

**COUNCIL - WEDNESDAY, 24 FEBRUARY 2021**

**MINUTES OF A MEETING OF THE COUNCIL HELD IN REMOTELY VIA MICROSOFT TEAMS ON WEDNESDAY, 24 FEBRUARY 2021 AT 15:00**

Present

Councillor KJ Watts – Chairperson

S Aspey	SE Baldwin	TH Beedle	JPD Blundell
NA Burnett	MC Clarke	N Clarke	RJ Collins
HJ David	P Davies	PA Davies	SK Dendy
DK Edwards	J Gebbie	T Giffard	RM Granville
CA Green	DG Howells	A Hussain	RM James
B Jones	M Jones	MJ Kearn	DRW Lewis
JE Lewis	JR McCarthy	D Patel	RL Penhale-Thomas
AA Pucella	JC Radcliffe	KL Rowlands	B Sedgebeer
RMI Shaw	CE Smith	SG Smith	JC Spanswick
RME Stirman	G Thomas	T Thomas	JH Tildesley MBE
E Venables	SR Vidal	MC Voisey	LM Walters
CA Webster	DBF White	PJ White	A Williams
AJ Williams	HM Williams	JE Williams	RE Young

Officers:

Mark Galvin	Senior Democratic Services Officer - Committees
Lindsay Harvey	Corporate Director Education and Family Support
Gill Lewis	Interim Chief Officer – Finance, Performance and Change
Claire Marchant	Corporate Director Social Services and Wellbeing
Janine Nightingale	Corporate Director - Communities
Michael Pitman	Democratic Services Officer - Committees
Mark Shephard	Chief Executive
Kelly Watson	Chief Officer Legal, HR and Regulatory Services

503. DECLARATIONS OF INTEREST

None.

504. APPROVAL OF MINUTES

RESOLVED: That the Minutes of a meeting of Council dated 20 January 2021, be approved as a true and accurate record.

505. TO RECEIVE ANNOUNCEMENTS FROM THE MAYOR

The Mayor commenced his announcement by stating that he hoped all Members and Officers were keeping safe and well.

He advised that although due to the ongoing pandemic he had been practising social distancing and therefore not been able to physically attend any events, he had been honoured to record a message and light the candle of remembrance as part of Bridgend Council's annual holocaust memorial day which this year was virtual. As those present were aware, Holocaust Memorial Day takes place on 27 January each year, a date that honours the day in 1945 that allied forces took over Auschwitz-Birkenau and freed the prisoners.

It was a day to remember, the millions of people murdered during the Holocaust, under Nazi Persecution and in the genocides which followed in Cambodia, Rwanda, Bosnia and Darfur and reminded us to be ever vigilant against persecution and discrimination in any form.

506. TO RECEIVE ANNOUNCEMENTS FROM THE LEADER

The Leader announced that Members may be interested to know, that more than 126,300 vaccinations have now been carried out across the Cwm Taf Morgannwg University Health Board region.

For Bridgend County Borough, this breaks down as more than 37,300 people who have received at least one dose of the vaccine.

This was excellent news, and quite different to our previous situation where we were one of the most affected areas in Wales.

Despite this improved outlook, it is important to remember that 38 people are currently recovering from coronavirus at the Princess of Wales Hospital.

Latest figures from Cwm Taf confirm that 16 residents are still battling the illness there, three of whom are in intensive care, so it is imperative that we do not let our guard down in terms of the illness.

As Members were aware, the priority groupings for the vaccination programme have been determined on a UK-wide basis by the Joint Committee for Vaccination and Immunisation.

Anyone within the first four groups who may be concerned that they have not received an appointment for their first dose can call 01443 562 264 or fill in an online form at the Cwm Taf website.

Otherwise, with vaccinations for people in priority groups one to four now complete, the focus has turned towards the 120,000 people who are within priority groups five to nine.

Colleagues in Cwm Taf believe that they are on track for completing this new phase and delivering at least the first dose of the vaccination by the end of April.

The Council is continuing to work closely with the health board, and is supporting the roll-out of the vaccine here in Bridgend County Borough.

We were leading on a new lateral flow testing initiative, also known as community testing, in a number of our local wards.

This is a four-week Welsh Government initiative where a testing team targets different communities, and carry out tests on residents aged 11 and over who are not displaying any symptoms of coronavirus.

The aim is to identify asymptomatic individuals who may not be aware that they are infected.

It involves the setting up of centres where people can attend and carry out a test themselves, which is then processed on the premises.

The participant receives the result by text or email within about 30 minutes of completing it.

If it is positive, arrangements are made for the participant to receive a second confirmatory test.

In Bridgend County Borough, the lateral flow testing will focus on Caerau, Nantyllyllon, Pyle, Kenfig Hill, Cornelly, Cefn Cribwr, Sarn, Aberkenfig, Ynysawdre, Bryncethin, Bryncoch, Pencoed, Hendre, Felindre and Penprysg.

While these areas have been selected based mainly on public health surveillance data, the testing programme has been designed to be able to react in the event that another hotspot becomes apparent.

A great deal of preparation is currently taking place to organise and promote the lateral flow testing, and the Leader hoped that Members would play their part, in making people aware and encouraging their participation.

With the programme set to begin very soon, Welsh Government are expected to confirm further details in the immediate future, and the Leader would ensure that Members are kept fully informed and updated on this.

Lateral flow testing will also be taking place within local schools and the Bridge Alternative Provision, again in line with Welsh Government requirements.

This will seek to prevent the likelihood of clusters and outbreaks, and the disruption to education and care that inevitably follows.

Throughout each of the vaccination, mobile testing and community testing initiatives, he was afraid to say, that residents will need to continue to remain alert for scammers who may try and trick people into handing over cash and confidential information.

He hoped that Members will remind their constituents that the vaccine is free to receive. The NHS will never ask for payment, and they will not turn up at your home unannounced or ask you to hand over confidential documents or banking details.

As before, the advice on keeping Wales safe remains the same, remember to keep a two-metre distance from others, wash hands regularly, and wear a face covering where required.

Mobile testing facilities remain fully available in Bridgend County Borough for anyone who is experiencing symptoms of coronavirus, and further details of these can be found at the Council, Cwm Taf and Welsh Government websites.

Finally announced the Leader, we are of course approaching the one year anniversary of the start of the pandemic. A national project is underway to mark this event on the 23 March, in order to enable people to pay respect to all those who have passed away as a result of coronavirus.

The project involves lighting up iconic structures and community buildings, such as the Grand Pavilion in Porthcawl, and Bridgend County Borough Council will be participating with this.

The Leader would share further details with Members here, as soon as they have been confirmed.

507. CORPORATE PLAN 2018-2023 REVIEWED FOR 2021-22

The Interim Chief Officer – Finance, Performance and Change presented a report seeking Council approval of the Council's Corporate Plan 2018-2023 reviewed for 2021-22 (attached at Appendix A to the report).

She advised that the Corporate Plan 2018-2023, described the Council's vision for Bridgend County Borough, its 3 well-being objectives and organisational values and principles that underpin how BCBC will work in the future, to deliver its priorities. It also represented the contribution to achieving the 7 national well-being goals.

The Interim Chief Officer – Finance, Performance and Change, explained that the Corporate Plan had been refreshed for the year 2021-22. This followed a corporate planning process with Corporate Directors / Heads of Service through each Directorate's departmental management teams. The process was carried out between October 2020 and December 2020 to review progress and streamline the plan, going forward.

As part of work undertaken to develop the Council's approach to recovery planning from Covid-19, the recommendations of the cross-party Recovery Panel set up with the aim of shaping, informing and advising Cabinet on the Council's recovery planning have been used to inform the review of the refreshed Corporate Plan for 2021-22.

Also, as part of the annual review, it was also proposed to extend the life span of the current Corporate Plan by one year to 2023. The rationale for this was detailed in paragraph 4.5 of the report.

The Interim Chief Officer – Finance, Performance and Change explained that, due to Covid-19, some of the targets set had become redundant, in that the performance indicators and data collected for these were not indicative of a normal year of performance.

She advised that the Corporate Overview and Scrutiny Committee had considered the updated Plan on 14 January 2021 and also had made a number of constructive comments and, where feasible, changes had been made to the updated Plan. The Committee would continue to monitor progress against the Plan, added the Interim Chief Officer – Finance, Performance and Change.

If approved by Council, the updated Plan would then replace the current Corporate Plan. Its delivery would be supported by the MTFs and directorate business plans. It would also be monitored quarterly through the Corporate Performance Assessment process, directorate management team meetings and twice a year by the Corporate Overview and Scrutiny Committee.

The Cabinet Member – Education and Regeneration felt that targets and performance indicators set last year during Covid had become almost irrelevant, in that the work that the Authority had achieved in this most unprecedented of times would never accurately reflect the challenges BCBC employees had to face and the work they had processed right across the whole of the Authority, from virtually day one of lockdown.

The Leader confirmed that the Corporate Plan did not fully reflect some of the dramatic and far reaching changes that had affected society during the last 12 months. The Authority had achieved a great deal in that time, including supporting the homeless through the provision of temporary accommodation. Work was ongoing with the third sector to help these individuals improve their lives further, through assisting them in

securing more permanent accommodation, moving forward. He thanked members of the Council's Corporate Overview and Scrutiny Committee for their constructive engagement which had assisted in the Plan's development.

The Cabinet Member – Communities commended some of the Plan's vision and aspirations including the Cardiff Capital Region City Deal which over the next 15 years would create 25,000 jobs and 4 billion private sector investment, including a firm commitment to tourism and business as well as de-carbonisation proposals through a new Strategy.

A Member hoped that as soon as the pandemic started to subside, some of the Plan's targets would be met, recognising that last year had been a difficult one by which to achieve all its goals and aspirations. He hoped that targets for bringing empty properties back into habitable use would be aspirational moving forward.

The Interim Chief Officer – Finance, Performance and Change assured the Members that this would be the case and that targets and challenges not met last year, due to Covid, would continue to be taken forward and where not met, these would be challenged through the Overview and Scrutiny process.

The Cabinet Member – Wellbeing and Future Generations, added that the targets set for bringing empty properties back into occupation next year and in future years, would be a realistic one as the Authority moved forward out of the pandemic.

**RESOLVED:** That Council approved and adopted the Corporate Plan 2018-2023, reviewed for 2021-22.

508. **MEDIUM TERM FINANCIAL STRATEGY (MTFS) 2021-22 TO 2024-25**

The Interim Chief Officer – Finance, Performance and Change, presented a report, the purpose of which was to seek Council approval of the Medium Term Financial Strategy 2021-22 to 2024-25, attached at Annex 3, which includes a financial forecast for 2021-25, a detailed revenue budget for 2021-22 and a Capital Programme for 2020-21 to 2030-31.

She explained that the MTFS, had been significantly guided by certain key priorities. Although previous year-on-year changes in Aggregate External Finance (AEF) have necessitated significant budget reductions across different service areas, the Council still plays a very significant role in the local economy of Bridgend County Borough and is responsible for annual gross expenditure of around £435 million and was the largest employer in the county borough.

The Council's Corporate Plan had also been presented to Council for approval alongside the MTFS 2021-25, and the two documents were aligned to each other, hence enabling the reader to make explicit links between the Council's well-being objectives and the resources directed to support them.

The Interim Chief Officer – Finance, Performance and Change continued by stating that the report was being presented to Council, in order to provide details of the Council's Medium Term Financial Strategy for the four year period 2020-21 to 2023-24. The MTFS was complimentary to the Council's Corporate Plan, and looked to provide the resources that would enable the Council's well-being objectives to be met.

The MTFS focused on how the Council intended to respond to the forecasted public sector funding reductions as a result of on-going austerity and increasing pressures on public sector services, which had been exacerbated during the Covid-19 pandemic.

Quarterly reports to Cabinet during the financial year, on the projected revenue position for 2020-21, had outlined in some detail the impact on the budget of the additional cost pressures and loss of income faced by the Council throughout the year as a result of the Covid-19 pandemic. Welsh Government had played a significant role in mitigating a large proportion of these losses through their various funding streams, most notably the Covid-19 Hardship Fund. Whilst some of these additional pressures were not recurrent, there were a number that would require longer term funding as new ways of working are embedded into the Council's business as usual, and these were reflected in the MTFS.

The Interim Chief Officer – Finance, Performance and Change advised that the final settlement from Welsh Government was not due to be announced until 2 March 2021. As a result, the budget was being proposed on the basis of the provisional settlement received in December 2020.

The report went on to outline the financial issues that Council was requested to consider as part of the MTFS 2021-22 to 2024-25. The Council's Section 151 Officer is required to report annually on the robustness of the level of reserves. The level of Council reserves, she advised, was sufficient to protect the Council in light of unknown demands or emergencies and current funding levels. It should be emphasised however, the Interim Chief Officer – Finance, Performance and Change said, that the biggest financial risks the Council was exposed to at the present time related to the uncertainty of Welsh Government funding, including funding to mitigate the effects of Covid-19, the increasing difficulty in the delivery of planned budget reductions, as well as the identification of any further proposals.

The Interim Chief Officer – Finance, Performance and Change (and Section 151 Officer) confirmed, that she was also required to report to Council if it did not believe that the Authority had sufficient resource to discharge its role as required by S114 of the Local Government Act 1988. She asked Members to note that there was sufficient resources available to discharge this role.

The Interim Chief Officer – Finance, Performance and Change then shared with Council some of the key points that were contained in the reports supporting documentation, ie in the form of Annexes and Appendices, for Members' information.

The Deputy Leader thanked the Interim Chief Officer – Finance, Performance and Change and the Finance Team for the report and the extraordinary amount of work that had been contributed towards this, in order to reach a balanced budget. It had been very difficult, he confirmed, to agree the Council Tax for the coming year. However, hard choices had to be made following a period of over 10 years of cuts of £68m in terms of a reduction in Council services which had equated to 25% of the total budget of the Council. The £8m savings that was originally anticipated needed to be made to the budget had been very difficult to find and, early in this year's MTFS considerations, it had been estimated that Council Tax for the forthcoming year may have to be increased by 6.5% in order for the Council to balance its budget

and continue to provide vital services to the public. Both the Council's Budget Research and Evaluation Panel (BREP) and Overview and Scrutiny Committees had ample opportunity throughout the past 12 months to question Cabinet and the Corporate Management Board on where best savings that were required, needed to be made. He continued saying that the MTFS had been thoroughly discussed, with views of Members sought, as well as those of the public, through the usual consultation exercise we carry out. This had all taken place in the middle of a pandemic, he added. In December 2020, the Deputy Leader advised that Welsh Government (WG) had given BCBC more funding than had been anticipated and this had allowed for certain cuts proposed to be revisited. This meant that efficiency cuts in schools of £1m were no longer required and more money being committed towards homeless people. There had been cost pressures also, for example, in relation to an increase of pupils in schools and to support a real living wage for Council employees. However, the Council had supported the likes of these through the additional WG funding. The extra funding had also meant that the Council Tax increase proposed earlier in the year, as estimated above, could be reduced to 3.9%.

A Member asked if the £300k proposed saving in relation to sports pitches etc, will only be realised if the CAT's proposed actually proceed to completion.

The Corporate Director – Communities, confirmed that the saving here only related to the CAT transfers that had been committed to by certain clubs and associations for the next financial year, not others that were also in the earlier stages of negotiation.

A Member referred to the Corporate Risk Assessment information on page 165 of the report and risks numbered 14 and 15. She asked if these were Covid related, and what would be in place to mitigate Risk 15, which had been rated as high and was therefore a risk of sum considerable proportion.

The Corporate Director – Education and Family Support believed that this risk was being addressed through current practises that had been put in place in order to negate it. However, he advised that he would consult with the Central South Consortium in order to once more 'test' the risk and in turn, come back to the Member with a response, outside of the meeting.

A Member felt that he was unable to support neither the MTFS proposals nor the increase in Council Tax that was proposed. He considered this, due to the effect that the pandemic had on the constituents of the County Borough, whereby a considerable number of these had faced financial hardship through job losses etc, which had resulted in a detrimental effect on their health and wellbeing. He felt that the above proposals were not consistent with the objectives laid out in the Council's Corporate Plan. He felt that there were alternatives where savings could be made to offset the Council Tax increase, including cuts in back office staff and/or taking money from the Authorities reserves which were in a healthy position.

The Leader advised that all local authorities country wide were having to increase their Council tax, in order to achieve a balanced budget, particularly in response to the added financial pressures public organisations had been faced with as a result of Covid-19 and pay pressures, amongst others. If these were not met this year, they would simply just roll over to next year, together with other financial pressures yet to come. He reiterated the savings the Council had to make since austerity, totalling

£68m, during which time the Council had to make a considerable number of its staff redundant as well as cutting public facing services, which had affected the public. No alternative budget had been proposed previously by BREP or through the Overview and Scrutiny Committees, in terms of where the Council could make savings other than in the service areas proposed in the report. Also, a number of recommendations made by both had been agreed to as part of the final MTFS proposals that were before Members today. The Authority did not wish to make savings anywhere, the Leader added, however, there was little option other than to do so, given the current climate and the uncertainties it faced going forward, particularly with regards to the pandemic. If Council Tax was not increased, then further cuts would be required elsewhere including in areas of growth, he added.

The Cabinet had however, agreed to look at revisiting the way BREP operated, in order to improve its function and the way it integrated with the Executive on the MTFS considerations, moving forward.

Members agreed, in view of the fact that there was conflicting support for the MTFS proposals, to have a recorded vote. The result of this was as follows:-

For:

Councillors S Aspey, SE Baldwin, JP Blundell, NA Burnett, RJ Collins, HJ David, P Davies, PA Davies, J Gebbie, RM Granville, G Howells, M Jones, M Kearns, DRW Lewis, JE Lewis, J McCarthy, D Patel, B Sedgbeer, RMI Shaw, CE Smith, SG Smith, JC Spanswick, G Thomas, DBF White, PJ White, HM Williams and RE Young = **27 Votes**

Against:

Councillors T Beedle, M Clarke, N Clarke, DK Edwards, T Giffard, A Hussain, B Jones, A Pucella, KL Rowlands, R Stirman, R Thomas, T Thomas, E Venables, S Vidal, MC Voisey, L Walters, C Webster, A Williams, AJ Williams and J Williams = **20 Votes**

Abstentions:

Councillors SK Dendy, CA Green, RM James and KJ Watts = **4 Votes**

The recommendations of the report, were therefore carried

RESOLVED:

That Council approved the MTFS 2021-22 to 2024-25 including the 2021-22 revenue budget and the Capital Programme 2020-21 to 2030-31, including the following specific elements:

- The MTFS 2021-22 to 2024-25 (Annex 3 to the report).
- The Net Budget Requirement of £298,956,245 in 2021-22.
- A Band D Council Tax for Bridgend County Borough Council of £1,597.01 for 2021-22 (Table 17 of the MTFS).
- The 2021-22 budgets as allocated in accordance with Table 10 in paragraph 4.1.3 of the MTFS.



- The Capital Programme 2020-21 to 2030-31, attached at Appendix H of the MTFS.

509. COUNCIL TAX 2021-22

The Interim Chief Officer – Finance, Performance and Change submitted a report, the purpose of which, was to provide Council with details of the council tax requirement for the County Borough Council, together with the requirements of the Police and Crime Commissioner for South Wales and Community/Town Councils, and to seek Council approval of the Band D council tax for Bridgend County Borough Council and the community areas for 2021-22.

The report firstly gave some background information following which, in paragraph 4.1, the Net Revenue Budget was outlined for 2021-22, approved previously at today's meeting.

The net budget requirement for Bridgend County Borough Council for 2021-22 is £298,956,245, and the amount to be funded from Council Tax is £86,764,691 as shown in Table 2 within the report. This equated to a Council Tax of £1,597.01 on a Band D property, an increase of 3.9%. This proposed increase of 3.9% equates to 77p per week for a person living in a Band A property and £1.15 per week for someone living in a Band D property (62% of properties in Bridgend are lower than a Band D).

The Interim Chief Officer – Finance, Performance and Change advised that the Police and Crime Commissioner for South Wales has notified the Council that their precept for the financial year ending 31 March 2022 will rise to £15,631,672, which equates to a council tax of £287.72 on a Band D property, a 5.5% increase. The 2021-22 precept was agreed by the South Wales Police and Crime Panel on 3 February 2021.

For the 2021-22 financial year, the Police and Crime Commissioner for South Wales has stated that the amounts to be levied by the Council in respect of policing services, in accordance with section 40 of the Local Government Act 1992, were as shown for each of the categories of dwellings shown in Table 3 of the report.

Table 4, then reflected the Average Council Tax increase for 2021-22, including a Band D property average.

Paragraph 4.6 of the report detailed the average Council Tax increase for BCBC (inclusive of each of the precepting bodies).

Tables 6 and 7 then included, therein, the Total Average Band D Council Tax requirements, 2021-22 for each of the BCB Community/Town Council areas.

A Member queried the increase, adding that a 3.9% increase in Council Tax was regrettable. She based this on the fact that Covid had brought about unprecedented times that had resulted in many residents throughout the County Borough having lost their jobs, resulting in them having difficulties paying their mortgage, with some even having to visit foodbanks to try and make ends meet. For reasons such as this, she was of the opinion that the increase in Council Tax for 2021-22 should be no higher than the rate of inflation.

She also asked if, in future such annual reports on the Council Tax, the number of properties in all Council Tax Bands could be broken down into the number that are in each of the different Bands, or preferably by percentage per band.

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Members agreed by way of assent, to vote on the recommendations of the report, the result of which was as follows:-

### For:

Councillors SE Baldwin, JP Blundell, NA Burnett, RJ Collins, HJ David, P Davies, PA Davies, J Gebbie, RM Granville, G Howells, M Jones, M Kearns, DRW Lewis, JE Lewis, JR McCarthy, D Patel, B Sedgebeer, RMI Shaw, CE Smith, SG Smith, JC Spanswick, G Thomas, DBF White, PJ White, HM Williams and RE Young. = **26 Votes**

### Against:

Councillors T Beedle, M Clarke, SK Dendy, DK Edwards, T Giffard, A Hussain, B Jones, A Pucella, KL Rowlands, R Stirman, R Thomas, T Thomas, E Venables, S Vidal, MC Voisey, L Walters, CA Webster, A Williams, AJ Williams and J Williams = **20 Votes**

### Abstentions:

Councillors S Aspey, N Clarke, CA Green, RM James and KJ Watts = **5 Votes**

The recommendations of the report were therefore carried.

RESOLVED: That Council approved:-

- a Band D Council Tax for Bridgend County Borough Council of £1,597.01 for 2021-22, and
- the Council Tax charges for Band D properties for 2021-22 for each of the community areas as outlined in Table 7, within the report.

## 510. TREASURY MANAGEMENT AND CAPITAL STRATEGIES 2021-22 ONWARDS

The Interim Chief Officer – Finance, Performance and Change, presented a report, the purpose of which, was to present to Council for approval the Treasury Management Strategy 2021-22 (Appendix A to the report), which included the Treasury Management Indicators, and the Capital Strategy 2021-22 to 2030-31 (at Appendix B), which contained the Prudential Indicators and the Annual Minimum Revenue Provision Statement 2021-22 (in Schedule A of Appendix B).

She advised that the Treasury Management Strategy 2021-22 confirmed the Council's compliance with the CIPFA Code, which required that formal and comprehensive objectives, policies and practices, strategies and reporting arrangements are in place for the effective management and control of treasury management activities, and that the effective management and control of risk are the prime objectives of these activities. It also contained the Treasury Management Indicators for a three year rolling period.

The Treasury Management Strategy had been updated to reflect the current economic context, not least the holding of interest rates at 0.10% by the Bank of England, but also the challenges of the exit from the European Union and the impact of the coronavirus pandemic, the latter of which was ongoing and therefore still a major risk.

The Interim Chief Officer – Finance, Performance and Change added that approved investment counterparties and limits (Table 6 included in the attached TMS) had been simplified and amended to take account of the latest advice from the Council's Treasury Advisors, Arlingclose. There had been a change to the limits for Money Market Funds,

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which had previously been increased to £30 million as approved by Council in November 2020. This limit has now been removed so that there is no overall limit on investments in Money Market Funds. However, no more than £6 million would be invested in any single Fund, to minimise any potential impact of default risk to the Council.

The report explained that the Council may make loans to third parties for the purpose of capital expenditure. The proposed limit for such loans has been increased from £1 million to £2 million. This was to support potential investment in a Special Purpose Vehicle to support the delivery of the proposed Bridgend Town Heat Network.

The Interim Chief Officer – Finance, Performance and Change advised that the Capital Strategy, Appendix B, gave a high level overview of how capital expenditure, capital financing and treasury management activity contributes to the provision of services, along with an overview of how associated risk is managed and the implications for future sustainability. In doing so, it included the prescribed Prudential Indicators for a three year rolling period.

The Capital Strategy also sets out a framework for the self-management of capital finance and examines the following areas:-

- Capital expenditure and investment plans
- Prudential Indicators
- External debt
- Treasury Management

It further reports on the delivery, affordability and risks associated with the long-term context in which capital expenditure and investment decisions are made, added the Interim Chief Officer – Finance, Performance and Change.

Whilst much of the content of the Strategy was similar to previous years, there were a number of changes which needed highlighting. These related to Accounting of Leases, Borrowing for Commercial Activities and certain recommendations of an Internal Audit nature.

The Interim Chief Officer – Finance, Performance and Change then concluded her submission, by giving Council an update on key elements of the report's supporting information, particularly with regards to borrowing and lending and any changes in respect to arrangements regarding these.

A Member referred to the SPV and a proposal to increase lending to any external companies up to the value of £2m. She specifically asked how the Authority intended to protect itself from borrowing up to this amount and then lending for the provision of an SPV. The repayment for this was estimated to be over 40 years at an interest rate of 2.6%. She asked if this form of borrowing/lending would impact on the Council's ability to borrow, in order to fund its Band B School Programme.

The Interim Chief Officer – Finance, Performance and Change confirmed that Authority had never before been involved with an SPV. However, to give some assurance, she advised that the SPV will have support in terms of representation from the Council, as well as from a company that is very closely linked to BCBC. so we would have an element of control over the investment in this regard. Whilst no organisation was able to mitigate all risks associated with loans, the Interim Chief Officer – Finance, Performance and Change explained that colleagues in the Communities Directorate were ensuring that processes were put in place to reduce these risks.

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The Member then asked how much the SPV was going to cost to run and where would BCBC look to, ie a reputable energy company, that has sufficient and relevant expertise, to adequately support the proposal. Did BCBC have sufficient expertise to support a project of this magnitude she added, bearing in mind it was significantly challenging.

The Cabinet Member – Communities assured the Member that, though this was a new concept for BCBC, other local authorities had taken on a venture such as this, ie an arms-length company to give BCBC the ability to provide a key service on behalf of themselves. The project was also linked to the Council's new De-carbonisation Strategy, he added.

The Corporate Director – Communities explained that a more detailed report on the SPV would be presented to Cabinet on 9 March next and this report would explain more of the detail of the proposal as part of the Bridgend District Heat Network scheme. She explained that the funding for the venture would be arranged jointly by BCBC and HNIP, a government funding programme, who were committing over £1m for a phased network commencing with Phase 1 in the Bridgend Life Centre. So the investment would come from BCBC and HNIP. One of the recommendations of HNIP in setting up the SPV, was that the project would be 100% owned by BCBC. The Council had recruited the services of legal consultants, Brodies, who had advised how best to set-up SPV's for local authority District Heat networks, through the support of Project managers amongst others.

The scheme would also be supported by a specialist Contractor, highly experienced in the energy sector, who, whilst working for the SPV, the SPV itself would be owned by BCBC.

Should Phase 1 of the scheme prove to be successful as part of De-carbonisation targets and assist in the creation of a Net Zero Bridgend, then phases 2 and 3 of the scheme would be explored. The SPV would also be used for further such De-carbonisation projects. The initial project was very innovative explained the Corporate Director – Communities and the loan over a proposed 40 year term was normal for projects of this nature, with the average term normally being between 30 – 50 years, where there would be a return on the investment that had been initially committed. The 40 year term of the loan, however, could be reduced dependent upon the success of the scheme.

Should both Cabinet and Council agree upon the scheme and the establishment of an SPV, then it would go out to tender as per other new Contracts.

The Chief Executive and Leader added, in turn, that should the capital funding from HNIP for the project not be accepted by the Council in the support of the project, then this would simply be taken advantage of by another neighbouring local authority for the same purpose. The funding could not be used for any other type of projects by BCBC, it was stressed.

Members agreed by way of assent, to vote on the recommendations of the report, the result of which was as follows:

### For:

Councillors S Aspey, SE Baldwin, T Beedle, JP Blundell, NA Burnett, RJ Collins, HJ David, P Davies, PA Davies, DK Edwards, J Gebbie, RM Granville, CA Green, G Howells, RM James, M Jones, M Kearns, DRW Lewis, JE Lewis, JR McCarthy, D Patel, B Sedgebeer, RMI Shaw, CE Smith, SG Smith, JC Spanswick, G Thomas, R Thomas, T

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Thomas, MC Voisey, L Walters, DBF White, PJ White, HM Williams and RE Young = **35 Votes**

Against:

Councillor A Pucella = **1 Vote**

Abstentions:

Councillors M Clarke, N Clarke, SK Dendy, T Giffard, A Hussain, B Jones, KL Rowlands, R Stirman, E Venables, S Vidal, KJ Watts, C Webster, A Williams and J Williams = **14 Votes**

As a result of the outcome of the above vote, it was

RESOLVED: That Council approved:-

- the Treasury Management Strategy 2021-22 including the Treasury Management Indicators 2021-22 to 2023-24 (Appendix A to the report);
- the Capital Strategy 2021-22 to 2030-31 including the Prudential Indicators 2021-22 to 2023-24 (Appendix B);
- the Annual Minimum Revenue Provision (MRP) Statement 2021-22 (Appendix B - Schedule A).

511. URGENT ITEMS

None.

The meeting closed at 18:35