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## **CORPORATE PERFORMANCE AND RESOURCES SCRUTINY COMMITTEE**

Minutes of a remote meeting held on 16<sup>th</sup> December, 2020.

The Committee agenda is available [here](#)

Present: Councillor M.R. Wilson (Chairman); Councillor Mrs. P. Drake (Vice-Chairman); Councillors G.D.D. Carroll, G.A. Cox, R. Crowley, V.P. Driscoll, G. John, Dr. I.J. Johnson and Ms. S. Sivagnanam.

Also present: Councillors N. Moore (Leader and Cabinet Member for Performance and Resources) and L. Burnett (Deputy Leader and Cabinet Member for Education and Regeneration).

### 306 ANNOUNCEMENT -

Prior to the commencement of the meeting, the Chairman referred to a number of housekeeping issues including advising those present that the meeting would be recorded for uploading via the internet and archived for future viewing.

### 307 APOLOGY FOR ABSENCE –

This was received from Councillor J.W. Thomas.

### 308 MINUTES –

RECOMMENDED – T H A T the minutes of the meeting held on 18<sup>th</sup> November, 2020 be approved as a correct record.

### 309 DECLARATIONS OF INTEREST –

No declarations were received.

### 310 ANNUAL DELIVERY PLAN: MONITORING REPORT: QUARTER 2 PERFORMANCE 2020/21 (MD) –

The purpose of the report was to present Quarter 2 (Q2) performance results for the period 1<sup>st</sup> April, 2020 to 30<sup>th</sup> September, 2020 in delivering the Annual Delivery Plan commitments as aligned to the Corporate Plan Well-being Objectives and to report on progress at Q2 towards achieving the Council's Annual Delivery Plan (2020/21) commitments as aligned to our Corporate Plan Well-being Objectives. The Head of Service for Policy and Transformation shared a PowerPoint presentation on screen which drew attention to the key aspects of the report.

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Despite the ongoing challenges of responding to the global COVID-19 pandemic, positive progress had been made in delivering in-year commitments in relation to the Annual Delivery Plan (2020/21). The performance had contributed to an overall Amber status for the Plan at Q2 with all four Corporate Plan Well-being Objectives attributing an Amber performance status at Q2 to reflect the progress made to date. Given the unprecedented challenges the Council continued to face this was indeed positive.

66% (152 out of 231) of planned activities outlined in the Annual Delivery Plan had been attributed a Green performance reflecting the positive progress made during the Quarter, under challenging circumstances. 25% (58) of planned activities were attributed a Red status.

Of the 58 actions attributed a Red performance status during the Quarter, 90% (52) were directly as a result of service reprioritisation measures undertaken in response to the impact of the ongoing COVID-19 pandemic. In relation to those areas, where appropriate, work was now recommencing as part of recovery plans and strategy going forward. Progress in relation to Coronavirus recovery was being reported to Members in the presentation accompanying the performance report at Scrutiny Committee and would focus on highlighting issues pertinent to the Committee's remit. The Coronavirus Recovery Update would form part of quarterly performance reporting going forward to ensure Members maintained an oversight of the recovery issues impacting on the work of their respective Committees. From this perspective, Members were requested to note the progress to date in relation to Coronavirus recovery.

Of the 64 quarterly performance measures aligned to the Corporate Plan Well-being Objectives, data was reported for 33 measures where a performance status was applicable. 64% (21) measures were attributed a Green performance Status, 15% (5) an Amber status and 21% (7) a Red status. Data was unavailable for 9 quarterly measures due to reprioritisation measures undertaken in response to the impact of the ongoing COVID-19 pandemic. A performance status was not applicable for 121 measures including a number of annual indicators (104) and those establishing baseline performance for the year (8).

The report sought Elected Members' consideration of Q2 performance results and the proposed remedial actions to address areas of identified underperformance. Upon consideration, the Scrutiny Committee was recommended to refer their views and any recommendations to Cabinet for their consideration.

Having regard to consultations being undertaken Councillor Carroll queried the actions the Council would be undertaking to address issues raised following the consultation regarding the proposed link road project at Junction 34 and with the demise of the Gem how the Council would be ensuring consultations similar to those referred to would be publicised in future in line with its legal obligation.

In response the Head of Service stated that the Council also used other local media i.e. Penarth Times, the Barry and District newspaper papers and was also exploring the use of the Gazette in Bridgend. With regard to providing a specific update in relation to the proposals at Junction 34 he would seek an update for the member

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from the Neighbourhood Services and Transport department and with regard to Planning notices a further update from the Planning department.

Councillor Dr. Johnson requested that future reports indicate and provide details for actions and measures that had slipped for COVID and non-COVID related reasons and the actions being undertaken to mitigate these. The Head of Service agreed to incorporate the information in the Quarter 3 performance reports to all Committees.

In referring to the GP Triage project in Penarth the Chairman also asked for an update report on the project to Members.

#### RECOMMENDED –

(1) T H A T the performance results and progress towards achieving the Annual Delivery Plan 2020/21 commitments as aligned to the Council's Corporate Plan Well-being Objectives within the remit of the Committee be noted

(2) T H A T the remedial actions to be taken to address areas of under-performance and to tackle the key challenges identified within the remit of the Committee be noted and that Cabinet be informed of Member's requests for future reports and information, to be contained in future reports, as outlined above.

(3) T H A T the progress being made through the Council's Recovery Strategy and Directorate Recovery Plans in response to the ongoing Coronavirus pandemic be noted.

#### Reasons for recommendations

(1) To ensure the Council clearly demonstrates the progress being made towards achieving its commitments in the Annual Delivery Plan 2020/21 aimed at making a positive difference to the lives of Vale of Glamorgan citizens.

(2) To ensure the Council is effectively assessing its performance in line with the requirement to secure continuous improvement outlined in the Local Government Measure (Wales) 2009 and reflecting the requirement of the Well-being of Future Generations (Wales) Act 2015 that it maximises its contribution to achieving the well-being goals for Wales.

(3) To ensure Members maintain an oversight of the recovery issues impacting on the work of the Council and their respective Scrutiny Committees.

#### 311 DRAFT VALE OF GLAMORGAN ANNUAL DELIVERY PLAN (IMPROVEMENT PLAN PART 1) 2021-22 (REF) –

Cabinet, on 30<sup>th</sup> November, 2020, had referred the report to all Scrutiny Committees as part of the programme of consultation requesting that any comments be shared with the Head of Policy and Business Transformation to inform revisions to the Annual Delivery Plan. Following the consultation, consideration of any findings would be undertaken with any amendments being made as appropriate with the

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intention that a revised draft be reported to this Scrutiny Committee in February, Cabinet in March 2021 and Council in April 2021. The Head of Service's main questions to Committee was whether Members considered that the plan contained the right actions, whether Members felt anything was missing and if the plan would, in their view, deliver the Council's commitments.

Councillor Dr. Johnson stated that in his view there were a number of areas that he could not disagree with but there were other comments he considered to be too vague. However, in recognising that the Council was in a state of flux with the impact of the Coronavirus he queried how much consideration had been given as to what may or may not be able to be achieved within an Annual Delivery Plan.

Councillor Carroll queried the mechanisms that were able to be put in place to review, update and assess the plan.

The Chairman expressed the view that the actions needed to be SMART and also sought the detail on a number of projects listed in the plan such as the Youth Service, One stop shop, arts strategy consultation, the make a space project in Penarth, the electric vehicles and the Pantry scheme.

In response the Head of Service advised that consideration had been given to making actions as specific as possible, but that in his view he did agree that some wording in the plan could be tightened up. With regard to monitoring and reviewing the plan this would be addressed by the quarterly performance tracking and reporting to Committees and Cabinet. Following a suggestion regarding the request for more detail in respect of a number of projects listed above it was agreed that the Head of Service contact Directorate colleagues for the information and that this be emailed to Committee Members following the meeting.

The Chairman also requested that the Head of Service consider the use of MS Forms as part of consultation exercises and the Head of Service agreed, drawing attention to the forthcoming Climate Change consultation that will use this software.

Having considered the report, it was subsequently

#### RECOMMENDED –

- (1) T H A T the draft Annual Delivery Plan (Appendix A) as the basis for consultation as described in this report be noted.
- (2) T H A T the consultation approach and timetable as set out in the report be noted.
- (3) T H A T the approach taken this year to draft the Annual Delivery Plan and the relationship with Annual Service Plans be noted.
- (4) T H A T the comments of the Committee, as outlined above and shared with the Head of Policy and Business Transformation, at the meeting, be reported to Cabinet as appropriate following the consultation.

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Reason for recommendations

(1-4) Having regard to the contents contained within the report and comments made and shared with the Head of Service at the meeting.

312 REVENUE MONITORING FOR THE PERIOD 1<sup>ST</sup> APRIL TO 30<sup>TH</sup> SEPTEMBER, 2020 AND REVISED BUDGET 2020/21 (MD) –

The Head of Service / Section 151 officer provided a presentation overview of the report the purpose of the report being to advise Committee of the amended revenue budget for 2020/21 and to report progress relating to revenue expenditure for the period 1<sup>st</sup> April to 30<sup>th</sup> September, 2020.

The revenue position for 2020/21 was challenging with additional pressure for the Council both operationally and financially as a result of the COVID-19 pandemic. This had impacted both as a result of incurring additional expenditure but also from a loss of income. Funding had been provided by Welsh Government (WG) to cover some of the issues.

An efficiency target of £247k had been set for the year and while it was anticipated that this would be achieved, some issues remained relating to unachieved savings targets from previous years. The 2020/21 budget had been amended for internal transfers and technical adjustments. The overall total budget for the Authority had not changed from £240.438m. Adverse variances were being projected for a number of services this year and the use of reserves would be required to resolve those issues in the short term.

Councillor Dr. Johnson raised a query on the impact of COVID-19 on services income and enquired as to whether there were areas of common concern across Wales regarding lobbying WG re Council Tax collection income decreases and any other concerns that the Council should be speaking to WG about.

The Head of Finance / Section 151 officer in response advised that claims had been submitted to WG which she would be happy to share with Members. There were areas where the Council had not received recompense although it had received payment for the 1<sup>st</sup> and 2<sup>nd</sup> quarter Council Tax relief scheme. Data was however being collated on a monthly basis for WG's information. It was noted that WG appeared to be taking a holistic approach as well as recognising that they cannot address decisions made at a local level.

Following a further query from Councillor Cox as to whether the savings identified over previous years could be achieved it was noted that it had been agreed that it was unlikely they would be achieved and £400,000 had therefore been put into the base budget for 2020/21 to acknowledge that.

RECOMMENDED –

(1) T H A T the position with regard to the 2020/21 revenue budget be noted.

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(2) T H A T the amended revenue budget for 2020/21 as set out in Appendix 1 to the report be noted.

Reasons for recommendations

- (1) Having regard to the contents of the report and discussions at the meeting.
- (2) To incorporate changes to the 2020/21 budget.

313 CAPITAL MONITORING FOR THE PERIOD 1<sup>ST</sup> APRIL TO 30<sup>TH</sup> SEPTEMBER, 2020 (MD) –

Again following a presentation the Head of Service in referring to the report advised Committee of the progress on the 2020/21 Capital Programme for the period 1<sup>st</sup> April, 2020 to 30<sup>th</sup> September, 2020 and the request for changes to the Capital Programme. Details by scheme were shown in Appendix 1 to the report.

The report set out requested changes to the 2020/21 and future years' Capital Programme.

Councillor John requested to receive the detail in relation to the slippage reported for the Llanmaes Flood with the Chairman requesting the detail regarding the WelTAG Stage 3 Cogan Station Penarth scheme. It was agreed that the Head of Service provide the information to the Members by email following the meeting.

Having regard to the report it was subsequently

RECOMMENDED –

- (1) T H A T the progress made on the 2020/21 Capital Programme be noted.
- (2) T H A T the following changes to the 2020/21 Capital Programme be noted:
  - Ysgol Pen Y Garth Roof Renewal Scheme – Vire £2.5k from the Education Contingency budget in the 2020/21 Capital Programme;
  - Electric Pool Cars - Remove this scheme from the 2020/21 Capital Programme and ring fence £215k in a new reserve called Carbon Vehicles Reserve;
  - LTF M4 to Cardiff Airport Transport Network Scheme – Reduce this budget by £87k in the 2020/21 Capital Programme;
  - LTF Cardiff / Vale of Glamorgan Coastal Sustainable Transport Corridors – Reduce this budget by £116k in the 2020/21 Capital Programme;
  - Replacement Variable Message Signs – Vire the £14k budget to a new scheme called 'Esplanade reinforcement at Barry Island';
  - Community Centre Works – Vire £9k from this scheme to the Neighbourhood Services Buildings for Compliance Issues and Community Centres scheme;
  - Neighbourhood Services Buildings for Compliance Issues and Community Centres – Reduce this budget by £8k in the 2020/21 Capital Programme;

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- Electrical Rewire Barry and Penarth Leisure Centres – Reduce this budget by £334k in the 2020/21 Capital Programme;
- Economic Stimulus within Local Authorities Grant – Vire £60k to the BSC2 scheme in the 2020/21 Capital Programme;
- Countryside Vehicle – Include a new scheme in the 2020/21 Capital Programme with a budget of £18k, to be funded from the Regeneration and Planning reserve;
- Building Strong Communities Fund (CASH Grants) – Increase this budget by £39k in the 2020/21 Capital Programme to be funded by a revenue contribution from the Building Strong Communities revenue budget.

(3) T H A T the use of Delegated Authority in relation to the following be noted:

- Replacement Railings in Alexandra Park – Include a new scheme with a budget of £10k into the 2020/21 Capital Programme to be funded from S106 monies;
- Belle Vue Pavilion in Penarth – Include a new scheme into the Capital Programme with a budget £687k, of which £20k is profiled in 2020/21 and £667k is profiled in 2021/22. This scheme is being funded from s106 monies;
- Building Strong Communities Fund – Increase the Capital Programme by £145k to be funded from S106 monies;
- Building Strong Communities Fund – Increase the Capital Programme by £29k to be funded from s106 monies.

(4) T H A T the use of Emergency Powers in relation to the following be noted:

- Penarth Library Refurbishment – Include a new scheme with a budget of £170k into the 2020/21 Capital Programme, to be funded by £120k Welsh Government grant and £50k from Libraries reserves;
- Digital Exclusion Fund – Include this new scheme in the 2020/21 Capital Programme with a budget of £15k;
- Llangan Primary Windows – Vire £13k to a new scheme called Palmerston Primary School Window Replacement Scheme in 2020/21;
- Jenner Park Primary Rewire KS2 First Floor – Vire £50k to a new scheme called St. Richard Gwyn High School Water Heater / Boiler Replacement Scheme in the 2020/21 Capital Programme;
- Ysgol Pen Y Garth Roof Renewal Scheme – Vire £19k from the Cogan Nursery Flat Roof Renewal scheme to the Ysgol Pen Y Garth Roof Renewal Scheme in the 2020/21 Capital Programme;
- Jenner Park Primary Vehicle – Include a new scheme with a budget of £28k into the 2020/21 Capital Programme, to be funded by a contribution from the Variety Sunshine Coach Sponsorship;
- Ty Dewi Sant Electrical Upgrade – Increase this budget by £10k to be funded from the Social Services Buildings Reserve;
- WELTAG Stage 3 Cogan Station Penarth – Include this new scheme in the 2020/21 Capital Programme with a budget of £270k to be funded by a grant from the Welsh Government via the Regional Lead Transport Authority for Metro Plus which is Merthyr County Borough Council;

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- ICF Capital Grant Repayment – Include a budget of £330k in the 2020/21 Capital Programme to be funded from ICF reserve;
- Civic Fire Stopping Works – Vire £18k from the Dock Office External Works scheme to the Civic Offices Fire Stopping Works scheme in the 2020/21 Capital Programme;
- Access Improvement Grant – Increase this scheme by £32k in the 2020/21 Capital Programme to be funded from Welsh Government Grant;
- Civic Offices High Level Masonry Repair – To vire £90k from the 'All Services Asset Renewal' scheme to a new scheme called Civic Offices high level masonry repair, and to also increase this scheme by £15k to be funded from the Miscellaneous Building Fund reserve in the 2020/21 Capital Programme;
- Replacement welfare facilities at the gypsy site in Llangan – Include a new scheme in the 2020/21 Capital Programme with a budget of £16k to be funded from the Miscellaneous Building Fund reserve.

(5) T H A T the following changes to the 2020/21 and future years' Capital Programme be noted:

- Llansannor Extension – Carry forward £100k into the 2021/22 Capital Programme;
- St. Brides – Carry forward £106k into the 2021/22 Capital Programme;
- St. Illtyd' s Primary Doors – Carry forward £40k into the 2021/22 Capital Programme;
- Peterston Super Ely Primary Suspended Ceiling Renewal Phase 1 – Carry forward £80k into the 2021/22 Capital Programme;
- Childcare Offer Capital Grant – Carry forward £329k into the 2021/22 Capital Programme;
- Band B Schemes – Reprofile as set out in the tables in paragraph 2.15;
- Community Safety Improvements – Carry forward and vire £10k to the Upgrade of CCTV system scheme in the 2021/22 Capital Programme;
- Upgrade of CCTV system – Carry forward £335k into the 2021/22 Capital Programme;
- Murchfield Access Bridge – Carry forward £17k into the 2021/22 Capital Programme;
- Housing Improvement Programme, Individual Schemes – Carry forward £1m into the 2021/22 Capital Programme;
- Housing Improvement Programme, Common Parts – Carry forward £1m into the 2021/22 Capital Programme;
- Housing Improvement Programme, Environmental Improvements – Carry forward £300k into the 2021/22 Capital Programme;
- Penarth Heights Public Art – Carry forward £238k into the 2021/22 Capital Programme;
- Toilet Refurbishment Civic Offices – Carry forward £85k into the 2021/22 Capital Programme.

#### Reasons for recommendations

- (1) Having regard to the contents of the report and discussions at the meeting.

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- (2) To make amendments to the 2020/21 Capital Programme.
- (3) In noting the use of Delegated Authority.
- (4) In noting the use of Emergency Powers.
- (5) To allow schemes to proceed in the current and future financial years.

#### 314 INITIAL REVENUE BUDGET PROPOSALS 2021/22 AND MEDIUM TERM FINANCIAL PLAN 2020/21 TO 2023/24 (MD) –

The purpose of the report was to submit for consultation the initial revenue budget proposals for 2021/22 and to provide the Medium Term Financial Plan 2020/21 to 2023/24 for comment.

The Council was required under statute to fix the level of Council Tax for 2021/22 by 11<sup>th</sup> March, 2021 and in order to do so, would have to agree a balanced revenue budget by that date.

The Council's provisional settlement had not yet been announced by Welsh Government (WG) and was expected this year on 22<sup>nd</sup> December, 2020 with the final settlement due to be published on 2<sup>nd</sup> March, 2021. Even though this crucial information had not been received, the budget setting and consultation process had to commence in order to meet statutory deadlines and as a result, assumptions had had to be made.

The report also included the Medium Term Financial Plan 2020/21 to 2023/24 which linked the Council's strategic planning process with the budget process and ensured consistency between them. It was a mechanism that attempted to match future predicted resources and expenditure, identify potential shortfalls and provide the financial framework for the next three years.

Following a presentation overview of the report by the Head of Service it was accepted that the picture was changing all the time with the impact of COVID-19. It was confirmed that the initial estimates did include a staff pay award for 2021/2022 at a cost of £3.7m. Since the report was drafted it had been suggested by the Westminster Government that there may not be an award for many public sector workers in the coming year. This matter was not as yet resolved and therefore the figure remained in the initial estimates.

As the lead Committee for Resources, prior to the meeting the Members had been circulated with the recommendations of the Scrutiny Committees prior to the meeting as Lead Committee. Members having been circulated with the recommendations of the Scrutiny Committees Homes and Safe Communities and Environment and Regeneration as below:

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### **Homes and Safe Communities of 9<sup>th</sup> December 2020**

RECOMMENDED – T H A T the Corporate Performance and Resources Scrutiny Committee recommend to Cabinet, the ongoing value and importance of the Domestic Abuse Assessment and Referral Community Safety Services, when looking at cost pressures and the revenue budget.

#### Reason for recommendation

In order that Cabinet can consider the comments of the Scrutiny Committee on the continued importance and value of the Domestic Abuse Assessment and Referral Community Safety Services before making a final proposal on the budget.

### **Environment and Regeneration of 15<sup>th</sup> December 2020**

RECOMMENDED - T H A T the Corporate Performance and Resources Scrutiny Committee considers the concerns of the Environment and Regeneration Scrutiny Committee regarding the lateness of the budget settlement from Welsh Government which makes it difficult for the Scrutiny Committee to make a view without knowing the final budget position, so it would be better if this was considered in January.

#### Reason for Recommendation

To advise the Corporate Performance and Resources Scrutiny Committee of the concerns regarding the lateness of the final budget settlement and the view that it would be better if the budget proposals were considered in January after the final settlement was received from Welsh Government.

Having considered the report, the recommendations of the Scrutiny Committees and acknowledging the impact of the pandemic on such proposals it was

RECOMMENDED to Cabinet –

- (1) T H A T the Committee echoed the sentiments of the recommendations of both the Homes and Safe and Environment and Regeneration Scrutiny Committees as above regarding the report.
- (2) T H A T the Scrutiny Committee writes to the Welsh Government minister highlighting its concerns regarding the lateness of the budget settlement and that Cabinet consider doing the same.

#### Reasons for recommendations

- (1) In order that Cabinet be informed of the recommendations of Scrutiny Committees before making a final proposal on the budget.
- (2) In order to inform Welsh Government of the views of the Committee and to advise Cabinet.

315 INITIAL CAPITAL PROGRAMME PROPOSALS 2021/22 TO 2025/26 (MD) –

The purpose of the report was to seek the views of the Scrutiny for the Initial Capital Programme Proposals for the 2021/22 to 2025/26 so that they may be submitted to Cabinet for consideration.

It being noted that the Council was in the same position with the Capital budget as the Revenue budget Councillor Dr. Johnson drew particular attention to Section 106 monies with a request that the meeting in January take the form of a briefing and discussion on the allocation and raising of Section 106 monies. Councillor Dr. Johnson also requested additional information which provided detail on what Active Travel proposals had been postponed and what was being put forward by Welsh Government (WG).

Following discussion it was noted that an annual report was provided for members outlining the Section 106 monies recovered by the Council and the proposed uses of those. It was agreed therefore that a further report was not required but that a briefing in respect of the criteria for allocation of Section 106 monies be provided to Members going forward.

The recommendation of the Scrutiny Committee Environment and Regeneration of the 16<sup>th</sup> December 2020 had also been circulated for the Committee's consideration as below -

**RECOMMENDED - T H A T** the Corporate Performance and Resources Scrutiny Committee pass on to Cabinet the Committee's recommendation that capital bid NST1 - Carriageway resurfacing/Surface treatments, should be funded and progressed as a priority.

Reason for Recommendation

In order to priorities road resurfacing and due to public concern regarding the condition of some parts of the road network and pot holes.

**RECOMMENDED –**

(1) **T H A T** further information regarding the active travel proposals be provided to committee members.

(2) **T H A T** Committee considers the Capital report having regard to recommendation 1 above at its next meeting in order for discussions to take place to be able to fully consider the Capital Proposals going forward.

Reason for recommendations

(1&2) In order to provide more detailed information that the views / comments of Scrutiny Committee in respect of the Capital proposals can be forwarded to Cabinet.

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316 INITIAL HOUSING REVENUE ACCOUNT (HRA) BUDGET PROPOSALS  
2021/22 AND REVISED BUDGET 2020/21 (MD) –

The purpose of the report was to advise Committee of the amended Housing Revenue Account budget 2020/21 and the initial Housing Revenue Account budget proposals for 2021/22.

The report provided an update on the revised Housing Revenue Account Budget for 2020/21. The report set out initial Housing Revenue Account budget proposals for 2021/22.

In presenting the report via a PowerPoint presentation the Head of Service advised that the first part of the report considered the details for the current year and included an adverse variance of £7m due to the proposal to fund capital expenditure by use of the HRA reserve in the current year.

For the following year an average rent increase was being assumed with Members noting that the impact of the pandemic could increase outstanding debt in view of the number of people that could potentially be out of work. The Head of Service assured Members that the service area would be keeping a close eye with it also being noted that at Appendix 1 the provision for bad debts had been lowered for the current year but increased for the following year.

RECOMMENDED -

(1) T H A T the amended Housing Revenue Account budget for 2020/21 as set out in Appendix 1 to the report be noted.

(2) T H A T the Initial Housing Revenue Account proposals for 2021/22 be noted.

Reasons for recommendations

(1&2) Having regard to the contents contained therein and discussions at the meeting..

317 TREASURY MANAGEMENT MID-YEAR REPORT 2020/21 (REF) –

Cabinet, on 30<sup>th</sup> November, 2020, had referred the report to the Scrutiny Committee for consideration prior to being referred to Full Council.

The interim report provided an update on the Authority's Treasury Management operations for the period 1st April to 30th September 2020. All activities were in accordance with the Authority's approved strategy on Treasury Management. Total external borrowing as at 30<sup>th</sup> September 2020 was £151.140m at an average rate of 4.679%. No new external borrowing was undertaken during the first 6 months of 2020/21. The Council invested with the Debt Management Deposit Facility, Local

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Authorities and Money Market Funds. Total investments as at 30<sup>th</sup> September 2020 stood at £100.500m at an average rate of 0.562%.

Following the Debt Management Office (DMO) announcement on the 25<sup>th</sup> September, 2020 that they would be offering negative terms on deposits, the Authority started utilising a broader range of investment tools reducing its use of DMO deposits and investing in Money Market Funds and making deposits with Lloyds Bank PLC, in line with the options available in the 2020/21 Treasury Management and Investment Strategy. The Treasury Management team also requested an increase in the financial limit for investments with UK institutions and Banks from £5m to £10m to facilitate increased use of these tools and this was approved using Emergency Powers on the 28<sup>th</sup> September 2020.

Having regard to the negative terms on investment deposits Councillor Dr. Johnson enquired as to whether this may become a common process for investments going forward.

The Head of Service in response stated that the Council had utilised the Managing Directors Emergency Powers in September 2020 to extend how the Council could make its investments and the Council had received extra security with Lloyds Bank. However, the Council would review its strategy for the coming year. Committee was also informed that the Council's Treasury Management advisers were not advising that negative deposits were likely to be the new normal going forward but this would be kept under review.

Having considered the report, it was subsequently

**RECOMMENDED – T H A T** the Treasury Management mid-year report for the period 1st April 2020 to 30th September 2020 be noted.

Reason for recommendation

Having regard to the contents of the report and discussions at the meeting.