with a regular and embedded mechanism for monitoring progress, managing performance and driving improvement. The dashboards, which provide 'a single source of the truth', enable key aspects of performance to be discussed, action to be agreed and learning to be generated. The ability to specifically link individual contributions to organisational goals provides a platform for every employee to understand how they fit and to be recognised for the part they play in delivering the Council's objectives

## 6. ASSUMPTIONS

6.1 No assumptions were thought to be required in this report.

## 7. LINKS TO RELEVANT COUNCIL POLICIES

### 7.1 Corporate Plan 2018-2023.

Corporate Services is not directly responsible for a single Well-being Objective but does contribute to all the objectives. They are:

- Objective 1 Improve Education Opportunities for all.
- Objective 2 Enabling Employment.

- Objective 3 Address the availability, condition and sustainability of homes throughout the county borough and provide advice, assistance or support to help improve people’s well-being.
- Objective 4 Promote a modern, integrated and sustainable transport system that increases opportunity, promotes prosperity and minimizes the adverse impacts on the environment.
- Objective 5 Creating a County Borough that supports a Healthy Lifestyle in accordance with the Sustainable Development Principle within the Wellbeing of Future Generations (Wales) Act 2015.
- Objective 6 Support citizens to remain independent and improve their well-being.

The Corporate Plan can be found on the intranet on the Policy portal, within the performance management section. **Click here to view.**

## **8. WELL-BEING OF FUTURE GENERATIONS**

- 8.1 The Directorate Performance Assessment shows how the Directorate’s priorities, risks and its own specific well-being objective contributes to the Well-being goals;
- A prosperous Wales
  - A resilient Wales
  - A healthier Wales
  - A more equal Wales
  - A Wales of cohesive communities
  - A Wales of vibrant culture and thriving Welsh Language
  - A globally responsible Wales

The information is wide ranging and looks at the long-term balancing priorities with the short term and the long-term needs. The risks also identify those that impact the well-being of future generations. The actions being taken to deliver the priorities are part of preventing problems occurring, or getting worse, delivery of thee require involvement and a range of collaborations.

## **9. EQUALITIES IMPLICATIONS**

- 9.1 This report is for information and has no decision-making requests, so the Council full Equality Impact Assessment process does not to be applied. Information on equalities and Welsh language will be included appropriately within the DPA’s and CPA’s as part of a picture of Directorate’s self-assessments.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 There are no financial implications within this report, however the DPA (Appendix A) has a section on resources including relevant budget out turns as part of the overall self-assessment of the directorate.

## **11. PERSONNEL IMPLICATIONS**

- 11.1 There are no personnel implications within this report, however the DPA (Appendix

A) has a section called 'resources' which provides data on a range of workforce aspects.

## **12. CONSULTATIONS**

12.1 Any consultation responses have been included with in this report.

## **13. STATUTORY POWER**

13.1 The Local Government Measure (2009) and Local Government and Elections (Wales) Bill

Author: Ros Roberts, Business Improvement Manager, [roberr@caerphilly.gov.uk](mailto:roberr@caerphilly.gov.uk)

Consultees: Christina Harrhy, Chief Executive  
Richard Edmunds, Corporate Director of Education and Corporate Services  
Councillor Eluned Stenner, Cabinet Member for Performance and Customer Service  
Councillor James Pritchard, Chair of P&R Scrutiny Committee  
Councillor Gez Kirby, Vice Chair of P&R Scrutiny Committee  
Steve Harris, Head of Financial Services and S151 Officer  
Rob Tranter, Head of Legal Service and Monitor  
Liz Lucas, Head of Customer and Digital Services  
Lynne Donovan, Head of People Services  
Sue Richards, Head of Education Planning & Strategy  
Anwen Cullinane, Senior Policy Officer, Equalities, Welsh Language & Consultation)  
Steve Pugh, Corporate Communications Manager

Appendices:

Appendix A Directorate Performance Assessment (April – September 2020)

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# Corporate Services Directorate Performance Assessment



2020/21 Quarter 1 & 2 (6 Month Update)

## Content

## Select to view

Directors Summary & Priorities



Performance



Customer Intelligence



Resources



Risks



Well-being Objectives



Conclusion



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# Directors Summary

## 6 Month Summary

The performance period under review aligns with the first six months of the COVID-19 pandemic. It is important to recognise that during this time, Caerphilly Council and the communities it serves have been severely impacted by the virus with some services ceased, some delivered in alternative ways and many of the Council's staff redeployed in support of services that had not existed prior to the beginning of the financial year. The reintroduction of many of those services only a matter of months on, along with key governance processes such as the Council's DPA process, demonstrates how the Council has begun to return to a semblance of normality while also continuing to protect our people and place from COVID-19. I would like to record my appreciation of the staff of Corporate Services for the way in which they have adapted, transformed working practices and done whatever has been asked of them during this time.

In terms of specific performance updates during Q1 and Q2, I would like to commend officers for continuing to progress the Directorates agreed strategic priorities as well as contributing to the Council's now expanded TeamCaerphilly Programme. The progress made has been strong. I would also like to highlight a number of specific performance indicators that have been unsurprisingly negatively affected by COVID-19 as well as highlighting some positive and somewhat unexpected consequences. Firstly, the Council has not met its obligations in respect of targets around response times for Freedom of Information, Subject Access Requests and Council Tax collection rates as access to buildings were severely restricted and many staff were actively redeployed to services such as the Council's 'Buddy' scheme. In terms of the positives identified, the Council has seen staff from across the organisation working together for the good of all; the introduction of agile working significantly accelerated, and the concept of TeamCaerphilly very much brought to life.

In response to COVID 19, the Buddy Scheme was set up beginning on the 16<sup>th</sup> March 2020 to deliver a community response to support vulnerable people and those who were self-isolating. The Corporate Policy Unit managed the system with assistance from across all Council Services, including Services that had effectively shut down mainstream activity and offered staff to the Buddy scheme as part of the normal working week. 590 staff responded to the request for volunteers to support this group to provide support with shopping, prescription pick-up, keeping in touch etc. At the peak 1560 Vulnerable People were registered on the scheme.

## Priorities

Title	Completion Date	RAG	Progress - Achievements - Impacts
<b>ALL Services</b>			
To identify savings proposals to ensure that a balanced budget for the 2020/21 financial year can be approved by Council in February 2020.	February 2020	●	<b>Complete</b> - The 2020/21 budget proposals were approved by Council at its meeting on the 20th February 2020. Total savings of £3.007m were approved of which £581k were for the Directorate of Corporate Services. Progress in delivering these savings is being monitored through our established budget monitoring processes.
<b>Customer &amp; Digital Services</b>			
Deliver a revised Staffing structure for Customer and Digital Services.	December 2019	●	<b>Complete (but ongoing)</b> - The original restructure of the Digital Services Team was concluded early in 2020 but further adjustments have been made to the structure since as a result of normal operational churn. Work has also continued with regard to refining and improving the structures attached to Procurement and Customer Services.
Implement the Programme for Procurement within agreed timescales [to generate whole life benefits to the organisation and society)	2023	●	<b>Ongoing</b> - Significant progress has been made on the implementation of Themes, Outcomes and Measures (TOMs) and their formal adoption via the Social Value Portal. From early 2020/21 the TOMs methodology is being included in all relevant procurement processes. In addition, Caerphilly CBC continue to be actively involved with a National TOMs Framework for Wales via the WLGA and supported by the National Social Value Taskforce Wales (NSVT Wales). Caerphilly CBC specific and National TOMs for Wales have been designed to help Caerphilly CBC and other organisations measure and maximise the Social Value they create through the delivery of their services across the 7 Well-being Goals and importantly they will allow organisations to report Value created as a financial contribution to society. A draft of the Council's Social Value Policy has been developed and is being readied for consultation.
Implement the Customer and Digital Strategy within agreed timescales to meet the changing needs of our customers.	5 year programme	●	<b>Ongoing</b> - Strong progress being made across all elements of the strategy. The progress being made in terms of automation is particularly pleasing and is attracting national interest. The requirement to close front of house customer first offices as a result of the pandemic has also seen a steady channel shift toward digital engagement which the Council will now seek to retain and build on further over coming years.
Purchase & Implementation - Abavus Customer Portal	4 year programme	●	<b>Ongoing</b> - 8751 new customers have registered for an Abavus account. 28,334 service requests have been submitted through the Abavus platform. Due to Covid-19 the scheduled workplan has been delayed as services have been developed to specifically support the current pandemic response. Mayrise and Civica App forms are now in development. Waste Management service redesign and full end to end implementation onto the Abavus platform has been agreed with work restarting in September 2020. Self Service Scanning is now built and will be rolled out at Customer Service Offices when they reopen. Appointment bookings and Room Bookings are both being built in readiness for reopening to replace existing systems. Whilst we are behind on our current work plan, without the platform we would not have been in a position to build the reactive forms that have been needed by service areas during these unprecedented times. A total of 9814 service request have been raised specifically in respect of Covid-19 services such as Business Rate Grants, Key worker childcare applications, rescheduling of Council Tax Payments etc. The focus now is to pull the work programme back on track and refocus on delivering the original plan.
Purchase & Implementation - Thoughtonomy Virtual Workers Business Process Automation	4 year programme	●	<b>Ongoing</b> - A new automated Supporting People process is live. Free school meals is in UAT and will be developed and implemented as soon as resource allows. Expetced to be live by December 2020. Blue Badge - Automated entitlement process is in development. Payment of Pupil Development Grants (PDG) process is currently being explored with further processes to follow.
Revise Information Governance Work Programme to focus on deriving best value from	October 2019	●	<b>Ongoing</b> - Work programme revised by Oct 2019 deadline, and currently being implemented.
Agree Hwb ICT Investment Programme - Develop sustainability and Programme Plan - Plan in line with WG Timescales.	October 2019	●	<b>Ongoing</b> - WG Funding secured to the value of £2.9 million covering infrastructure, end user devices and capital grant on behalf of our Schools. The impact will be the upgrading and replacement of existing network infrastructure within Schools via the secured funding. This will ensure the Local Authority meets the Educational Digital Standards that have been introduced by WG. The investment allows Schools to future proof their digital environment to meet the needs of a more digitally focused learning environment and school curriculum. EdTech Programme Update report to be presented to CMT and PDM in October 2020 which will provide an overview on the current status and next steps.
To Purchase and roll out Office365 (O365)	2 Year Programme	●	<b>Ongoing</b> - Covid-19 has accelerated the roll out of O365 and all officers who have requested a license have now been allocated. HoS have been asked to identify any further requirements.

Title	Completion Date	RAG	Progress - Achievements - Impacts
Develop and lead All Wales ICT Procurement for Hwb Programme	October 2019	●	<p><b>Ongoing - Caerphilly established a Dynamic Purchasing System (DPS)</b> on behalf of all twenty-two local authorities in October 2019 in accordance with UK Public Contract Regulations. The DPS offered an opportunity to develop a national, strategic relationship with Suppliers in order to maximise the current and future investment that schools and local authorities in Wales make in education technology. The DPS will be a "live" market for Suppliers able to demonstrate they fully meet our requirements. The DPS will be continually refreshed to take account of and keep pace with changes in related technologies and associated services. Currently undertaking scoping exercise to establish Lot 3, Teaching and Learning Tools of the DPS and a separate exercise being undertaken for Adobe software.</p> <p>Spend to date via the DPS is circa £72million since implementation on behalf of Welsh Government and Local Authorities. Circa £25.5million of spend during FY20/21 (circa £25m within Lot 2) which included WG and LA funded purchases thus meeting the requirements of WG funding for FY20/21. Quotes received from manufacturers and suppliers "Cisco's Highest % Discount in UK Public Sector History &amp; Largest ever Public Sector Order", "Largest UK Public Sector Order ever – Aruba" and "Lowest Apple Education Pricing on Record". Significant on going work undertaken with manufacturers and suppliers in relation to product manufacturing and expediting of deliveries.</p> <p>Digitally Excluded Learners connectivity and Mifi Devices commenced in May 2020 due to the Covid-19 emergency, the initiative currently continues with a spend of circa £1.5 million to date. Approx. 11,000 devices and SIMS deployed and secured 9000 Neverware Cloud Ready licences.</p> <p>In relation to Abavus and Thoughtonomy the Procurement aspect is complete and achieved, however supporting narrative will be needed from Karen.</p>
<b>Legal &amp; Governance</b>			
Complete Scrutiny Review and implement actions that improve the Scrutiny function. The purpose is to address recommendations from the WAO "Fit for the future" report	April 2020	●	<b>Complete</b> - Full Council is expected to resolve that it should retain 5 scrutiny committees at its meeting on 6th October. A corporate review on Decision Making has been commissioned with the Head of Legal Services and Monitoring Officer leading the review.
Deal with the Air Quality situation at Hafodyrynys - Working in partnership	2023	●	<b>Ongoing</b> - Work continues to support the organisation through the process of purchasing the houses in Hafodyrynys and making the necessary improvements to air quality within the area.
Review Childcare workload following appointment of 2 new lawyers.	Spring 2020	●	<b>Ongoing</b> - The demand for public childcare law services remains high and comparable with the previous 2 years. Review on hold due to COVID-19 workload pressures.
<b>People Services</b>			
Develop a Well-being Strategy to support people to be well and to be in work		●	<b>Ongoing</b> - The Well-being Strategy is being developed and will take account of matters arising as a result of the Covid 19 pandemic. It is expected to be ready for adoption by the end of the 2020/21 financial year.
Develop and implement an Organisational Development Strategy to have the right people in the right place with the right skills		●	<b>Ongoing</b> - The Workforce Development Strategy is being developed in line with the Corporate reviews and a draft will be available December 2020 / January 2021 for consideration.
<b>Service Improvement and Partnerships</b>			
a. Draft the #Team Caerphilly Future Transformation Strategy b. Strategic action plan to be written. c. Ensure delivery of key action plan and evaluate effectiveness	Key deadlines are included in the Strategic Action Plan.	●	<b>Ongoing</b> - The Transformation Strategy and Action Plan was published in 2019. An update in the form of the "Strengthening Team Caerphilly" report was presented to Cabinet on 22nd July. The action plan is progressing but progress has been limited due to Covid-19 lockdown. The implementation of the 10 corporate reviews set out within the Strengthening Team Caerphilly report is now underway. The "Strengthening Team Caerphilly" report will be presented to P&R Scrutiny on 11th November.
Support the ongoing process of embedding Future Generations across the Authority and further improve the quality of Equalities Impact Assessments (EIA's)	Ongoing	●	<b>Ongoing</b> - Progress has been made with the implications for the Well-being of Future Generations now considered in all Committee Reports and embedded in other policies and processes across the authority. A new Policy Officer is being recruited and part of their role will be to look at training and awareness raising of the Well-being of Future Generations Act for more of our employees. <p>A series of Equality Impact Assessment (EIA) training courses were held mainly for members of Management Network but with some</p>
Implement a new Corporate Performance Framework including the Directorate Performance Assessments, so the organisation has correct information on how it is performing.	Quarterly	●	<b>Complete</b> - The new framework has been implemented and was agreed by Cabinet 26th Feb 2020. Due to Covid the work 'paused' but has now started again with a full assessment going to Cabinet 19th November. Continuing to refine the content, the analysis and potential automation will be ongoing as part of the Corporate Review on 'intelligence and insight'. In its current form the priority is now complete.
<b>Corporate Finance</b>			
Progress completion of the 2017/18 ISA260 recommendations for Internal Audit to ensure the recommendations from external auditors are implemented.	Targets to be reviewed when 2018/19 ISA260 report is received.	●	<b>Ongoing</b> - The ISA260 report for the 2019/20 financial year contains one outstanding recommendation for Internal Audit. This relates to the tracking of recommendations in audit reports and reporting to the Audit Committee. The current position is that new audit management software (MK insights) was successfully implemented in September 2019. Work was then undertaken to develop and tailor the individual audit programmes for the various audit areas. Work was also being undertaken to develop and tailor the various management reporting functions and audit report formats, and to set up notifications for recommendation tracking (due dates and overdue) and reporting to the Audit Committee. This work has been temporarily suspended due to Covid-19 but will restart as soon as practically possible. Work had also commenced developing the business user integrated portal to allow users to update progress on recommendations online and it is planned to continue this with a view to going live sometime in the second half of the 2020/21 financial year.
Coordinate and facilitate balanced budget proposals for 2020/21 with higher savings targets for discretionary services to deliver a balanced budget.	Initial lists to be submitted by the end of June.	●	<b>Complete</b> - The 2020/21 budget proposals were approved by Council at its meeting on the 20th February 2020. This included total savings across the Council of £3.007m.
PFI Review – progress the review of school Private Finance Initiative.	Next steps to be agreed at the meeting scheduled for the 19th June.	●	Prior to the Covid-19 outbreak the Council was working with Local Partnerships to prepare a business case by the end of March 2020. Work has been suspended due to the pandemic but a meeting has now been scheduled to agree the next steps and revised timescales.

Count No's **RAG** Status  
0 **Black** Not yet started or too early to report any progress (achievements/changes)

Title	Completion Date	RAG	Progress - Achievements - Impacts
	0	Red	Started but not progressing well
	11	Amber	Started with reasonable progress achieved
	10	Green	Going well with good progress
	21	Total	

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# Performance

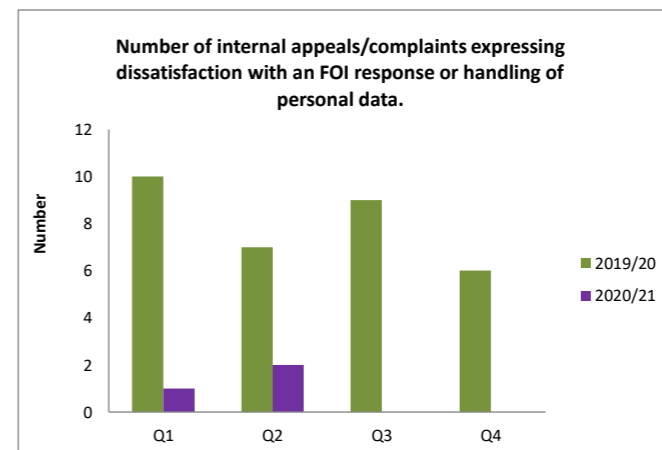
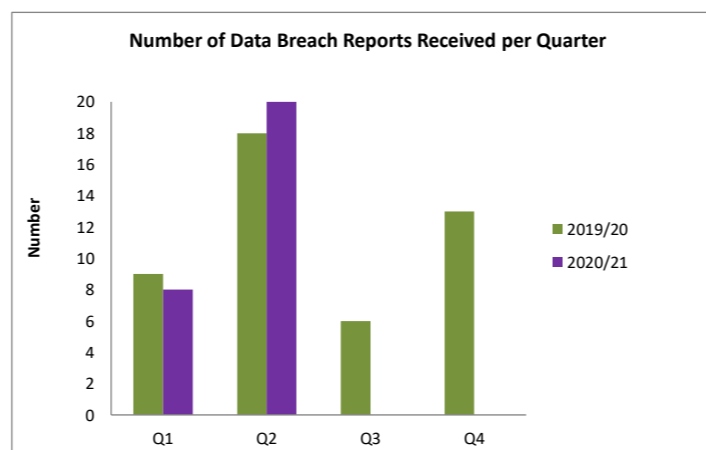
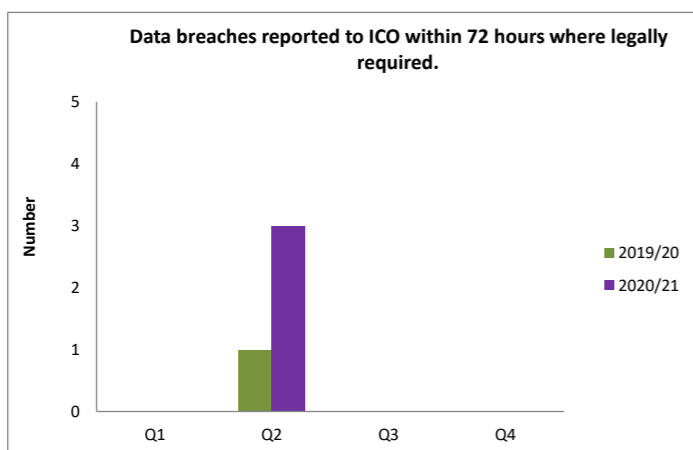
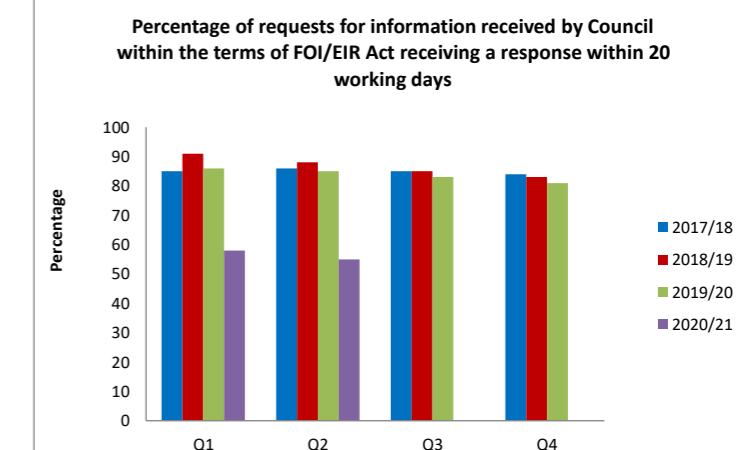
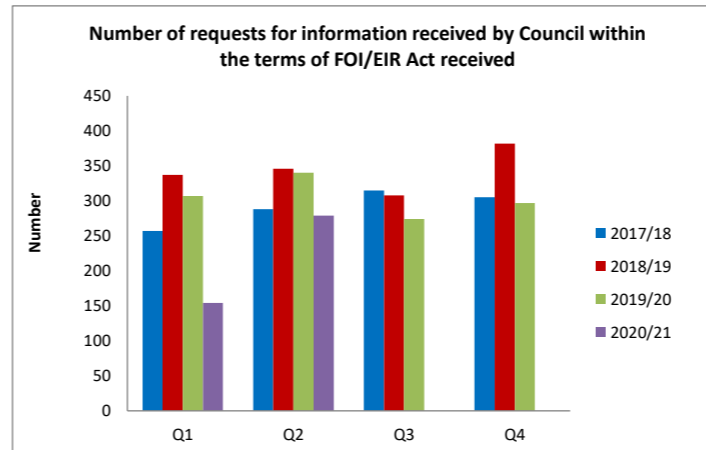
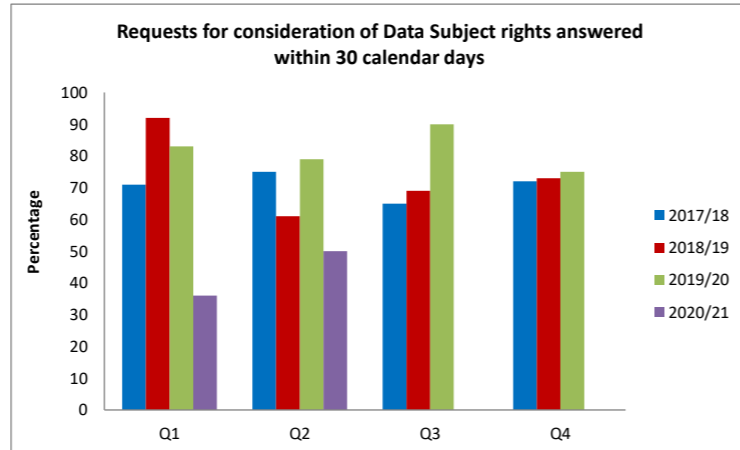
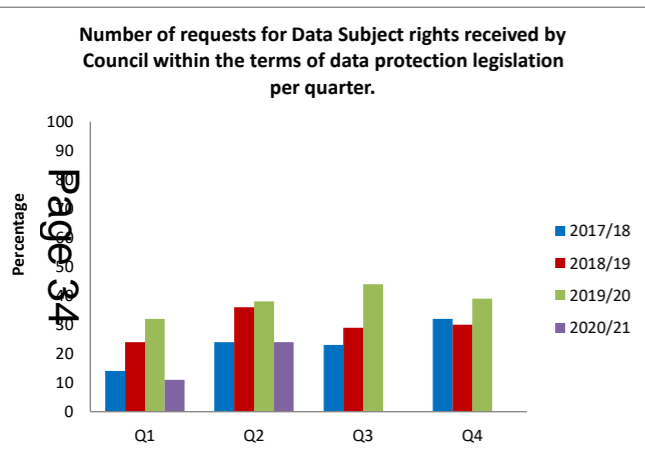
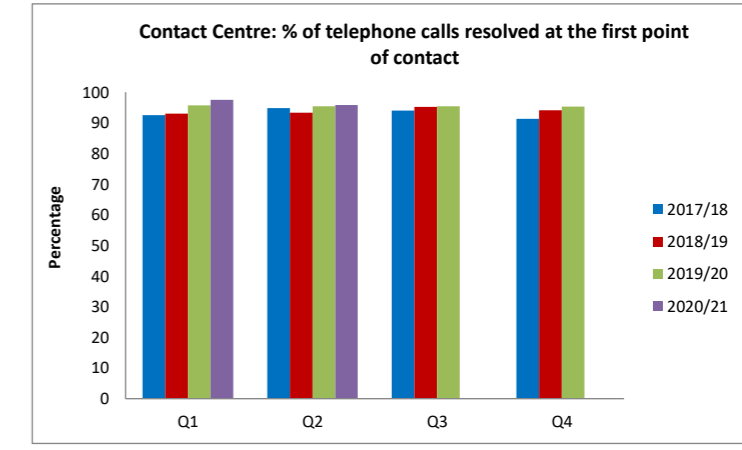
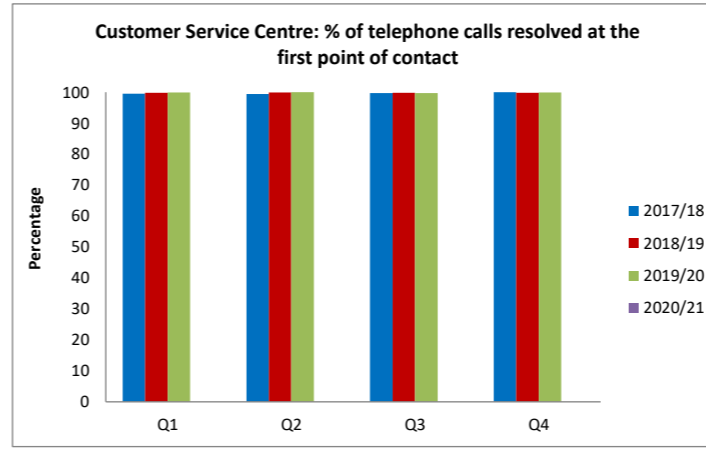
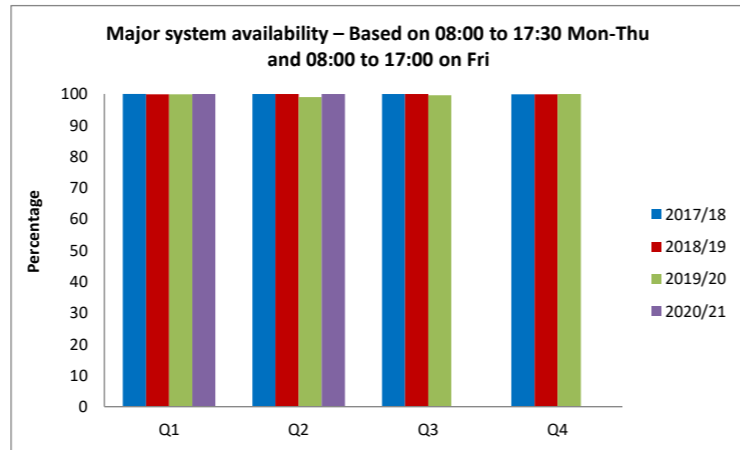
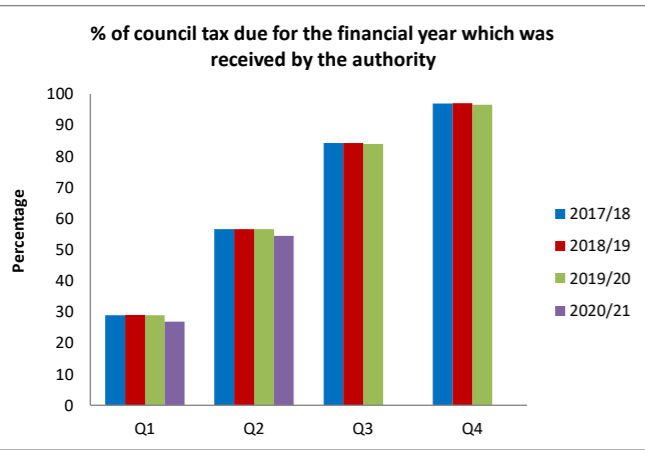


Performance Information	Frequency	Q1 2019/20	Q2 2019/20	Q3 2019/20	Q4 2019/20	Q1 2020/21	Q2 2020/21	Target	RAG	Comments/Performance Explained
Budget in year Position (over/underspend)	Annual			£1.481m u/s						See Resources tab for more information.
In year savings targeted vs savings delivered	Annual									See Resources tab for more information.
% Sickness absence: Authority	Monthly	4.64%	3.96%	4.90%	4.90%	3.54%	3.47%	4.00%		
% Sickness absence: Corporate Services	Monthly	3.71%	2.49%	4.16%	4.49%	2.19%	2.02%	4.00%		Note: This figure includes Education
PAM/001 Number of working days lost to sickness absence per employee	Yearly				12					PAM Indicator. 2018/19 figure was 11.3 days.
PAM/044 (New) Number of apprentices on formal recognised apprenticeship schemes per 1,000 employees	Yearly				5.36%					PAM Indicator
% of council tax due for the financial year which was received by the authority	Quarterly	28.90%	56.6%	83.9%	96.5%	26.8%	54.40%	TBC	N/A	Target not set due to COVID-19 impact. HMCTS suspended council tax court hearings in March 2020 due to COVID-19 pandemic, priority to criminal matters. Awaiting update from Courts but legal proceedings cannot be undertaken until Courts Service agrees they can resume. All actions to recover unpaid debts suspended by Cabinet until September 2020. Reminder notices issued from September 2020 to generate as many payments as possible and action on previous year court orders recommencing during October 2020.
% of Annual Spend with Caerphilly based suppliers	Annual				26.27%			25%		Annual Measure.
% of Annual Spend with 'City Deal' based Suppliers	Annual				61.90%			57%		Annual Measure.
% of Annual Spend with Suppliers across Wales	Annual				63.33%			60%		Annual Measure.
Major system availability – Based on 08:00 to 17:30 Mon-Thu and 08:00 to 17:00 on Fri	Weekly	99.83%	99.00%	99.58%	99.93%	99.94%	99.98%	99.70%		
% of Contact Centre telephone calls resolved at the first point of contact	Quarterly	95.72%	95.39%	95.37%	95.34%	97.48%	95.76%	80.00%		Targets to be reviewed ready for Q1 2021-22
% of Customer Service Centre enquiries resolved at the first point of contact	Quarterly	99.90%	99.98%	99.70%	99.86%	N/A	N/A	80.00%	N/A	23rd March 2020 all Customer Services offices have been closed due to COVID. No data to report
Number of Complaints Received in Corporate Services (and dealt with within statutory timeframes) YTD	Monthly	7	5	3	1	0	2			See Customer tab for more information
Number of requests for Data Subject rights received by Council within the terms of data protection legislation per quarter.	Quarterly	32	38	44	39	11	24	N/A		Request numbers decreased in Q1 due to the start of Covid lockdown in March 2020, but started to climb again in Q2. A request backlog is currently being addressed. Q2 figures to be provided after 28/10 when the compliance period ends.
Requests for consideration of Data Subject rights answered within 30 calendar days	Quarterly	83%	79%	90%	75%	36%	50%	80.00%		Compliance dropped as offices could not be entered to access hard copy records, and staff in Service Areas and IG were redeployed to the frontline Covid response.
Number requests for information received by Council within the terms of FOI/EIR Act received per quarter	Quarterly	307	340	274	297	154	279			Request numbers decreased in Q1 due to the start of Covid lockdown in March 2020, but started to climb again in Q2. A significant request backlog is currently being addressed. While numbers dipped in Q1, offices could not be entered to access hard copy records, and staff in Service Areas and IG were redeployed to the frontline Covid response.
Percentage of requests for information received by Council within the terms of FOI/EIR Act receiving a response within 20 working days - year to date	Quarterly	86%	85%	83%	81%	58%	55%	80.00%		Cumulative figure for 2019/20, starting again from scratch for quarter 1 of 2020/21. NB compliance dropped from end of quarter 4 onwards due to COVID-19 pandemic - see explanation provided above for compliance with Data Subject rights requests.
Number of data breach reports received per quarter.	Quarterly	9	18	6	13	8	20			The number of breaches in Q2 is high and trends again indicate that mis-addressing of correspondence (email and hard copy) is the most common cause. Staff have been working remotely since March, and adjusting to this may have caused strict office procedures to be either forgotten or circumvented. Work has been undertaken to raise awareness and improve practice.
Data breaches reported to ICO within 72 hours where legally required.	Quarterly	0	1	0	0	0	3			1 incident resulted from changes to processing of identification documents in response to the Covid office closures. The other 2 incidents resulted from human error of officers mishandling hard copy records. Improvements to procedures have been implemented as a result. School performance is not included in this report, but data incidents are notified to the Council's SIRO and Education Directorate. In Q1, 2 reports of data incidents in schools were reported to ICO, and 1 report was made in Q2.
Number of internal appeals/complaints expressing dissatisfaction with an FOI response or handling of personal data.	Quarterly	10	7	9	6	1	2			The smaller number of requests received would account for a smaller number of appeals.

The information in the tables above show performance as understandably mixed during Q1 and Q2 and it is important to recognise some of the performance information relates to the Corporate Position while others relates purely to Corporate Services. As mentioned in the Director's summary, the performance in respect of Subject Access Requests (SARs) and Freedom of Information Requests (FOIs) has dipped below its usual high standards. This is linked primarily to the redeployment of staff to other critical services and the difficulties in accessing key buildings during the early part of the pandemic. Staff are beginning to return to normal duties so an improvement in the data is expected in Q3.

The shift to remote or agile working also features strongly. Digital Services have been magnificent in the support they have provided the organisation in terms of equipping and upskilling staff to work from home and alternative locations and during that time they have also see high levels of system availability despite the significant shift in reliance on technology such as Microsoft Teams. This is particularly pleasing. On the flip side, these new and remote working practices have also brought about an increase in the number of data breaches over the last two quarters. Awareness raising work continues to try and arrest this incline.

There is also a dip in the collection rates of Council Tax. While this is clearly as a result of cash offices being closed and Council Tax recovery action being suspended until June, it has brought about a significant degree of channel shift. In fact, C abinet have agreed to consider alternative mechanisms for handling cash moving forward with doorstep rent collections being disbanded and the use of Post Office cards being actively promoted as a means of maintain collection and increasing post office footfall.



# Customer Intelligence



## What is our customer intelligence telling us?

### Complaints - Corporate

There were 2 Stage 1 complaints in Q1.  
There was 1 Stage 1 and 1 Stage 2 complaint in Q2.

### Complaints - Informal (Customer Services)

Q1 - Zero Informal complaints

Q2 - Two Informal complaints

Informal complaint 1: - Customer wanted to complain regarding bulky items not being collected and phone line cutting off when speaking to the advisor.

Outcome - Waste Management went to site but instructions to place Bulky Items at kerb side for collection were not followed. Arranged with Waste Management that the crew would return to collect the items without charge as a good will gesture. Resident was also advised that staff are working from home and sometimes have a weak wifi provision causing the telephone call to cut off but a member of staff did try to contact the customer back without success.

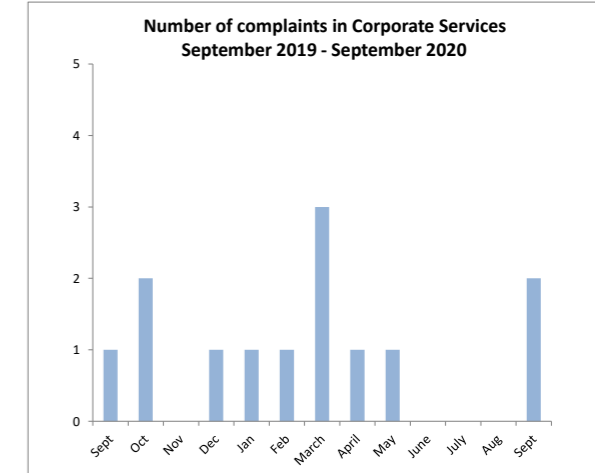
Informal complaint 2: - Customer unhappy that recycling had been missed and unhappy with call wait time of over 30 minutes.

Outcome - Joint response from Waste Management who took lead on complaint and added Customer Services comments. On review of the call wait time the longest time answered was 2:54 and the longest time abandoned was 53 seconds.

### Complaints with an equalities and/or Welsh language element

The way the Council record complaints and shares information internally is currently being reviewed. The Council reports equalities related complaints in the Strategic Equality Plan Annual Report to the Equality and Human Rights Commission and reports Welsh language complaints in the Welsh Language Standards Annual Compliance Report to the Welsh Language Commissioner. Reporting is limited to incidences that are shared directly with the Equalities Team or which come in to the Team in the first instance. Many departments respond independently to complaints relating to equalities and Welsh language, so unless advice is sought or the complaint shared, the Equalities Team would not be aware of them.

The recording of complaints could be further strengthened if equalities monitoring was undertaken in relation to complainants. Complainants would not be obligated to provide this information but it would assist the Council in identifying trends, targeting training and improving service delivery. This has also been included in the new Strategic Equality Plan formally adopted by Council on 6th October 2020: **Equality Objective 1 – Action 8: Collect equalities monitoring information for compliments and complaints**



### Satisfaction

## Other Points of Note

- The rollout of Microsoft Office 365, although accelerated by the Covid-19 pandemic, has now slowed due to a lack of information being received from the Organisation with regards to officers who need the license.
- ICT Strategy has been drafted with the assistance of Partner Red Cortex, this has been presented to CMT and their views are now being combined into the Strategy.
- The EdTech schools project has restarted as access to school buildings became available and this is now progressing well.
- The usual increase in support requests for schools at the start of the term has put pressure on resources but good progress has been made in resolving these calls during the latter part of September.
- A significant number of devices have been purchased, configured and distributed to schools as part of the EdTech project.
- The move to an agile workforce has seen the number of laptops being purchased and distributed significantly increase.

### Service Improvement and Partnerships

- Audit Wales, as part of its corporate review work, has held 2 interviews with the head of Finance and Business Improvement Manager on how risk management is running during this time. This work should conclude by the next DPA report.
- The Annual Performance Report has been published, with the Cabinet papers prior to the statutory date of the 31<sup>st</sup> October and more widely with the Welsh version on the 4 Nov 20. The WLGA and Welsh Government with WAO Performance Director agreed that a pragmatic and engaged approach should be taken, if there is potential late publication of the Annual Performance Report. It remains to be seen whether our certificate of compliance will say that we met the statutory deadline or not.

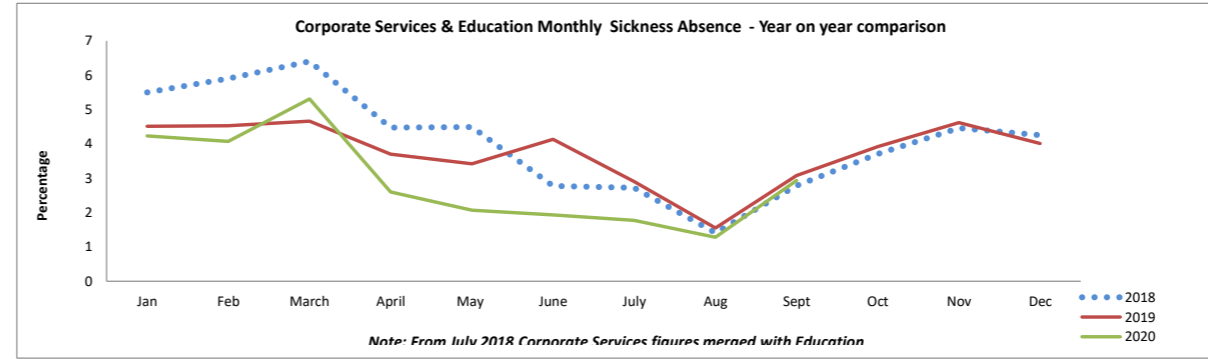
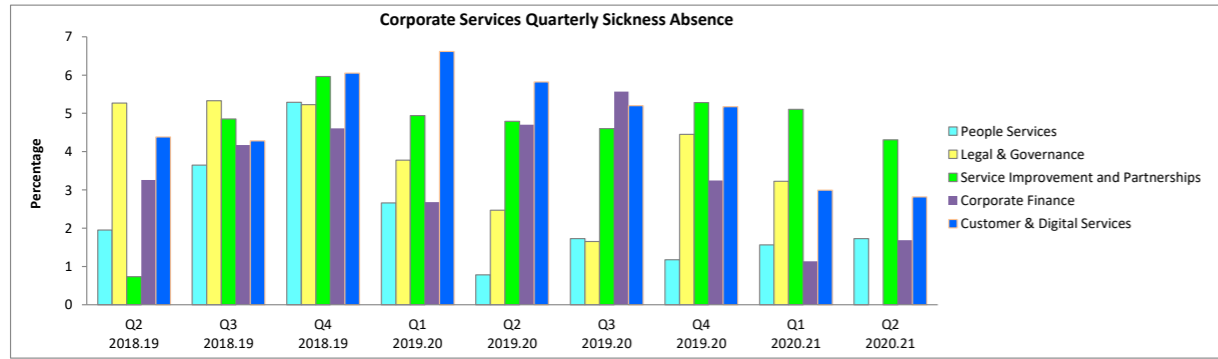
## Regulator Proposals

Number and reference of action	Name of Report	Regulator Proposal	Action	PREVIOUS UPDATE	Service Officer Responsible	When will be completed by	CURRENT UPDATE - SEPTEMBER 2020	Status	Percentage completed
181A2016	Financial Resilience 2015/2016 issued April 2016	P1 Developing income generation/charging policies.	A corporate policy on income generation/charging will be progressed once the WAO produces a final national report on its "All Wales Local Government Improvement Study: Strategic approach to income generation and charging".	The Strategic Action Plan for the #TeamCaerphilly - Better Together includes an action to develop a Commercial and Investment Strategy for Cabinet approval by the end of October 2019. After this time we will be a position to close this proposal for improvement.	Stephen Harris	01/04/2017 (changed) July 17	A Commercial and Investment Strategy has been drafted and will be presented to the Policy & Resources Scrutiny Committee on the 10th November 2020 followed by Cabinet on the 9th December 2020.	In progress	100%
344A2016 (Audit year 15/16) Issued May 2016 / reported August 16	Review of arrangements to address external audit, inspection and regulation and proposals for improvement.	P1 As the Council develops its vision and considers the future shape of the organisation, it should identify and plan for the workforce requirements to implement its vision.	Develop Staff Vision and Values to complement Cabinet Commitments. Research and Develop a holistic organisational development plan, that includes age profiling, re-skilling and potential apprenticeships. This would include supporting agile working policy and practise.	The Transformation Strategy #TeamCaerphilly 'Better Together' which is scheduled to go to Cabinet 12 June 19, identifies that we need to have the 'right people in the right place with the right skills'. The organisational development strategy will underpin the wider transformation strategy and is part of how we deliver the strategy. For that reason the OD strategy has been on hold waiting for completion of the overall approach and vision. The Strategic Action Plan includes an action to develop and Implement an Organisational Development Strategy by 31st January 2020.	Lynne Donovan	Oct 2017 Changed to April 2019 Changed to 31st Jan 2020 Changed to January 2021 (draft)	The draft Workforce Development Strategy will be consulted upon in January 2021	In progress	25%

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# Resources - Staff



Q1 Monthly Breakdown	April			May			June		
% Sickness Absence	Short Term	Long Term	Overall %	Short Term	Long Term	Overall %	Short Term	Long Term	Overall %
People Services	0.24	1.06	1.30	0	1.05	1.05	1.25	1.06	2.30
Legal & Governance	0	4.25	4.25	0	2.84	2.84	0	2.58	2.58
Service Improvement and Partnerships	0.95	5.01	5.95	0.31	4.39	4.70	0.53	3.95	4.48
Corporate Finance	0.10	1.37	1.48	0.75	0.97	1.73	0.73	1.43	2.16
Customer & Digital Services	0.36	4.32	4.68	0.08	3.34	3.43	0.37	0.49	0.86

Q2 Monthly Breakdown	July			August			September		
% Sickness Absence	Short Term	Long Term	Overall %	Short Term	Long Term	Overall %	Short Term	Long Term	Overall %
People Services	0.44	1.20	1.64	0	1.07	1.07	1.53	0.92	2.45
Legal & Governance	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Service Improvement and Partnerships	1.21	3.40	4.62	0.35	3.16	3.50	1.74	3.05	4.79
Corporate Finance	0.85	0.96	1.81	0.66	1.32	1.98	0.63	0.66	1.30
Customer & Digital Services	0.59	1.29	1.87	0.63	1.55	2.18	1.05	2.19	3.25

## What is our Workforce information telling us?

### Procurement and Information Governance

All sickness absence is managed in line with Council policy. In relation to the long term sickness for a particular employee we worked closely with the employee and HR Team to develop and agree a flexible working approach to help the employee back into the work place.

I.T – One member of staff on long term absence, with MSA procedures being followed. Sickness continues to improve in the last 12 months. The Digital Infrastructure and Operations Manager has left the employment of the Authority

### Short Term Sickness

Customer Services, IT Helpdesk and the Mailroom 01.04.2020 - 30.09.2020 - 4 staff members with short term absence totalling 10 days

### Long Term Sickness

Customer Services, IT Helpdesk and the Mailroom 01.04.2020 - 30.09.2020  
 6 staff member with long term absence totalling 229 days  
 3 staff members have returned and are back in work - 3 staff remain off.  
 All staff all being managed and supported in line with Managing Absence Policy

### Service Improvement and Partnerships

Long term sickness absence is accounted for by one member of staff. Staff number are relatively low in the team.

Other Leavers - Death in Service, Dismissal, Dismissal on ill Health Grounds, End of Fixed Term Contract, End of Relief Employment, Gross Mis conduct, Sickness Absence

Corporate Services Workforce Information					
	Q2	Q3	Q4	Q1	Q2
Voluntary Leavers	30	27	24	7	14
Other Leavers	7	4	6	5	1
<b>Total Leavers</b>	<b>37</b>	<b>31</b>	<b>30</b>	<b>12</b>	<b>15</b>
External New Entrants	26	18	38	3	10
Number of Agency Workers	5	4	4	4	4
<b>Headcount</b>	<b>1439</b>	<b>1416</b>	<b>1419</b>	<b>1406</b>	<b>1392</b>
55 and over	394	399	413	423	428
% of headcount	27.38%	28.18%	29.11%	30.09%	30.75%

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## Resources - Finance & Assests

Corporate Services Directorate	Revised Estimate 2020/21	Anticipated Outturn 2020/21	Anticipated Variance 2020/21	Comments
Chief Executive	206,353	201,611	4,742	
Deputy Chief Executive/Director Education & Corporate Services	152,556	142,119	10,437	
Corporate Finance	1,863,859	1,954,552	(90,693)	
Business Improvement Services	1,328,015	1,192,153	135,862	
Legal & Governance Support	3,199,484	3,154,534	44,950	
Customer & Digital Services	5,845,047	5,681,900	163,147	
People Services	2,820,435	2,893,660	(73,225)	
<b>Total Corporate Services</b>	<b>15,415,749</b>	<b>15,220,529</b>	<b>359,138</b>	

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### What is our Financial Information telling us?

The figures in the table are based on the position as at month 5 and it is pleasing to note that a net year-end underspend of £195k is projected for the Directorate. Additional costs are being incurred as a direct consequence of the Covid-19 pandemic but the majority of these are being funded through the WG Covid-19 Hardship Fund. This funding has been confirmed for the whole of the 2020/21 financial year but there is currently no commitment beyond the 31st March 2021. This presents a potentially significant financial risk that will need to be kept under close review.

### What is our Assets Information telling us?

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Ref & Links	Topic (& Service)	Risk, opportunities and Impact	Mitigation Actions (What actions can we take to address the risks or realise the opportunity)	Progress Update (Are the mitigating actions reducing the risk or realising the opportunity?)	Risk Level 2019-20 Q4	Risk Level 2020-21 Q1	Risk Level 2020-21 Q2	Does the risk affect the Well-being of our Communities?	Well-being Risk Level
CorpDIR01 (Linked to CMT01)	Exit from the EU (Brexit)	<p>The decision to leave the EU and the looming deadline to secure an exit deal has created considerable uncertainty.</p> <p>Moving forward it is difficult to determine what impact the exit from the EU will have in the medium to longer-term for Caerphilly CBC and our communities. However, in the short-term possible negative impacts from a no deal scenario include the potential for workforce supply shortages in some areas and the possibility of some disruption to the supply of goods and services.</p>	An internal Brexit Working Group has been established consisting of key staff across all Directorates. There is also cross-party political representation on this Group. The Council has also set aside £1m to meet any short-term financial impacts arising from Brexit.	<p>The Brexit Withdrawal Agreement was signed in January 2020, but little concrete progress has been made since that time. The 21-month transition period, that was agreed will end on the 31st December 2020, is fast running out. Negotiations have been ongoing but to date there appears to have been little progress. This means that we will approach a new "no deal cliff edge". The UK Government did not apply for an extension to the transition period by the deadline of the 30th June 2020, so we are now facing a heightened risk that the UK will leave the EU without a deal at the end of December 2020. The Council has reconfigured its internal arrangements and has now established a Brexit Strategic Group consisting of key Heads of Services and cross party political representation to ensure that appropriate actions are taken to help mitigate the risks of Brexit. This Group is now being supported by a Brexit Operational Group which is focussing on key issues, actions and mitigation across all service areas.</p> <p>The 21-month transition period, that was agreed will end on the 31st December 2020, is fast running out. Negotiations have been ongoing but to date there appears to have been little progress. This means that we will approach a new "no deal cliff edge". The UK Government did not apply for an extension to the transition period by the deadline of the 30th June 2020, so we are now facing a heightened risk that the UK will leave the EU without a deal at the end of December 2020.</p> <p>The ongoing uncertainty surrounding the UK's exit from the European Union is inevitably creating challenges for the Council and the communities that we support. Despite this high level of uncertainty, it is important that the Council is taking steps to prepare for the potential impacts arising from Brexit, particularly leaving in a no deal scenario. It is also important to ensure that funding is set aside to meet any potential short to medium-term financial implications.</p> <p>The Council has established an internal Brexit Working Group to ensure that appropriate actions are taken to help mitigate the risks of Brexit. Key risks have been identified in respect of: - potential disruption to the supply chain; potential increases in prices for goods and services; potential impact on the supply of labour, particularly for commissioned services; and potential negative impacts on small businesses in the short to medium-term, along with the potential for a lack of inward investment in the longer-term. This list is not exhaustive and the Brexit Working Group will continue to meet during the coming months to ensure that all potential impacts are considered and that appropriate mitigating actions are identified wherever possible. Given the high level of uncertainty and the potential negative impacts of Brexit the Council has agreed to set aside one-off funding of £1m to meet any financial implications that may arise.</p>	Medium	Medium	Medium	Potential impacts are not yet fully understood but they are likely to be felt over the short, medium and longer-term.	Unable to assess currently due to the level of uncertainty.

Ref & Links	Topic (& Service)	Risk, opportunities and Impact	Mitigation Actions (What actions can we take to address the risks or realise the opportunity)	Progress Update (Are the mitigating actions reducing the risk or realising the opportunity?)	Risk Level 2019-20 Q4	Risk Level 2020-21 Q1	Risk Level 2020-21 Q2	Does the risk affect the Well-being of our Communities?	Well-being Risk Level
CorpDIR02 (Linked to CMT02)	MTFP - All	Failure to identify sufficient savings within Corporate Services to support the MTFP.	This is being managed through regular consideration at Corporate Services SMT meetings. Heads of Service and Finance staff liaising to identify savings proposals.	The 2020/21 budget was approved by Council at its meeting on the 20th February 2020 and this included savings of £581k for Corporate Services. Plans are now underway to set the budget for the 2021/22 financial year but we are facing an unprecedented situation as details of the Provisional 2021/22 Financial Settlement will not be released by the Welsh Government until the 22nd December 2020 (normally received in October each year). Initial meetings are taking place to explore potential savings and the draft budget strategy will be shaped up based on a range of assumptions prior to the Provisional Financial Settlement being released. The ongoing financial impact of Covid-19 is being considered separately from the normal budget setting process on the assumption that additional funding will continue to be provided by WG to address additional costs and lost income associated with the pandemic. This funding is currently only confirmed to the end of the 2020/21 financial year so presents a significant financial risk that will need to be kept under close review.	Medium	Medium	Medium	Yes, we need to explain how it affects the Well being of Future Generations in our Communities	Medium
CorpDIR03	Sickness Absence - People Services/ CCBC	Sickness absence across the Authority remains above the Wales average, leading to reduced productivity and negative image of the Authority.	<ol style="list-style-type: none"> <li>1. Management information in relation to sickness absence is sent to Heads of Service on a monthly basis.</li> <li>2. Sickness absence will now also be reported via the revised performance management framework.</li> <li>3. CMT receive regular reports that allow the scrutiny of how effective Managers are at managing sickness absence.</li> <li>4. The cabinet Member for Corporate Services is actively monitoring the situation and has met with all Heads of Service.</li> <li>5. The Managing Sickness Absence Procedure is being reviewed.</li> <li>6. A Wellbeing Strategy is being developed.</li> <li>7. P&amp;R Scrutiny received a report about sickness absence in November 2019 and will continue to receive such reports on a regular basis.</li> </ol>	Sickness absence will need to be reviewed to determine the effects of the Covid 19 pandemic and also agile working	High	High	High	No	N/A
CorpDIR04a	Information Governance	New ways of working, time pressures and increasing threats could lead to breaches that result in financial and reputational consequences. Opportunity to demonstrate trust and use information well.	Training, DPIAs, contracts/agreements, privacy notices and Info Asset Registers, audits, report in 6mthly Info Risk Returns, audit compliance, continue suspension of surveillance in line with ICO Undertaking	Reducing risk via: modular eLearning launched but poor member uptake to date; awareness raising via intranet stories, CMT updates (inc Corporate Risk Register), IG Stewards and Go Digital; DPIAs/contracts increasingly used; Internal Audit checklist; data breach methodology; Covid19 Risk Log maintained, covering cyber security and IG; communication to all users from Chief Executive in pipeline.	Medium	Medium	Medium		Medium
CorpDIR04b	Information Governance	Reduce risks to data and storage costs, facilitate implementation of new technology, and ensure reliable records to fulfil FOI S46 statutory requirement and opportunity to benefit service delivery.	Training, tracking systems, governance rules on IT systems, link with Archives Services, report in 6mthly Info Risk Returns	Reducing risk by: 1km hard copy records for disposal; owners of records on network drives, stale data and open permissions identified; and proposals for leaver emails/Y drives and free-floating docs on networks agreed; all-user comms started; use of Teams expedited during Covid19 requiring records rules to prevent backlogs accumulating.	Medium	Medium	Medium	Yes - protection of privacy (Article 8 HRA), Duty to Document and protection of historic records to evidence public sector activities Potentially	7
CorpDIR04c	Information Governance	Increasing request volumes, but failure to respond in statutory timescale could lead to monitoring and enforcement, loss of trust and missed opportunity to make better use of Council data to benefit economy (City Deal project).	Training, Publication Scheme and open data; review charges for requests; follow RM procedures to minimise unnecessary data and speed up retrievals.	Reducing risk via: SMT and service area awareness raising including by IG Stewards; covered in new modular Protecting Information eLearning; new approach to cross-directorate requests. ICO has taken a proportionate and pragmatic approach to regulation to date during Covid 19, but since July expects a more 'normal' approach to request handling.	Medium	Medium	Medium		Low

Ref & Links	Topic (& Service)	Risk, opportunities and Impact	Mitigation Actions (What actions can we take to address the risks or realise the opportunity)	Progress Update (Are the mitigating actions reducing the risk or realising the opportunity?)	Risk Level 2019-20 Q4	Risk Level 2020-21 Q1	Risk Level 2020-21 Q2	Does the risk affect the Well-being of our Communities?	Well-being Risk Level
CorpDIR06	Managing fire risks	The management of fire risk has changed following the fire at Grenfell Tower. Whilst legislation hasn't changed, there is a greater expectation from the Regulators with regards to the management of risk. This impacts greatly on resources to undertake risk assessments and also financially to undertake work required.	Education and Housing have supported the appointment of fixed term Fire Officers within People Services to undertake risk assessments and to ensure we learn from best / changing practice in a timely manner. Revised risk assessments have also been undertaken by Risk Monitor for all system built / CLASP schools as a result of an enforcement notice in a school. There is a great deal of partnership working with SWF&RS to achieve this in a timely and proportionate manner.	Work continues to be undertaken with Heads of Service and Headteachers and will continue to be subject to review. A revised work plan is being produced.	Medium	Medium	Medium	Potentially	Low
CorpDIR09	Funding	Issues around WHQS Funding. Any withdrawal - Digital Services potential 15 People at risk.			High	High	High		Medium

**ICLIP Key**

**Involving** a diversity of the population in the decisions that affect them;  
Working with others in a **collaborative** way to find shared sustainable solutions;  
Looking at the **long term** so that we do not compromise the ability of future generations to meet their own needs;  
Taking an **integrated** approach so that public bodies look at all the well-being goals in deciding on their well-being objectives;  
Understanding the root causes of issues to **prevent** them from occurring.

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# Well-being Objectives

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**Corporate Services is not directly responsible for a single Well-being Objective, but does contribute to all of the objectives**

Well-being Objective 1 – Improve Education Opportunities for all

Well-being Objective 2 - Enabling Employment

Well-being Objective 3 - Address the availability, condition and sustainability of homes throughout the county borough and provide advice, assistance or support to help improve people's well-being.

Well-being Objective 4 - Promote a modern, integrated and sustainable transport system that increases opportunity, promotes prosperity and minimizes the adverse impacts on the environment.

Well-being Objective 5 – Creating a County Borough that supports a Healthy Lifestyle in accordance with the Sustainable Development Principle within the Wellbeing of Future Generations (Wales) Act 2015

Well-being Objective 6 - Support citizens to remain independent and improve their well-being.

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# Conclusion



## Highlights coming out of the information

- The Council has recruited a permanent Chief Executive and a permanent Section 151 Officer and is currently out to advert on a Corporate Director of Economy and Environment
- That whole authority transformation is possible even if the face of a global pandemic
- That the Council has the ability to do more with less if its focus is on protecting people and place and doing whatever is necessary to meet the needs of our residents
- Flexible (Agile) Working is now common place and the Council has proved it can deliver priority services with less buildings and less resource than it has its disposal 'normally'
- The Council's business continuity planning arrangements are adequate and, while they have flexed to support the pandemic response, the key ingredient in terms of resilience is our people
- With appropriate training and development, there is no reason why anyone cannot access online services and IT platforms
- Communication both internal and external is key in terms of appropriately managing an emergency response
- The response from staff and residents to the buddy scheme was positive. Staff involved gained a real sense of purpose and feedback from the vulnerable residents was overwhelmingly thankful and positive and has helped demonstrate a high level of goodwill toward the support the Council has offered as part of the Community Response. Furthermore this has evolved into the 'Caerphilly Cares' service which is an enhanced version of the buddy scheme, with some additionality such as financial advice, support for people at risk of becoming financially vulnerable, support for foodbanks etc, all wrapped into one. Cabinet Members have also agreed to support a 'corporate volunteering scheme' to enable staff who have built up friendships with the vulnerable people they have supported over a number of months, to continue – helping to promote independence and resilience, while also helping prevent isolation and loneliness. This element of the scheme will aim to build on the goodwill shown by staff volunteers by supporting them to continue this through a limited amount of paid time off to carry out these roles.

## What have we learnt and what needs improving and why?

- Corporate sickness absence needs to remain under scrutiny as the balance between time lost to COVID and potential benefits of Agile Working begins to be quantified
- With the increasing reliance on IT and our network infrastructure it may be necessary to invest differently over future years to secure the progress made over the last six months

Completed Priority Actions from last Quarter	By Whom	By when	Update
Wellbeing principles to be developed in to a framework Wellbeing Strategy for consideration	Lynne Donovan	Apr-19	Principles established, Strategy still under development.
Self Assessment Corporate Governance Review	Ed	Mar-20	Agreed with WAO that having concluded the draft Governance Self Assessment we can determine jointly the areas that we agree need to be strengthened over future years
Conclude appointment process of the Chief Executive	Ed/LD	Mar-20	Complete
Conclude the appointment process of the Head of Corporate Finance and Section 151 Officer	Ed/LD	Mar-20	Compete
Ensure maximum grant funding is drawn down for the Hwb programme	Ed/LL	Mar-20	Successfully drawn down money for first two years of waves of EdTech

Feedback / Recognition / Actions from Corporate Management Team	By Whom	By When	Update

Priority Actions for next Quarter (What support is needed from Corporate Management Team)	By Whom	By when	Update



## **POLICY AND RESOURCES SCRUTINY COMMITTEE – 23RD FEBRUARY 2021**

**SUBJECT:           TREASURY MANAGEMENT & CAPITAL FINANCING  
PRUDENTIAL INDICATORS QUARTER 3 MONITORING  
REPORT (1ST APRIL 2020 TO 31ST DECEMBER 2020)**

**REPORT BY:       CORPORATE DIRECTOR FOR EDUCATION AND  
CORPORATE SERVICES**

### **1.     PURPOSE OF REPORT**

- 1.1 To present Members with details of Treasury Management activities and Capital Financing, together with the related Prudential Indicators for the period 1<sup>st</sup> April 2020 to 31st December 2020.
- 1.2 To review the Treasury Management Strategy for 2020/21 as set out in the Annual Investment Strategy and Capital Financing Prudential Indicators Report.

### **2.     SUMMARY**

- 2.1 The Code of Practice on Treasury Management in the Public Services 2009, which was adopted by the Council on 12<sup>th</sup> October 2010, sets out a framework of operating procedures, which is encompassed in the Treasury Management Practices (TMPs). TMP6 (Reporting Requirements and Management Information Arrangements) provides for the submission of monitoring reports to the appropriate Committee on a quarterly basis.
- 2.2 Under the provisions of the Local Government Act 2003, The Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 [The Capital Regulations], and the CIPFA's "The Prudential Code for Capital Finance in Local Authorities" [the Code], the Authority is obliged to approve and publish a number of indicators relevant to Capital Finance and Treasury Management.
- 2.3 The updated Prudential Code includes a new requirement for local authorities to provide a Capital Strategy, which is to be a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The capital strategy for 2020/21 was submitted to Full Council on the 20<sup>th</sup> February 2020.
- 2.4 The Authority's Annual Treasury Strategy and Capital Financing Prudential Indicators for 2019/20 were also approved by Council on the 20th February 2020.

### **3. RECOMMENDATIONS**

3.1 Members are asked to note the contents of this report.

### **4. REASONS FOR THE RECOMMENDATIONS**

4.1 Compliance with the CIPFA “Code of Practice for Treasury Management in the Public Services”.

### **5. THE REPORT**

#### **5.1 Treasury Management**

##### **5.1.1 Borrowing Activity**

The current policy of internal borrowing is not sustainable in the long-term, but where prudent the policy of internal borrowing will be utilised. As at the 31<sup>st</sup> March 2020 the internal borrowing position was £85m.

The Annual Treasury Management Strategy was approved by Council in February 2020. As part of the strategy approval was given to borrow £32.3m in 2020/21 to part fund the General Fund capital programme if required. A further £52.0m was approved for the HRA to fund the WHQS and Affordable Housing capital programme. During the reported period no external borrowing has taken place and internal funds have been used. There was no further drawdown from the Salix Loan Facility during the reported period. Total Salix drawn down to date is £3.3m.

During the period covered by this report, PWLB loans to the value of £1.4m were repaid on maturity. Such loans had an average interest rate of 3.83%. £30k of the WRU Loan was also repaid. Total debt outstanding as at 31<sup>st</sup> December 2020 was £299.7m and comprised of £256.3m PWLB loans; £30m market loans (LOBOs); £10m Bank loan; £90k WRU loan; and a £3.3m Salix Energy Finance loan.

With respect to LOBO loans the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. A LOBO loan with a total value of £10m had a rate option reviewed during quarter one and quarter three, and the lender chose not to exercise the option. LOBO loans will be further reviewed again later in 2020/21 by lenders, with a total value of £20m that is exposed to variable interest rate movement. This represents 7.0% of the Authority’s debt portfolio, which is exposed to interest rate risk. The Authority acknowledges there is an element of refinancing risk even though in the current interest rate environment lenders are unlikely to exercise their options.

##### **5.1.2 Rescheduling**

The Annual Strategy allows for the utilisation of debt rescheduling providing for both in year and future year savings and additional revenue resources. No rescheduling opportunities presented themselves during the period covered by this report.

### 5.1.3 Investments

During the reported period the Authority was holding £15.0m of long-term investments where the maturity date is greater than 365 days. These investments are in accordance with the approved Investment Strategy. The long-term investments comprise of covered bonds with banks; UK Gilts, and Local Authority Loans. The covered bonds are secured investments and collateralised against the counterparty's pool of assets. The value of short-term deposits as at 31<sup>st</sup> December 2020 was £96.9m.

The total investments held as at 31<sup>st</sup> December 2020 was £111.9m and had an average rate of return equating to 0.85% which is a significant improvement over placing deposits with the Debt Management Office (DMO) whose rates was negative during certain times of the reporting period. The rate of return is above the target rate, as detailed in the Annual Treasury Management Strategy report to Council, of 0.50%. During the reporting period, there was a significant drop in investment rates from our traditional counterparties. Under normal circumstances, the Authority would have made loans to other Local Authorities on a regular basis, however, due to all Local Authorities, receiving additional monies due to Covid-19, there was little demand, if any, for borrowing on the Inter-LA market. The rates from other counterparties were so low that it proved more beneficial to the Authority to maintain our cash surpluses to subsidise our capital programme and delay any borrowing during this time of uncertainty. Other Long-Term investments e.g. pooled funds that the Authority had approval to invest in were put on hold as equities fell and other funds suspended trading due to uncertainties in the market as a result of Covid-19.

The portfolio as at 31<sup>st</sup> December 2020 comprised of the following types of investments:

<b>Counterparty</b>	<b>Investment Product</b>	<b>Sector</b>	<b>£m</b>
Banks & Building Societies	Covered bonds	Financial	15.0
Banks	Instant Access	Financial	35.9
Money Market Fund	Cash Pooled Fund	Financial	40.0
UK Government	Gilts	UK Government	10.0
Local Authorities and Housing Associations	Fixed-term cash deposits	Local Government	11.0
<b>Total Investments</b>			<b>111.9</b>

### 5.1.4 Economic Outlook

The effect of Covid-19 has during this reporting period has had an unprecedented effect on the UK economy. This along with the Brexit negotiations have steered the UK through some of the most challenging economic times in its history.

Looking forward, there has been some positive news as Covid-19 vaccines have been given approval and are rapidly being rolled out across the UK. Also, a Brexit trade deal was agreed at the final hour on the 31<sup>st</sup> December 2020 deadline.

The headline rate of UK Consumer Price Inflation (CPI) rose to 0.3% year on year in November, below expectations (0.6%) and still well below the Bank of England's 2% target. The weaker-than-expected readings were due to falling prices for clothing as Black Friday deals started earlier than usual and for food and non-alcoholic drinks.

The Bank of England maintained Bank Rate to 0.1% in December 2020 and noted that plans to roll out Covid-19 vaccines would reduce some of the downside risks to the economic outlook.

Government initiatives continued to support the economy as the furlough (Coronavirus Job Retention) scheme was extended once again to April 2021, supporting some 10 million jobs, and meaning that by then time the government would have provided taxpayer support to jobs for over a year. In the 3 months to November 2020 the unemployment rate increased to 5.0%, 1.2% higher than a year earlier. This is expected to increase strongly once the various government job support schemes come to an end.

GDP growth rebounded by 16.0% in Q3 2020 (Jul-Sep), pulling the annual growth rate up to 8.6% from -20.8% in Q2. However, recent monthly estimates of GDP have shown that growth is slowing and only a 1.0% increase in GDP was achieved in Q4 2020.

Globally, the US economy rebounded at an annualised rate of 33.4 in Q3 2020. The Federal Reserve maintained the Federal Funds rate at between 0% and 0.25%.

The European Central Bank maintained its base rate at 0% and deposit rate at -0.5%.

Gilt yields remained low but volatile over the period with the yield on some short-dated UK Government bonds continuing to remain negative.

Arlingclose expects Bank Rate to remain at the current 0.10% level. The central case for Bank Rate is no change, but further cuts to zero, or perhaps even into negative territory, cannot be completely ruled out.

Table. Arlingclose Bank Rate Central Case.

	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
<b>Official Bank Rate</b>													
Upside risk	0.00	0.00	0.15	0.15	0.15	0.15	0.30	0.30	0.30	0.30	0.30	0.30	0.30
<b>Arlingclose Central Case</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>
Downside risk	0.30	0.40	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50

### 5.1.5 Borrowing Update

In November 2020 the PWLB published its response to the consultation on 'Future Lending Terms'. From 26<sup>th</sup> November the margin on PWLB loans above gilt yields was reduced from 1.8% to 0.8% providing that the borrowing authority can confirm that it is not planning to purchase 'investment assets primarily for yield' in the current or next two financial years. Authorities that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing. As part of the borrowing process authorities will now be required to submit more detailed capital expenditure plans with confirmation of the purpose of capital expenditure from the Section 151 / Section 95 Officer. The PWLB can now also restrict local authorities from borrowing in unusual or large amounts.



Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management. Misuse of PWLB borrowing could result in the PWLB requesting that Authority unwinds problematic transactions, suspending access to the PWLB and repayment of loans with penalties.

Competitive market alternatives may be available for authorities with or without access to the PWLB. However, the financial strength of the individual authority and borrowing purpose will be scrutinised by commercial lenders.

The authority is not planning to purchase any investment assets primarily for yield within the next 3 years and so is able to take advantage of the reduction in the PWLB borrowing rate.

#### 5.1.6 Counterparty Update

Credit Default Swap (CDS) spreads declined over the remaining period of the calendar year to broadly pre-pandemic levels and the gap in spreads between UK ringfenced and non-ringfenced entities remained. During the period Moody's downgraded the UK sovereign rating to Aa3 with a Stable outlook which then impacted several UK institutions, banks and local government.

While the approval of two coronavirus vaccines is a credit positive, there remains much uncertainty around the extent of the losses banks and building societies will suffer due to the economic slowdown which has resulted due to pandemic-related lockdowns and restrictions. The institutions on Arlingclose's counterparty list and recommended duration remain under constant review, but at the end of the period no changes had been made to the names on the list or the recommended maximum duration of 35 days.

#### 5.1.7 Non-Treasury Investments

The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. Such investments can comprise of property; shared ownership housing; loans to local businesses/ subsidiaries; and shareholdings. During the reported period the Authority did not hold any non-treasury related investments.

#### 5.1.8 Welsh Regulations

In November 2019 the Welsh Government published new Statutory Guidance on Local Government Investments to be effective from the 2020/21 financial year. This involves a complete re-write along the lines of the guidance issued last year by the Ministry of Housing, Communities and Local Government (MHCLG) for local authorities in England.

The definition of investments is widened to include "all of the financial and non-financial assets a local authority has invested money into primarily or partially for the purpose of generating a surplus including investment property" providing it has been made using the power to invest contained in the Local Government Act 2003. In addition, loans to wholly owned companies or associates, to a joint venture, or to a third-party count as investments, irrespective of the purpose or legal power used.

## **5.2 Prudential Indicators**

### **5.2.1 Capital Financing Requirement**

The Capital Financing Requirement (CFR) measures the Authority's underlying need to borrow for a capital purpose. In accordance with best professional practice, the Authority does not associate borrowing with particular items or types of expenditure. In practice, the raising and repaying of loans is determined primarily by professional / expert advice, and may not necessarily take place in the relevant year. In order to create an operating environment within which the Treasury Manager can legitimately react to appropriate advice, the various authorised limits as identified in Appendix 1 are set at a level in excess of the CFR. In the financial year to date, the Authority has been operating within the approved limits.

Appendix 1 shows a projected CFR value of £420.4m as at 31<sup>st</sup> March 2021. The actual CFR as at 31<sup>st</sup> March 2020 was £391.9m. Due to the pandemic certain capital schemes have been delayed or the scheme extended which has resulted in a lower funding requirement than budgeted.

### **5.2.2 Prudential Indicators – “Prudence”**

The Prudential Indicators for Treasury Management are shown in Appendix 1, and the Authority is currently operating within the approved limits.

### **5.2.3 Prudential Indicators – “Affordability”**

There is a requirement to analyse and report the capital financing costs and express those costs as a percentage of the net revenue streams of the Authority. These are identified in Appendix 2 and currently show a projected reduction from the original budget as a consequence of deferred borrowing for the General Fund.

### **5.2.4 Capital Expenditure and Funding**

A summary of capital expenditure and funding is attached at Appendix 3 and shows no change against the planned position.

## **6. ASSUMPTIONS**

6.1 The details set out in the report are based on actuals that have occurred between 1<sup>st</sup> April 2020 and 31<sup>st</sup> December 2020 (period 9).

## **7. LINKS TO RELEVANT COUNCIL POLICIES**

7.1 Treasury Management Strategy 2020/21 as agreed by Council on 20<sup>th</sup> February 2020.

7.2 Prudent financial management contributes to the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2015:-

- A prosperous Wales.
- A resilient Wales.
- A healthier Wales.
- A more equal Wales.

- A Wales of cohesive communities.
- A Wales of vibrant culture and thriving Welsh Language.
- A globally responsible Wales.

## **8. WELL-BEING OF FUTURE GENERATIONS**

- 8.1 The effective management of the Authority's borrowing and investments are key in ensuring that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are met.

## **9. EQUALITIES IMPLICATIONS**

- 9.1 This report is for information purposes, so the Council's Equalities Impact Assessment (EqIA) process does not need to be applied.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 As detailed throughout the report.

## **11. PERSONNEL IMPLICATIONS**

- 11.1 There are no personnel implications arising from this report.

## **12. CONSULTATIONS**

- 12.1 There are no consultation responses that have not been reflected in this report.

## **13. STATUTORY POWER**

- 13.1 Local Government Acts 1972 and 2003.

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### Consultees:

S. Harris – Head of Financial Services and S151 Officer  
A. Southcombe – Finance Manager, Corporate Finance  
R. Edmunds – Corporate Director for Education and Corporate Services  
Cllr E. Stenner – Cabinet Member for Finance, Performance & Customer Service

### Appendices:

Appendix 1 – Treasury Management Prudential Indicators – Prudence  
Appendix 2 – Capital Finance Prudential Indicators – Affordability  
Appendix 3 – Capital Expenditure and Funding

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**Appendix 1 Treasury Management Prudential Indicators- Mid Year report (Quarters 1, 2 & 3)**

	<b>Budget 2020/2021</b>	<b>Estimated 2020/2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Authorised limit for external debt -</b>		
Borrowing	446,085	446,085
Other long term liabilities	28,426	28,426
<b>Total</b>	<b>474,511</b>	<b>474,511</b>
<b>Operational boundary for external debt -</b>		
Borrowing	356,868	298,383
Other long term liabilities	28,426	28,426
<b>Total</b>	<b>385,294</b>	<b>326,809</b>
Capital Financing Requirement	434,387	420,425
<b>Upper limits for interest rate exposure</b>		
Principal outstanding on borrowing	356,868	298,383
Principal outstanding on investments	100,000	111,903
<b>Net principal outstanding</b>	<b>456,868</b>	<b>410,286</b>
<b>Fixed rate limit – 100%</b>	256,868	186,480
<b>Variable rate limit – 30%</b>	77,060	55,944
<b>Upper limit for total invested for over 364 days</b>	<b>60,000</b>	<b>15,000</b>

<b>Maturity structure of fixed rate borrowing</b>	<b>Upper Limit</b>	<b>Lower Limit</b>
<b>Under 12 months</b>	<b>35%</b>	<b>0%</b>
<b>Over 12 months and within 24 months</b>	<b>40%</b>	<b>0%</b>
<b>Over 2 years and within 5 years</b>	<b>50%</b>	<b>0%</b>
<b>Over 5 years and within 10 years</b>	<b>75%</b>	<b>0%</b>
<b>Over 10 years</b>	<b>100%</b>	<b>0%</b>

<b>Gross Debt and Net Debt</b>	<b>Budget 2020/2021</b>	<b>Estimated 2020/2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Outstanding Borrowing</b>	356,868	298,383
<b>Other long term liabilities</b>	28,426	28,426

<b>Gross Debt</b>	<b>385,294</b>	<b>326,809</b>
<b>Less investments</b>	100,000	111,903
<b>Net Debt</b>	<b>285,294</b>	<b>214,906</b>

**Appendix 2 Treasury Management Prudential Indicators- Mid Year report (Quarters 1, 2 & 3)**

<b>Ratio of Financing costs to net revenue stream</b>	<b>Budget 2020/2021</b>	<b>Estimated 2020/2021</b>
<b>General Fund</b>	<b>£'000</b>	<b>£'000</b>
Principal repayments	2,548	2,548
Interest costs	8,829	7,698
Debt Management costs	49	49
Rescheduling discount	0	0
Investment income	-1,518	-600
Interest applied to internal balances	813	813
<b>Total General Fund</b>	<b>10,721</b>	<b>10,507</b>
Net revenue stream	355,081	355,081
<b>Total as percentage of net revenue stream</b>	<b>3.02%</b>	<b>2.96%</b>
<b>Housing Revenue Account</b>		
Principal repayments	2,481	2,438
Interest costs	6,301	5,208
Rescheduling discount	0	0
Debt Management costs	33	33
<b>Total HRA</b>	<b>8,815</b>	<b>7,679</b>
Net revenue stream	50,515	50,515
<b>Total as percentage of net revenue stream</b>	<b>17.45%</b>	<b>15.20%</b>

<b>Capital financing requirement [end of year position]</b>	<b>Budget 2020/2021</b>	<b>Estimated 2020/2021</b>
	<b>£'000</b>	<b>£'000</b>
Council Fund	285,817	280,589
Housing Revenue Account	148,571	139,836
<b>Total Authority</b>	<b>434,388</b>	<b>420,425</b>

**Appendix 3 Treasury Management Prudential Indicators- Mid Year report (Quarters 1, 2 & 3)**

	<b>Budget 2020/2021</b>	<b>Estimated 2020/2021</b>
<b>Expenditure</b>	<b>£'000</b>	<b>£'000</b>
Council Fund	11,393	11,363
Housing Revenue Account	36,000	14,000
<b>Total</b>	<b>47,363</b>	<b>25,363</b>
<b>Funding</b>		
Surplus/ (Deficit) Balance b/f	0	454
Borrowings - Supported (GF)	4,865	0
General Capital Grant - WG	4,878	4,878
Internal Borrowing	0	3,957
RCCO Budget	128	128
Capital underspends frm previous years	306	306
General Fund working balances	0	0
One off funding- MRP Review	1,640	1,640
RCCO- (HRA)	16,650	6,696
Unsupported Borrowing HRA-WHQS	7,000	0
Unsupported Borrowing HRA-Affordable Housing	5,000	0
Major Repairs Allowance (HRA)	7,350	7,304
<b>Total</b>	<b>47,817</b>	<b>25,363</b>
<b>Surplus C/f</b>	<b>454</b>	<b>0</b>

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## **POLICY AND RESOURCES SCRUTINY COMMITTEE – 23RD FEBRUARY 2021**

**SUBJECT: WHOLE-AUTHORITY REVENUE BUDGET MONITORING REPORT  
(PERIOD 9)**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE  
SERVICES**

### **1. PURPOSE OF REPORT**

- 1.1 To provide details of projected whole-authority revenue budget expenditure for the 2020/21 financial year, including an update on the funding received from the Welsh Government (WG) in respect of the financial implications of the ongoing Covid-19 pandemic.
- 1.2 To propose the use of reserves for specific purposes detailed within the report.

### **2. SUMMARY**

- 2.1 The report provides details of the current position regarding funding received from WG in respect of additional costs incurred and income lost as a direct consequence of the ongoing Covid-19 pandemic.
- 2.2 The report also provides details of the 2020/21 projected revenue budget outturn position based on information available as at month 9 of the current financial year. Commentary is also provided throughout the report on the more significant variations against budget.
- 2.3 The report also includes proposals for the use of reserves in specific areas and the Scrutiny Committee is asked to consider these prior to the proposals being presented to Cabinet at its meeting on the 24<sup>th</sup> February 2021.

### **3. RECOMMENDATIONS**

- 3.1 It is recommended that the Scrutiny Committee: -
  - 3.1.1 Notes the content of the report.
  - 3.1.2 Supports the proposed use of reserves totalling £648k as detailed in Section 5.3 of the report.

### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 To ensure that the Scrutiny Committee is aware of the projected revenue budget outturn position for the 2020/21 financial year and also has the opportunity to consider the proposed use of reserves prior to Cabinet consideration.

## 5. THE REPORT

### 5.1 Coronavirus Pandemic (Covid-19)

5.1.1 Members will be aware that the Authority has incurred significant additional costs due to the pandemic and is also losing income in several key areas. Additional costs of £10.846m have been incurred for the period March to December 2020 in key areas such as Social Care, the provision of Personal Protective Equipment (PPE), Information Technology, the establishment of Community Hubs for childcare provision and Free School Meals.

5.1.2 At an early stage a decision was made to account for the additional costs of Covid-19 on distinct holding codes for each Directorate. This allows for the costs to be captured outside of Directorate core revenue budgets and provides the clarity required to submit claims for funding from WG. It also ensures that there is a clear evidence base to substantiate the costs.

5.1.3 From the outset of the pandemic WG has provided funding to Local Authorities for additional costs through the Covid-19 Hardship Fund. The £10.846m additional costs incurred between March and December 2020 have been claimed from the Hardship Fund and the table below provides a summary of the current position: -

Month	Claim £000's	Paid £000's	Disallowed £000's	Pending £000's
March	13	13	0	0
April	439	366	73	0
May	1,270	1,189	21	60
June	2,589	2,333	316	(60)
July	1,004	955	48	1
August	1,174	1,017	158	0
September	1,049	880	37	132
October	1,036	939	7	90
November	1,088	1,067	20	0
December	1,184	1,040	44	100
<b>TOTALS: -</b>	<b>10,846</b>	<b>9,799</b>	<b>724</b>	<b>323</b>

5.1.4 Members will note from the above that WG have reimbursed £9.799m of the total costs claimed to date, with £724k being disallowed and therefore not funded. The most significant elements of disallowed expenditure relate to the Housing Revenue Account (HRA), certain expenditure in schools and only 50% of IT equipment purchases being funded. The bulk of the pending figure of £323k relates to Free School Meals expenditure which is still under consideration by WG.

5.1.5 The additional cost figures do not include further financial pressures arising from an increase in applications for Council Tax support through the Council Tax Reduction Scheme (CTRS). WG has provided further funding for this and Caerphilly CBC's share for the 2020/21 financial year totals £331k.

5.1.6 WG has also provided funding to compensate Local Authorities for income losses arising from the pandemic. For Caerphilly CBC, claims for income losses total £4.451m for the period March to December 2020 with key areas being Leisure Centres, Catering, Tourism Venues and Private Sector Housing. To date WG has paid £4.371m of the sums claimed with £53k being disallowed and £27k pending due to additional information being requested.

- 5.1.7 The income lost figures do not include Council Tax where collection rates are being adversely affected by the economic impact of the pandemic. Collection rates to the end of January 2021 are 2.2% (£1.666m) lower than for the same period last year, albeit that WG has recently announced funding of £1.122m to help mitigate the shortfall in Council Tax receipts.
- 5.1.8 Members will recall that at its meeting on the 10<sup>th</sup> September 2020, Council approved a recommendation to transfer £2.713m into an earmarked reserve to meet potential unfunded additional costs arising from Covid-19. To date there have been no calls on this funding but as part of the year-end process for the 2020/21 financial year any disallowed Covid-19 additional costs and income losses will be funded from this earmarked reserve.
- 5.1.9 Whilst the various packages of Covid-19 WG funding are of course very welcomed there is currently only a confirmed commitment for this funding until the 31<sup>st</sup> March 2021. The UK Government has allocated £766m to WG in respect of the ongoing financial impact of Covid-19 for the 2021/22 financial year but this is far below the levels of funding that have been allocated in 2020/21. This presents a significant financial risk and the position will be closely monitored as we move into the new financial year.

## 5.2 Projected Revenue Budget Outturn for 2020/21 (Month 9)

- 5.2.1 As already outlined, the additional costs associated with Covid-19 are being captured on distinct holding codes for each Directorate and are not therefore included in the year-end revenue budget projections.
- 5.2.2 Members will be aware that detailed budget monitoring reports are prepared for Scrutiny Committees throughout the financial year. This report is intended to provide a high-level summary position highlighting some of the key variations against budget. Based on information available as at month 9 the projected 2020/21 net year-end revenue budget underspend is £3.980m. A summary is provided by Directorate in the table below with further details provided in Appendix 1.

	<b>Original Estimate 2020/21 £000's</b>	<b>Revised Estimate 2020/21 £000's</b>	<b>Projected Outturn 2020/21 £000's</b>	<b>Projected (Overspend)/ Underspend £000's</b>
Education & Lifelong Learning	138,903	139,001	137,713	1,288
Social Services & Housing	94,864	95,194	92,801	2,393
Communities	51,429	51,727	52,602	(875)
Corporate Services	20,335	20,378	19,296	1,082
Miscellaneous Finance	50,599	49,829	49,738	91
<b>Totals: -</b>	<b>356,130</b>	<b>356,130</b>	<b>352,150</b>	<b>3,980</b>

- 5.2.3 The following paragraphs summarise some of the key issues in the month 9 budget monitoring reports.

### Education & Lifelong Learning (Projected Underspend of £1.288m)

- 5.2.4 A net underspend of £1.288m is currently forecast for Education & Lifelong Learning. The most significant variances are the following: -

<b>Service Area</b>	<b>Projected (Overspend)/ Underspend £000's</b>
Relief Supply Cover (Maternity - Schools)	(241)
Retirement Pension Costs – School Based Staff	290
Home to School/College Transport	386
EOTAS/Additional Support/Out-of-County	236

- 5.2.5 Due to the unpredictability of maternity absences across all school sectors, it is very difficult to project the position for the year. This budget funds the maternity absence of staff members in schools with the schools funding the replacement teacher costs. Based on current data and reviewing spend on maternity in prior years the current prediction is a projected overspend of £241k for the year. In recent years this budget has also been overspent (2018/19 £153k overspend, 2019/20 £187k overspend) so a growth bid has been included in the 2021/22 Draft Budget Proposals to address this trend.
- 5.2.6 A projected underspend of £290k on the pension costs of school-based staff follows a more favourable budget position for schools in 2020/21 alongside the challenge of progressing any staff changes in schools during the end of academic year 2019/20 due to Covid-19.
- 5.2.7 Early on in the pandemic it was agreed across Wales that transport contract values would be supported to the level of 75% (April to August), with a real concern that operators would go out of business without support and not be available when schools and colleges return. There were only been a small number of contracts that have continued during the early months of the pandemic, relating to some of our pupils who accessed the Trinity Fields Hub. On a budget of circa £7m the current predicted underspend is estimated at £386k. The projection includes an estimate for the potential of two terms costs to contractors for additional cleaning and Personal Protective Equipment (PPE) linked to Covid-19.
- 5.2.8 An underspend of £236k is projected for provision to our most vulnerable learners (EOTAS/Additional Support/Out-of-County). This is due in part to additional growth approved in the 2020/21 budget but is also due to delays in some spend linked to the pandemic and new practices linked to pupil support. Budgets in this area are under review as part of the Education Other Than At School (EOTAS) Strategy.

#### Social Services & Housing (Projected Underspend of £2.393m)

- 5.2.9 Information available as at month 9 shows a projected year-end underspend of £2.393m for Social Services and Housing.
- 5.2.10 A net overspend of £825k is projected for the Children's Services Division. The most significant areas of overspend are £1.288m in Residential Care and £521k in Fostering & Adoption. These overspends are partially offset by underspends of £788k in Management, Fieldwork & Administration, £94k in Aftercare Support and a net underspend of £101k on other Children's Services budgets.
- 5.2.11 The Adult Services Division is currently projected to underspend its budget by £2.048m (inclusive of a projected underspend of £171k on Social Services transport costs which are managed by the Integrated Transport Unit in the Communities Directorate).
- 5.2.12 There are a range of offsetting overspends and underspends across the Division. The most significant projected overspends are £470k in Homecare and £559k in Other Domiciliary Care. Demand for Homecare has continued to grow throughout the current financial year, much of which can be attributed to restrictions on residential care admissions and avoidance of hospital admissions as a result of Covid-19. Demand for supported living placements and shared lives placements has contributed to the projected overspend in Other Domiciliary Care.

- 5.2.13 The most significant projected underspends in the Adult Services Division are £688k in Own Residential Care & Supported Living, £436k in Own Day Care, £560k in External Residential Care and £540k in External Day Care.
- 5.2.14 A significant element of the projected underspend of £688k in Own Residential Care & Supported Living relates to delays in recruiting to posts in some facilities, and the level of staff vacancies and absence cover across residential homes, respite care and supported living homes. Much of the absence cover has been provided through the redeployment of day care staff at no additional cost.
- 5.2.15 The £436k underspend forecast against our Own Day Care services can be attributed to the closure of day care facilities in response to Covid-19, as some posts will have remained vacant during the closures.
- 5.2.16 The main elements of the projected underspend of £560k in External Residential Care are £438k in respect of long-term residential care for older people and £171k for people with learning disabilities. These underspends are partially offset by increased demand for long-term placements for people with physical disabilities and people with mental health problems.
- 5.2.17 The projected underspend of £540k in respect of External Day Care provision is largely due to the temporary suspension of some services in response to Covid-19.
- 5.2.18 Within Service Strategy & Business Support there is a projected underspend of £1.053m, much of which is attributed to funding received through the WG Covid-19 Hardship Fund. Circa £562k has been claimed through this grant scheme up to December 2020 to support in-house service provision and a further £450k is expected to be claimed between January and March 2021. While some additional in-house costs due to Covid-19 are easily identifiable (e.g. Covid-19 testing in care homes) most of the additional costs are less identifiable such as sickness cover provided by existing staff and lost income due to reduced occupancy. These less identifiable costs are captured within the Adult Services projected year-end outturn position whilst the grant funding has been captured within Service Strategy & Business Support.
- 5.2.19 For Housing Services there is a projected year-end underspend of £117k.

#### Communities (Projected Overspend of £875k)

- 5.2.20 The projected outturn position for the Communities Directorate is an overspend of £875k.
- 5.2.21 The Regeneration & Planning Division is projecting an underspend of £90k. Shortfalls in fee income continue to be experienced in Planning Services, continuing the trend experienced in recent years. The 2021/22 Draft Budget Proposals seek to address this through realigning income budgets to reflect the actual levels of income being received. The overall net projected underspend for the Regeneration & Planning Division is largely due to additional fee income generated through supporting grant funded projects and one-off income for the administration of business grants linked to Covid-19.
- 5.2.22 The Infrastructure Division is projecting a net overspend of £427k on its £19.97m budget. The most significant element of this is an overspend of £504k in Transportation Engineering, which is mainly due to reduced income of £612k linked to car parking and the suspension of charges during the pandemic. At this stage Network Contracting Services (NCS) is anticipating a deficit of £489k with an underachievement in the income targets primarily linked to a significantly reduced workload due to Covid-19 operational issues. However, this is partially offset by projected underspends in the main highway maintenance budgets due to delays in schemes that NCS would normally be undertaking.
- 5.2.23 The Community & Leisure Services Division is projecting a net overspend of £677k. A significant element of this relates to Leisure Centres which have been closed for long periods due to Covid-19 with no income being generated. Whilst some funding has been provided by WG to partially

offset the income losses the service has elements of operating expenditure that are fixed in nature and cannot easily be reduced while the Centres have been closed. There are significant variations across budget headings within Waste Management & Cleansing due to the impact of Covid-19 but overall a net overspend of £210k is projected for these services. Caerphilly Adventures is reporting an overspend of £251k due to a significant reduction in income from schools during the pandemic. This internal income is not eligible for WG funding.

5.2.24 The Public Protection Division is projecting a net overspend of £137k.

Corporate Services (Projected Underspend of £1.082m)

5.2.25 The Directorate of Corporate Services is currently projecting a net underspend of £1.082m. This underspend is across a range of service areas and is due in the main to delays in filling vacant posts, one-off grant income and delays in fully implementing agreed restructures in some areas.

Miscellaneous Finance (Projected Underspend of £91k)

5.2.26 A net underspend of £91k is projected for budgets in Miscellaneous Finance.

5.2.27 Members may recall that as part of the 2020/21 approved budget it was proposed to redirect £20m of our current investments into long-term investments (a property fund, an equity fund and a bond fund). This £20m investment would have been locked in for a minimum of 3 to 5 years but there would be a significant improvement on returns estimated at £718k per annum. Due to the pandemic and the associated economic impact, these proposed investments have been delayed. Furthermore, we are seeing a reduction in returns on our wider investment portfolio resulting in a projected total shortfall against budget of £918k. Following recent discussions with our Treasury Advisors, Arlingclose, we will shortly be making new longer-term investments which will improve the returns moving forward. The shortfall in investment returns for the current year has been offset by a projected underspend on debt interest payments due to no new borrowing being undertaken in the year to date.

### **5.3 Proposed Use of Reserves**

5.3.1 Proposals have been received for the use of reserves totalling £648k as follows: -

- Match-funding for Sports Wales Grant - £224k.
- Conversion of Ty Isaf into Children's Residential Facility - £140k.
- Development of Regional Hub to accommodate Gwent MyST - £100k
- Care Home Visiting and Lateral Flow Testing - £184k.

5.3.2 In order to satisfy the conditions of a Sport Wales grant of £300k towards the cost of replacing the Artificial Training Pitch (ATP) at Sue Noakes Leisure Centre and developing a Hockey Hub, and to create a 3G pitch at Idris Davies 3-18 school, the Council needs to make available £224k of match-funding. Members are asked to endorse a recommendation to Cabinet that this match-funding requirement is funded from Corporate Capital Earmarked Reserves.

5.3.3 The Children's Services Division within Social Services has secured £820k of Integrated Care Fund (ICF) grant to enable the purchase and conversion of a new residential facility for children. During March 2019 this funding was used to purchase the Ty Isaf property in Llanbradach at a cost of around £652k leaving £168k available to convert the property. A further £50k was earmarked within the Social Services capital budget to convert the garage at the property to move on accommodation for care leavers and a programme of work was agreed within the budget available. However, once work had commenced a serious fault was uncovered which required the rebuilding of the gable end wall and a further £55k was earmarked within the Social Services capital budget to fund this. A number of other faults and safety issues have been identified during the refurbishment of the property adding a further £140k to the cost of the project which cannot be absorbed within the Social Services capital budget. Members are asked to endorse a recommendation to Cabinet that the additional funding requirement of £140k is

met from Corporate Capital Earmarked Reserves.

- 5.3.4 Similarly, Integrated Care Fund (ICF) grant of £705k was secured for the development of a regional hub to accommodate the Gwent MyST (which is an intensive foster care support service) in Bargoed High Street. Initial tenders for this project were received between £1million and £1.3million so a re-scoping of the scheme was undertaken resulting in an estimated cost of around £805k. Therefore, a further £100k of funding was earmarked within the Social Services capital budget for 2020/21. However, a more recent estimate has identified a potential cost of £905k so a further £100k of funding is required to ensure the completion of the project and to protect the grant funding. Members are asked to endorse a recommendation to Cabinet that the additional funding requirement of £100k is met from Corporate Capital Earmarked Reserves.
- 5.3.5 The proposed use of reserves totalling £184k for care home visiting and lateral flow testing is for eight fixed-term 28 hours per week posts for an initial period of nine months. £10k is also included in this total for equipment. Feedback from other Local Authorities is that this is very time intensive in respect of Lateral Flow Devices as everything has to be logged on a system to link to Track, Trace & Protect (TTP). It is a significant logistical exercise as kits have to be ordered, stored and distributed to all registered domiciliary care agencies in the borough. This will then be expanded to include supported living and frontline Social Workers and Occupational Therapists. Care Homes will order their own kits, but the administrative burden will be significant. There is also a weekly reporting requirement for WG. In respect of Care Home visits there will need to be a booking system to coordinate visits across the council's six Care Homes 7 days a week so staff time is required to identify the designated visitor and explain and plan visits, which will vary depending on alert levels e.g. window, pod indoor etc. Members are asked to endorse a recommendation to Cabinet that the £184k funding requirement is met from Social Services Retained Underspend Reserves.

## **5.4 Conclusion**

- 5.4.1 Despite the ongoing challenges faced by the Council the financial position is being well managed during the current financial year with a projected revenue budget underspend of £3.980m based on information available at month 9.
- 5.4.2 The Covid-19 WG funding is of course very welcome but there is currently only a confirmed commitment for this funding until the 31<sup>st</sup> March 2021. The UK Government has allocated £766m to WG in respect of the ongoing financial impact of Covid-19 for the 2021/22 financial year but this is far below the levels of funding that have been allocated in 2020/21. This presents a significant financial risk and the position will be closely monitored as we move into the new financial year.

## **6. ASSUMPTIONS**

- 6.1 A wide range of assumptions are made in the preparation of budget monitoring reports based on information available for the relevant reporting period.

## **7. LINKS TO RELEVANT COUNCIL POLICIES**

- 7.1 Effective financial planning and maintaining expenditure within approved budgets supports the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2015: -
- A prosperous Wales.
  - A resilient Wales.
  - A healthier Wales.
  - A more equal Wales.
  - A Wales of cohesive communities.
  - A Wales of vibrant culture and thriving Welsh Language.

- A globally responsible Wales.

## **8. WELL-BEING OF FUTURE GENERATIONS**

- 8.1 Effective financial planning and the management of expenditure within approved budgets are key elements in ensuring that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are met.

## **9. EQUALITIES IMPLICATIONS**

- 9.1 There are no direct equalities implications to this report in terms of the financial information presented.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 As detailed throughout the report.

## **11. PERSONNEL IMPLICATIONS**

- 11.1 There are no direct personnel implications arising from this report.

## **12. CONSULTATIONS**

- 12.1 There are no consultation responses that have not been reflected in this report.

## **13. STATUTORY POWER**

- 13.1 Local Government Act 1972.

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Appendices:

Appendix 1 – Whole-Authority Revenue Budget Monitoring Report 2020/21 (Period 9)  
(Summary by Directorate/Service Division)

Background Papers:

- Budget Proposals for 2020/21 and Medium-Term Financial Outlook (Council 20/02/20).
- Financial Outlook (Council 10/09/20).

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## Whole Authority Revenue Budget Monitoring Report 2020-21 (Period 9)

## Summary by Directorate/Service Division

Directorate/Service Division	Original Budget 2020-21	Revised Budget 2020-21	Projected Outturn 2020-21	Projected (Overspend)/ Underspend
	£000's	£000's	£000's	£000's
<b>Education &amp; Lifelong Learning</b>				
- Schools Related	118,513	118,529	118,036	493
- Education	16,591	16,654	16,138	516
- Lifelong Learning	3,799	3,818	3,539	279
<b>Sub-Total: -</b>	<b>138,903</b>	<b>139,001</b>	<b>137,713</b>	<b>1,288</b>
<b>Social Services &amp; Housing</b>				
- Children's Services	25,143	25,216	26,041	(825)
- Adult Services	65,962	66,194	64,146	2,048
- Service Strategy and Business Support	2,131	2,138	1,085	1,053
- Housing Services	1,628	1,646	1,529	117
<b>Sub-Total: -</b>	<b>94,864</b>	<b>95,194</b>	<b>92,801</b>	<b>2,393</b>
<b>Communities</b>				
- Regeneration and Planning	2,214	2,246	2,156	90
- Infrastructure	19,917	19,970	20,397	(427)
- Community and Leisure Services	21,673	21,823	22,500	(677)
- Public Protection	7,450	7,512	7,375	137
- Directorate General	175	176	175	1
<b>Sub-Total: -</b>	<b>51,429</b>	<b>51,727</b>	<b>52,602</b>	<b>(875)</b>
<b>Corporate Services</b>				
- Interim Chief Executive/Director	359	362	342	20
- Corporate Finance	1,864	1,895	1,739	156
- Legal and Governance	3,199	3,213	3,117	96
- Business Improvement Services	1,328	1,335	1,181	154
- Customer and Digital Services	5,845	5,803	5,487	316
- Corporate Property	4,903	4,921	4,715	206
- People Services	2,837	2,849	2,715	134
<b>Sub-Total: -</b>	<b>20,335</b>	<b>20,378</b>	<b>19,296</b>	<b>1,082</b>
<b>Miscellaneous Finance</b>	<b>50,599</b>	<b>49,829</b>	<b>49,738</b>	<b>91</b>
<b>Grand Total: -</b>	<b>356,130</b>	<b>356,130</b>	<b>352,150</b>	<b>3,980</b>

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