

Public Document Pack
Bridgend County Borough Council
Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr



Civic Offices, Angel Street, Bridgend, CF31 4WB / Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont, CF31 4WB

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Ask for / Gofynnwch am: Mr Mark Anthony Galvin

Our ref / Ein cyf:
Your ref / Eich cyf:

Date / Dyddiad: Thursday, 19 February 2015

Dear Councillor,

COUNCIL

A meeting of the Council will be held in Civic Offices, Angel Street, Bridgend on **Wednesday, 25 February 2015 at 2.00 pm.**

AGENDA

1. Apologies for Absence
To receive apologies for absence (to include reasons, where appropriate) from Members/Officers.
2. Declarations of Interest
To receive declarations of personal and prejudicial interest (if any) from Members/Officers in accordance with the provisions of the Members' Code of Conduct adopted by Council from 1 September 2008.
3. Corporate Plan for 2013-17 3 - 52
4. To receive the report of the Leader
5. Medium Term Financial Strategy 2015-16 to 2018-19 53 - 166
6. 2015-16 Council Tax 167 - 172
7. Urgent Items
To consider any item(s) of business in respect of which notice has been given in accordance with Part 4 (paragraph 4) of the Council Procedure rules and which the person presiding at the meeting is of the opinion should by reason of special circumstances be transacted at the meeting as a matter of urgency.

Yours faithfully
P A Jolley

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REPORT TO COUNCIL

25 FEBRUARY 2015

REPORT OF THE CHIEF EXECUTIVE

CORPORATE PLAN FOR 2013-17

1. Purpose of Report

- 1.1 The purpose of this report is to present the Council's reviewed Corporate Plan 2013-17 (attached Appendix A) for Council to consider and approve.

2. Connection to Corporate Plan / Other Corporate Priority

- 2.1 The Council's Corporate Plan 2013-17, reviewed for 2015-16 includes the Council's vision and improvement priorities.

3. Background

- 3.1 In April 2013, the Council published its Corporate Plan 2013-17. The Plan set out the Council's six improvement priorities and identified its 2013-14 Commitments to deliver those priorities.
- 3.2 The Council also published a four-year Medium-Term Financial Strategy (MTFS) in February 2013. This identified the resources provided to support the delivery of the improvement priorities. The MTFS is reviewed regularly. The Corporate Plan is reviewed annually as required by the Local Government (Wales) Measure 2009.
- 3.3 In October 2014 the Budget Review 2015 consultation sought to obtain views from citizens on how and where the Council could make a £11.2 million reduction in the 2015-16 budget.
- 3.4 The results of the budget consultation has guided the review of the Corporate Plan for 2015-16 to ensure that the Council remains focused on improving services that matter the most to our citizens within our diminishing resources.

4. Current Situation

- 4.1 The Council has reviewed its improvement priorities, outcomes and actions defined for each priority to ensure they are still pertinent and affordable.
- 4.2 The review has concluded that the six improvement priorities in the Corporate Plan 2013-17 are still relevant. These priorities are:
- Working together to develop the local economy
 - Working together to raise ambitions and drive up educational achievement
 - Working with children and families to tackle problems early
 - Working together to help vulnerable people to stay independent
 - Working together to tackle health issues and encourage healthy lifestyles
 - Working together to make the best use of our resources.

- 4.3 The review also concluded that the desired outcomes for each improvement priority should stay the same but that key actions identified to deliver these outcomes by 2017 be modified and reduced in number to ensure a clear focus on the areas that matter the most to our citizens.
- 4.4 The review has identified the specific steps that the Council will take during 2015-16 to deliver each of these priorities. Once approved, these commitments will be carried out through the Council's directorate business plans and service delivery plans.
- 4.5 The Council's Community Safety and Governance Overview and Scrutiny Committee scrutinised the reviewed improvement priorities, actions to deliver those priorities, and the commitments for 2015-16. The Committee invited all Scrutiny Chairs to ensure a corporate response to the consultation.
- 4.6 The Committee made a number of comments and suggestions. All comments have been considered and all suggestions have been incorporated into the plan except one, that is, "The Committee suggested under the heading 'What do we want to achieve by 31 March 2017?' it should state 'We aim to' rather than 'We will'. The reason for not adopting this suggestion is that the Local Government (Wales) Measure 2009 and the statutory guidance require that improvement objectives "both describe the overall purpose and the scope of action to deliver it". "Aim to" is too broad to meet this requirement.

5. Effect upon Policy Framework and Procedure Rules

- 5.1 The Council's Corporate Plan forms part of the Policy Framework. It provides the general direction for service delivery. Priorities with specific policy implications will be the subject of separate reports in accordance with the requirements of the constitution and legislation.

6. Equality Impact Assessment

- 6.1 A full equality impact assessment was conducted on the Corporate Plan 2013-17 when the Plan was developed in 2013. An EIA screening has concluded that no further EIA is required at this time. Delivery of the Corporate Plan will have a positive impact on promoting equalities across the county borough.

7. Financial Implications

- 7.1 None in this report.

8. Recommendation

- 8.1 That Council approve and adopt the Corporate Plan 2013-17 reviewed for 2015-16 (attached Appendix A).

Darren Mepham
Chief Executive

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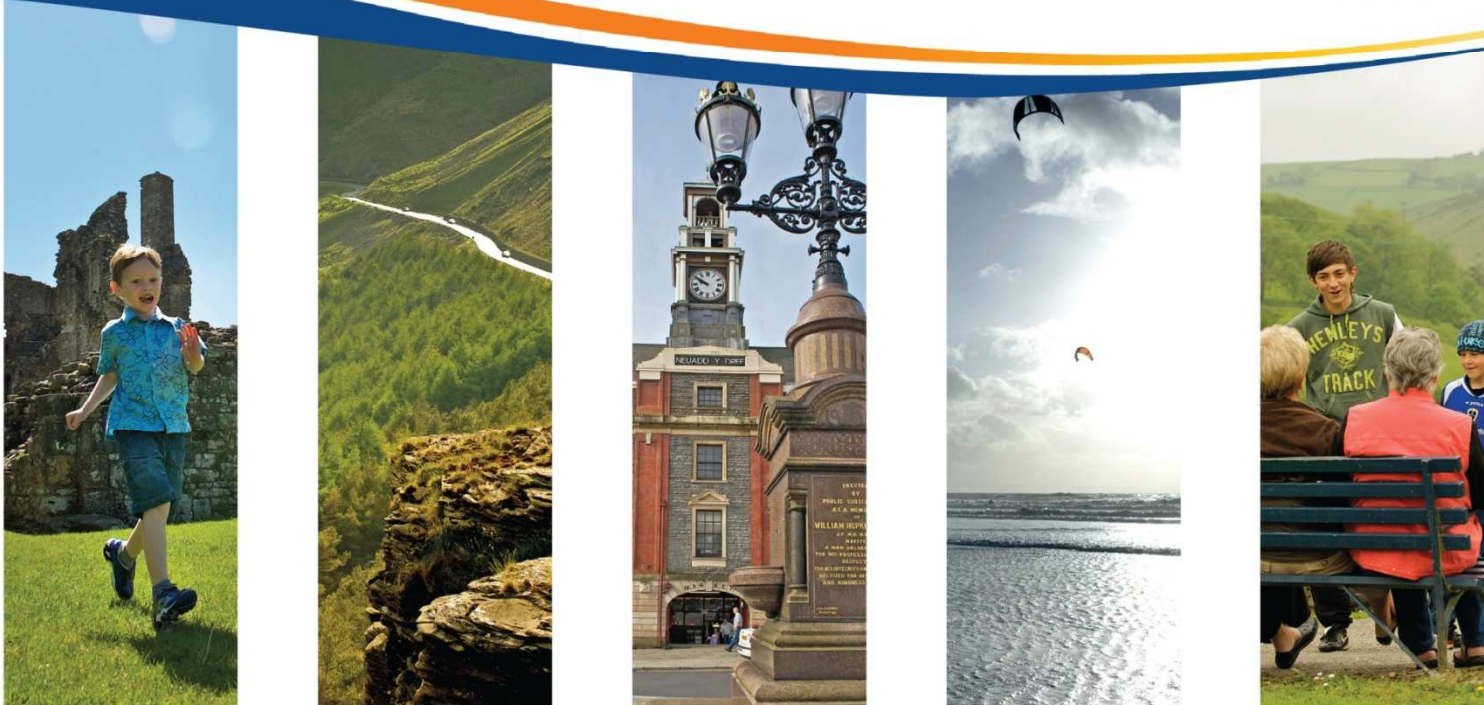
Background Documents

- Corporate Plan 2013-17
- Medium-Term Financial Strategy - Budget Review Consultation 2015

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Corporate Plan 2013-17

Reviewed 2015-16



Bridgend County Borough Council
Working together to improve lives

FOREWORD

All across the UK, local councils are facing unprecedented challenges following reduced Government funding and increased demands on essential services.

Here in Wales, the Welsh Government is considering the findings of the Williams Commission report which has laid out recommendations for re-organising local authorities, reducing the number of councils and changing the way in which services are delivered in future.

At the same time, Bridgend County Borough Council has been advised to prepare for a funding shortfall of approximately £49 million between now and 2018-19. That means the Council will have to find savings of £11.2 million in 2015-16.

Against this backdrop, the authority has reviewed its Corporate Plan and has identified its commitments for delivering the plan in 2015-16. The review confirmed that while the six improvement priorities are still pertinent, the key actions under each priority needed to be modified to make them more focused on the outcomes that we want to achieve despite our diminishing resources.

The Council remains unwavering in its commitment towards improving and finding new ways of delivering local services, providing better outcomes for residents and achieving savings that will ensure we can deliver a succession of balanced budgets.

As proposed by local residents during our recent budget consultation to gauge areas where citizens feel we should prioritise spending, we will continue to review and realign existing services while removing non-essential ones.

We will also work with our local communities and citizens to explore ways to better support them to take greater responsibility for improving their health and wellbeing, which in turn will reduce demand on council services.

We look forward to working with our citizens and communities as well as local and national partners across all sectors in delivering this plan.



Councillor Mel Nott OBE
Leader of the Council



Darren Mepham
Chief Executive

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INTRODUCTION

Our vision is to work together to improve lives across the county borough. In light of the increasing demand for services and financial challenges it faces, the Council has reviewed its improvement priorities, outcomes and actions defined for each priority to ensure they are still pertinent and affordable.

This reviewed Corporate Plan confirms our six improvement priorities for the next two years and redefines the key actions under each improvement priority, taking account of the resources available. Our Medium Term Financial Strategy, developed and reviewed alongside the Corporate Plan, and the Bridgend Change Programme will ensure that the way we work and spend is geared towards delivering this plan and the four key outcomes, listed below, for our citizens.

The key outcomes we want to achieve

We want to see that by 2017:

- **People in Bridgend County Borough are healthier.**
This would mean that people and their families are empowered and informed to live healthily and lead independent lives, and our communities are stronger, cohesive and sustainable, with appropriate access to services for all.
- **People in Bridgend County Borough benefit from a stronger and more prosperous economy.**
This would mean that people are increasingly active in the local economy and support local businesses, and our communities are sustainable with the appropriate infrastructure to support business growth and thriving town centres.
- **People in Bridgend County Borough are engaged and empowered to achieve their own potential.**
This would mean that people are active citizens in our society, equipped with the skills, qualifications and confidence needed to live and work, and that there are equal opportunities so people are supported and equally valued.
- **Bridgend County Borough is a great place to live, work and visit.**
This would mean that people take pride in the county borough; their communities, the heritage and natural environment, and our communities are clean and safe and have a good range of leisure, tourism and cultural activities.

Our Improvement Priorities for 2013-17

We have retained the six improvement priorities identified in the Corporate Plan 2013-17. These are the things that citizens have told us are most important:

Working together to
develop the local
economy

Working together to
raise ambitions and
drive up educational
achievement

Working with
children and families
to tackle problems
early

Working together to
help vulnerable
people to stay
independent

Working together to
tackle health issues
and encourage
healthy lifestyles

Working together to
make the best use of
our resources

These six priorities are our improvement objectives under the Local Government (Wales) Measure 2009. The main part of this Corporate Plan sets out why each of these priorities is important, what we will do to achieve them, and what success will look like.

Factors that have influenced this plan

The following challenges have influenced our choices of improvement priorities and how we will work to deliver them.

Economic trend

Key indicators show that some aspects of the economy in the county borough are experiencing a slight recovery. Between April 2013 and March 2014 the overall employment rate for working age people (16-64 year olds) in the county borough rose from 68.9% to 72.1%. What is particularly pleasing is that the employment rate for young people (16-24 year olds) rose from 47.1% to 50.1%, Both these rates are above the Welsh average. The percentage of people in the county borough claiming Jobseekers Allowance also fell to 2.2% in 2014 nearly equalling the 2.0% of 2008, before the global financial crisis.

Provisional data indicates that our GVA (gross value added, a measure of the size of the economy) increased by 1.6% in 2013 to £15,593 per head, and the most recent figure available for GDHI (gross domestic household income, a measure of disposable income) also shows an increase to £14,122. Both of these remain below the Welsh average.

It is concerning, however, that the percentage of children under 16 living in households with no one in employment rose from 17.5% to 20%, and the percentage of children living in low (below 60% median) income households rose from 21% to 22.4%. Both of these results are worse than the Welsh average.

Population changes

Our population is continually changing. At present there are just over 140,480 citizens and it is predicted that this will reach 151,023 by 2036. Net migration is likely to be around 400 people by this date and these people are expected to come from within the UK.

The rate of population growth in the county borough is slowing; projections show a decrease in the birth rate in the coming years. The same projections show an increase in life expectancy for our citizens – rising from the 2011 average of 79.7 years to 82.9 years by 2036. This means that the area is likely to see an increase in the proportion of older people, whilst the size of the working age population falls. The Council and partners in the health and third sector are working together to find innovative and flexible ways of providing services in light of this increasing demand to ensure the needs of a growing and ageing population continue to be met.

Health challenges

We know that certain aspects of our citizens' lifestyles have a negative impact on their long-term health and wellbeing. Our rates of binge drinking have decreased, but remain above the Welsh average. The percentage of adults who smoke decreased in 2013 to

22% (from 23% in 2012) but remains above the Welsh average of 21%. There have been more visits to our sport and leisure facilities to participate in physical activity, increasing from 8,914 per 1,000 population in 2012-13 to 9,588 in 2013-14, whilst the percentage of population classed as overweight or obese equals the Welsh average at 58%. These figures are encouraging, but there is still room for further improvement.

Many indicators relate to the county borough as a whole, but when we examine at a lower geographical level we can see a substantial difference amongst our wards. If action is not taken then health issues and inequalities, and the associated wider impacts they have, will persist and their harmful effects may become more damaging to individuals, families and communities.

We will continue to work with our partners to help citizens tackle their health issues through various schemes and programmes. We will also provide additional support for those who are in greatest need. However, if we are to succeed in this challenge, individuals must take responsibility for their own health and wellbeing, and commit to living healthier lifestyles.

Educational achievement

A good education is vital to provide our children and young people with access to the best opportunities for future success. We need to improve pupil attainment levels across the county borough. The levels of attainment achieved by pupils for the 2013-14 academic year showed improvements on previous figures, for example, the percentage of children achieving the expected levels of numeracy and literacy at age 11 improved to 82.6%, up from 80.6%, and the percentage of pupils achieving five A*- C grades at GCSE (including English/Welsh first language and mathematics) rose from 52.3% to 54.2% over the same period, but these need to go further. By September 2017, we want 67% of pupils to achieve five A*- C grades at GCSE. Parents and guardians need to be fully engaged in their children's learning if we are to see further improvements in educational achievement.

A high level of school attendance is essential for children to thrive academically, so we need parents and guardians to ensure their children regularly go to school. School attendance rates are static at 93.49% for primary schools but rose to 92.46% in secondary schools and they remain below the Welsh average.

National priorities and statutory duties

The Programme for Government is the overarching policy of the Welsh Government. It sets out national priorities and proposals for action which all local authorities have an important role in delivering.

We have a statutory duty under the Local Government (Wales) Measure 2009 to ensure that, amongst other things, our priorities secure improvements in quality and availability of services, in efficiency and fairness, and in ways that contribute to the area's sustainable development.

Existing services

The Council provides or commissions a wide range of services. Some services we provide are statutory, meaning that we have a duty to provide them, whilst some services are provided because they contribute to the overall outcomes that we want to achieve for our citizens.

With the challenges of increasing demands, higher expectations and limited resources, we are changing the way in which we work and how we commission and deliver services. Throughout 2015, we will continue to review and realign existing statutory services whilst removing non-essential ones, as suggested by our citizens during the budget consultation process. Our residents, local communities and partners all have a key role to play in shaping and helping to provide the best possible services. Information on the services we currently provide is available on our website, www.bridgend.gov.uk.

All of our activities are supported by our corporate services, which includes Finance, Human Resources, ICT, Property, Customer Services and Legal Services.

Equalities, sustainable development and Welsh language

Equality and sustainability are the guiding principles that underpin everything we do. We continually seek to understand how our population is made up and assess the impact that our policies and plans have on everyone, including those sharing equality characteristics such as race/ethnicity, gender, age, disability, faith/religious belief, and sexual orientation. Our Strategic Equality Plan 2012-15 and its action plan ensures that equality is mainstreamed into the work of the Council when delivering services.

Sustainable development means enhancing the economic, social and environmental wellbeing of citizens and communities so that not only the current generation, but also future generations achieve a better quality of life. We want sustainable development embedded in all aspects of our work and integrated into service delivery arrangements.

The Council has adopted the principle that, in the conduct of public business, we will treat the English and Welsh languages on the basis of equality. Work on reviewing and updating the Council's current Welsh Language Scheme 2012-15 will begin in the summer of 2015. It will set out how we will develop the Council's services in 2016-20 so that they fulfil our obligations to the Welsh-speaking population, in accordance with local and national ambitions.

Citizens' views

We always strive to understand community needs and how those needs might be met. To do this, we use a range of tools to find out our citizens' views.

We provide a wide range of regular opportunities for service users to help us with feedback on our services, often through working with Third Sector partner organisations and other partners such as Age Cymru and Bridgend People First. We use questionnaires and face-to-face discussions with networks and groups such as the Business Forum, Tourist Association and Carers Forum and with service user groups, such as the 'Having a Say' group and Parents' Forum for people with learning disabilities. Elected members also visit our children's and adults' residential and day settings to examine the quality of care and talk to residents.

Specific consultations undertaken this year covered a wide range of topics from school attendance fixed penalty notices to changing provision to set up learning resource centres for pupils with autism. People with learning disabilities and their families took part in sessions to look at remodelling day services and a new integrated model for the Learning Disability Community Support Team is now being developed.

We use the Citizens Panel surveys each year to seek views on our services. Most recently the Citizens' Panel has covered contacting the Council; CCTV; play sufficiency; rights of way and licensed premises. We are also awaiting the results from our consultations on the learner transport review and the local transport plan.

Our Corporate Plan includes priorities that have been influenced by our citizens' views collected through all these methods.

The consultation page of our website www.bridgend.gov.uk provides information of past consultations, opportunities to take part in current consultations and how you can apply to join the citizens panel. We welcome ongoing feedback from citizens at any time through our website (www.bridgend.gov.uk), email (talktous@bridgend.gov.uk), our 24-hour customer service helpline (01656 643643) and social media (@BridgendCBC).

The Budget Consultation

In October 2014, the Budget Review 2015 consultation sought to obtain views from citizens on how and where the Council could make an £11.2 million reduction in the 2015-16 budget. This was the most important consultation we undertook during the year. Alongside seeking views via our website, email, post and telephone, we used two new methods - an online budget simulator exercise and a debate with the Chief Executive on Twitter to encourage and enable as many of our citizens to take part as possible. Some of the key findings are set out below.

The budget overview looked directly at eight service areas: schools; children's services (excluding schools); adult social care; corporate functions; sport, play and active wellbeing; communities; resources and legal and regulatory services. The budget simulator data showed that the public thought that all service areas should receive a reduction in their budget and that schools

should receive the lowest reduction in funding at 3 per cent, and 'corporate functions' should receive the highest reduction with 30 per cent.

Three proposals for 'how we can bring money in' received more than 50 per cent 'yes' responses were to:

- Introduce a charge for pest control (58 per cent);
- Introduce a parking charge for Blue Badge holders in our off-street car parks (58 per cent); and
- Introduce a percentage charge for credit card payments made to the Council (55 per cent).

Delivering libraries and cultural services through a not-for-profit trust was the only money saving proposal to receive over 50 per cent 'yes' responses with 64 per cent.

Over one in three (36 per cent) believed that residents could help reduce demand on the Council by taking more personal responsibility. Additionally, outsourcing or working with third parties where financially viable has been encouraged by respondents.

The results of the budget consultation has guided the review of the Corporate Plan for 2015-16 to ensure that the Council remains focused on improving services that matter the most to our citizens.

How we will deliver this plan

A strong financial strategy

We have adopted an integrated approach in developing our Medium Term Financial Strategy (MTFS) 2015 - 2019 and this Corporate Plan to ensure that the way our resources are allocated is closely linked to our improvement priorities. The MTFS also links to other internal resource strategies such as the Information and Communications Technology (ICT) Strategy, the Asset Management Plan and Bridgend Change Programme, all of which have a part to play in helping us to use our resources more effectively. The MTFS is available on our website, www.bridgend.gov.uk.

The Council is operating in a very challenging financial environment. Approximately 80% of our funding comes from Welsh Government grants, with the balance being met mainly from Council tax and fees and charges. We continue to face increasing demand for services. The main budget pressures include:

- demographic changes, including an increase in older people, and an increase in the number of young people with complex disabilities living into adulthood;

- increases in the number of vulnerable children required to be looked after by the Council;
- price inflation; and
- the potential impact of national policies and new legislation e.g. Welfare Reform Act, Social Services and Wellbeing Act, and the Housing (Wales) Act.

The cut in funding from Welsh Government, together with the budget pressures, mean we will have to make savings of around £48.8 million by 2018-19 to ensure that we achieve a balanced budget. We have developed savings plans of around £28.6 million to date, but still have £20.2 million to find. These plans include a range of initiatives including collaborative projects, contract renegotiations, remodelling services, reducing services to the statutory minimum and the potential transfer of services to partner organisations. Given the scale of the cuts required there will inevitably be a knock-on effect on service provision, but more than half of the £11.2 million savings included in the 2015-16 budget will come from making the best use of our internal resources, for example, through staffing restructures, retendering contracts and modernising our school estate.

Clearly defined accountabilities and responsibilities

In these times of reducing budgets and increasing demand for Council services, the need for us to have effective performance management has never been greater, as this allows us to:

- prioritise our goals and allocate our diminishing resources effectively;
- ensure that everyone is clear on their roles and responsibilities and is accountable for delivering the Council's service and financial plans; and
- help improve services and outcomes for our citizens.

Our Performance Management Framework is helping us achieve this. The framework sets out the principles, processes and procedures of performance management, ensuring that the services we provide are linked to our vision and priorities. It clearly identifies responsibility and accountability for each stage of the Council's performance management process, from corporate and business planning, through to service delivery.

Directorate/Service Business Plans and Individual Plans

The Corporate Plan is our highest level of plan. It sets out our vision, the outcomes we wish to achieve, our improvement priorities, and defines our commitments for the coming year to achieve those priorities. The commitments in the Corporate Plan are delivered through specific actions and measures that are detailed in each directorate/service business plan and performance plans for individual members of staff. This ensures our improvement priorities are embedded into delivery at every level of the organisation.

Working with partners

Our services increasingly have some element of joint working. This ranges from working in partnership to tackle crime and disorder to jointly delivering health and social care services. We also have partners who have been commissioned on our behalf to deliver services, such as our leisure or waste services. We will need to shift towards becoming an organisation that has a stronger commissioning mind-set using a clear understanding of community need to develop practical solutions with partners who can help us to operate in a more effective and efficient way, to provide improved services for our citizens and achieve financial savings.

The Local Service Board (LSB) brings together a range of public, private and third sector partners, including the Council. This Corporate Plan is aligned to the LSB's Single Integrated Partnership Plan 'Bridgend County Together' to ensure that we work together on common outcomes.

Our citizens are our important partners in the delivery of this Plan. Individuals and families can do much to make a difference to their health and circumstances. Against each of the six improvement priorities we have set out some suggested actions that our residents can take that will make a positive contribution, for example, by volunteering in your community. Bridgend Association of Voluntary Organisations (BAVO) provides information, advice and guidance on all aspects of volunteering. Further information is available via BAVO's website www.bavo.org.uk or by calling 01656 810400.

How we will measure and monitor success

This Plan has identified a number of outcome-focused 'success indicators' (**Appendix 1**), some of which are benchmarking measures (used to understand how we perform in comparison with other local authorities). All of the indicators included in the Plan are aimed at measuring the success of our joined up working with citizens and partners – we cannot achieve them alone.

We also have other indicators that help measure our performance which are monitored throughout the year at different levels across the organisation. Some of those indicators are locally developed measures and others are national, including statutory measures which we are obliged to collect and report to the Welsh Government.

Our performance is subject to scrutiny by the Council's Overview Scrutiny Committees on a regular basis as well as by external auditors and inspection bodies, such as the Wales Audit Office, the Care and Social Services Inspectorate Wales and Estyn.

We report our collective progress made against the success measures and other key performance indicators through our Annual Report. We also use other ways to communicate our performance, such as special Bulletins and media releases. The Council's

Annual Reports are available on our website, www.bridgend.gov.uk. We review the Corporate Plan, including the success measures, on an annual basis.

Your comments

We continue to welcome your comments on this Plan. Your feedback will be considered during the annual review and is always welcome through our website: www.bridgend.gov.uk, through Twitter: [@BridgendCBC](https://twitter.com/BridgendCBC), via email to improvement@bridgend.gov.uk or in writing to Corporate Improvement Team, Bridgend County Borough Council, Ravens Court, Brewery Lane, Bridgend CF31 3LP.

IMPROVEMENT PRIORITY ONE – WORKING TOGETHER TO DEVELOP THE LOCAL ECONOMY



county borough still live in low income households. We need therefore to continue to develop and grow the local economy and will focus on creating jobs, helping local businesses to flourish and put in place conditions to attract investment to grow the local economy and improve the standard of living for all our citizens.

Why is this important?

Our citizens have told us the local economy is the most important area for us to focus on.

In 2013 -14 we saw an increase in the percentage of working age people now in work and our employment rates are above the Welsh average. We also saw a significant reduction in the proportion of our young people not in education, employment or training (NEETs). However, the latest employment data reveals that Wales is not doing as well as the rest of the UK.

We use Gross Value Added per head (GVA) as a measure of the strength of the local economy. Although the Wales GVA has risen by 3.4%, our GVA has only grown by 1.6% in 2013-14. One of our wards was ranked in 2014 as the 5th most deprived community in Wales, and over 1 in 5 children in the

How have we done so far?

Working together, we:

- completed the planned regeneration works in Maesteg and Bridgend town centres. The Porthcawl Marina is now fully operational;
- secured significant external funding for new investment programmes in Porthcawl and Bridgend, with agreement in principle from Welsh Government for funding towards key development sites in the Llynfi Valley;
- supported 25 local businesses, 29 micro enterprises, 22 social enterprises creating over 110 new jobs through European funded projects last year;
- supported 105 unemployed people into employment through the Workways project;
- supported the British Seniors Open at Royal Porthcawl Golf Club, which attracted more than 43,000 visitors, was televised to over 338 million households worldwide and generated £6million for the local economy; and
- adopted the Local Development Plan that included provision for up to 9,690 new homes and 120 hectares of land for future employment creation.

What do we want to achieve by 31 March 2017?

We want town centres, business premises and transport and communication networks that cater for the needs of residents, businesses and visitors, to ensure access to employment opportunities that are varied and secure in the long-term.

We will:

- continue to implement key regeneration projects and programmes to enhance and develop our economy;
- improve opportunities and provision for life-long learning and ensure that the county borough can compete on a regional level for jobs, attracting further investment from new and existing businesses and supporting entrepreneurs; and
- work with public transport providers and communities to improve transport links, especially public transport.

How can you get involved?

You can help by:

- shopping locally to support our local economy;
- for business owners, having a local supply chain, providing opportunities for young people through apprenticeships, and informing learning organisations of the skills you will need in the future;
- improving your commitment to cleanliness and recycling. Each year the Council spends £1.2 million removing street litter and keeping our streets clean, you can help by placing your chewing gum and other unwanted items in the on-street bins or by taking it home for proper disposal; and
- taking advantage of adult learning opportunities, including GCSEs, that may help you, your family and your local area.

How will we know if we are collectively succeeding?

We will know we are succeeding when:

- the number of active businesses increases;
- the number of vacant premises in town centres reduces;
- our employment and youth employment rates improve relative to the national average;
- the proportion of our population, aged 16-18, reported as not being in education, employment or training (NEET) continues to fall;
- the percentage of children living in households where nobody works falls;
- Gross Value Added (GVA) per head rises;
- Gross Disposable Household Income (GDHI) per head increases (GDHI measures the level of disposable income available to households).
- success rates for Adult Community Learning increases.

Our commitments for 2015-16

We will continue to regenerate our town centres, actively look for new funding opportunities and encourage new investments to help boost our local economy, provide extra employment opportunities and attract more visitors to the county borough.

We will:

- develop bids and secure funding for the next phase of urban regeneration projects through the EU Convergence programme, up to 2020;
- continue to implement the first phase of a number of key land reclamation and development projects in Maesteg and the Llynfi Valley;
- continue implementation of a composite regeneration programme in Bridgend Town Centre;
- re-appraise development options for the delivery of regeneration in Porthcawl;
- commence implementation of the Rural Development Programme 2014-2020 working with rural communities and partners towards achieving self-sustaining rural communities, diversified rural enterprises and vibrant rural economies;
- provide focused support for businesses and support social enterprises to help them invest and create jobs;
- engage with people and communities to understand their learning needs so that adult community learning provision is commissioned to meet their needs and employment prospects are improved;
- continue improvements in transport, pedestrian and cycle links between the bus and rail network and employment and education sites to include schemes in Bridgend, Maesteg and Porthcawl; and
- identify and implement physical improvements to the public rights of way and cycle track network using Welsh Government RoWIP and other grant funding.

IMPROVEMENT PRIORITY TWO – WORKING TOGETHER TO RAISE AMBITIONS AND DRIVE UP EDUCATIONAL ACHIEVEMENT



Why is this important?

We know a good education helps prepare children and young people for all aspects of their lives, including gaining skills for employment, looking after their families and contributing to their communities.

The levels of attainment achieved by pupils for the 2013-14 academic year showed improvements on previous figures: the percentage of pupils achieving five A*-C grades at GCSE (including English/Welsh first language and mathematics) rose from 52.35% to 54.2% and is in line with the Welsh average. The percentage of children achieving the expected levels of numeracy and literacy at age 11 improved from 82.6% to 86.2% and is slightly above the Welsh average. These improvements need to go further as scoring shows that educational attainment in Wales has fallen further behind the rest of the UK - and the world - in reading, maths and science.

We also know that a high level of school attendance is essential for children to thrive academically. Whilst school attendance at our secondary schools has increased in the last year we are concerned that for both primary and secondary schools it remains below the Welsh average.

There is also an achievement gap between pupils from lower income households and those who are not.

Our schools must provide the right environment, skills, support and appetite for success for all our pupils to thrive. Our communities and parents also need to be involved in their children's learning and ensure regular school attendance.

How have we done so far?

We have already contributed to this priority by:

- securing improvement in educational attainment at Key Stage Two, Three and Four. The percentage of our young people achieving a minimum of 5 GCSEs Grade A*-C or equivalent including English/Welsh and mathematics increased from 52.35% in 2012-13 academic year to 54.2% in 2013-14 academic year;
- achieving 88% of our schools graded as good or excellent by Estyn inspections;
- providing targeted support and interventions for pupils that helped to reduce the percentage of our Year 11 school leavers known not to be in education, employment or training from 6.4% to 3.7%;
- achieving an improvement in attendance of secondary school pupils, and introducing a significant programme of actions to bring about further improvements in attendance overall; and
- completing the collaborative Transformation Review for Post-16 learning provision.

What do we want to achieve by 31 March 2017?

We want to ensure that by working in partnership with schools, colleges and local training providers, our children and young people achieve improvements to their educational results, gain qualifications and undertake training.

By 2017, we want every school to be improving at a much faster rate so that at least two thirds of young people achieve a minimum of five GCSEs Grade A*- C or equivalent, including English/Welsh and mathematics. We also want to improve the outcomes at Key Stage 2 and 3 and at the foundation phase, and narrow the gap in literacy and numeracy between those who receive free school meals and those who do not.

We will:

- work with schools and other partners to help children and young people improve their reading, writing and number skills, so that they are properly equipped for further learning and the world of work;
- work with schools to improve school attendance in both primary and secondary schools; and
- continue to improve the learning environment by modernising the school estate.

How can you get involved?

You can help by:

- getting involved in your children's learning, for example, by talking to teachers and helping your children with their homework;
- ensuring your children attend school regularly, as absence makes a difference to how well children learn and gain qualifications;
- encouraging children and young people to aim high and work hard;
- volunteering at your local school;
- encouraging children to make good use of our local library services; and
- seeking educational experiences for your children outside of school, such as sport or cultural events.

How will we know if we are collectively succeeding?

We will know we are succeeding when:

- most children can read, write and count to a level of skill needed to succeed in life by the time they complete their primary education;
- attainment levels for pupils in all areas across the county borough increase;
- young people achieve the level of qualification expected of them at GCSE;
- attendance levels at primary and secondary schools increase;
- the gap in school performance between those who receive free school meals and those who do not is reduced;
- young people who have left school go on to further education, find employment or undertake some form of training; and
- young people leaving education or formal training do so with an approved qualification to give them access to a wide range and better employment opportunities.

Our commitments for 2015-16

We want to secure a big change in the rate of improvement so that, by September 2015, children are functionally literate and numerate at the end of their primary education, and at least 60% of young people achieve the level of qualification expected of them at GCSE.

We will:

- use data to ensure we better understand the performance of individuals and groups of learners and offer extra help at an earlier stage in their education;
- support schools to meet pupils' additional learning needs and the needs of more-able pupils who need extra support to reach their full potential;
- monitor and seek to improve the effectiveness of schools through the Central South Consortium;
- continue to implement the Youth Engagement and Progression Framework;
- support schools in the implementation and use of Fixed Penalty Notices for non-attendance in schools;
- implement the BCBC attendance strategy;
- provide 14-19 year olds with the advice they need to ensure they engage in the right type of qualification for them;
- provide schools that support the needs of all learners and their communities;
- promote libraries and implement a series of programmes designed to get more children and young people to enjoy reading;
- deliver the agreed actions under the School Modernisation Programme, including implementation of projects within the capital programme; and
- under the auspices of the Schools Task Group, work with schools to develop a sustainable strategy for the provision of education in Bridgend.

IMPROVEMENT PRIORITY THREE – WORKING WITH CHILDREN AND FAMILIES TO TACKLE PROBLEMS EARLY



Why is this important?

By providing early intervention and preventative support we should see improved outcomes for children and families, prevent their situations from becoming more complex and severe, and reduce the risk of children being looked after by the local authority.

According to the National Care Advisory Service, young people who have spent time in care are more likely to have poor educational performance, increased contact with the criminal justice system, poor health and be vulnerable to homelessness and unemployment.

In 2013-14 we increased number of families benefiting from support provided by Connecting Families and Intensive Family Support Services from 133 to 184.

Despite our efforts, the numbers of Looked After Children, children on the Child Protection Register, Children in Need and children being referred with concerns about neglect or abuse, increased in 2013-14.

We have a duty of care to keep these children safe but this presents an increasing financial pressure. We need to make it easier for families to access the support they need and increase the effectiveness of family early intervention approaches to ensure families have more positive outcomes.

How have we done so far?

We have already contributed to this priority by:

- working with 1,171 children through Flying Start in 2013-4 with support including parenting programmes, child care, language development and health visiting;
- providing intensive support to 184 complex and vulnerable families via Connecting Families and Intensive Family Support Services;
- through Families First, training staff to deliver a range of parenting programmes covering early years, teenage years as well as specific courses for families who have a child/young person with Autistic Spectrum Disorder; and
- using the Joint Assessment Family Framework (JAFF) and Team Around the Family (TAF) processes when working with families so that they need only tell us their stories once.

What do we want to achieve by 31 March 2017?

We want to increase the effectiveness of early support and intervention to prevent issues from becoming complex, and reduce the risk of children becoming looked after.

We will:

- bring services together via community hubs to help children, young people and families to tackle their problems at the earliest opportunity;
- work with families and partner agencies to ensure that families receive the help they need at the earliest opportunity to meet their needs; and
- work with service users, carers, families and all partners to enable people to access or retain housing to meet their needs.

How can you get involved?

Families can help by:

- ensuring that they meet the basic needs of all family members as far as they can;
- seeking help at an early stage if there are basic needs that are not being met or if there are unresolved family problems;
- being ready to find answers to problems with the help of family support workers or more specialist services; and
- taking up the offer of Flying Start care provision where offered.

How will we know if we are collectively succeeding?

We will know we are succeeding when:

- our early intervention measures lead to a reduction in:
 - the number of children and young people being referred to Social Services;
 - the number of Looked After Children;
 - the number of children in need;
 - the number of children recorded on the Child Protection Register;
- the prospects for Looked After Children in the county borough improve, with fewer leaving school without a recognised qualification;
- young people leaving care are able to get the help and on-going support they need;
- more families benefit from working with the Multi-Agency Community teams to receive support at an earlier stage; and
- more families and young children access the Flying Start provision.

Our commitments for 2015-16

We want to achieve more positive changes for more children and families.

We will:

- put systems in place to support our new Multi-Agency Safeguarding Hub (MASH) arrangements;
- relaunch the Joint Assessment Family Framework to ensure that partnership arrangements are more effective;
- implement the Permanency and Placement Strategy and the Early Help Strategy to reduce the number of looked after children and to prevent children becoming looked after; and
- improve the way we work with other agencies to help identify more families that are in need of support and to address the root cause of their problems.

IMPROVEMENT PRIORITY FOUR – WORKING TOGETHER TO HELP VULNERABLE¹ PEOPLE TO STAY INDEPENDENT



Why is this important?

Our population is getting older – the number of people aged 75 and above is growing by more than 4% a year, and the Alzheimer’s Society reports that one in three people will have dementia by the age of 85.

There are also more young people with complex health conditions living into adulthood. It is good that people are living longer and surviving difficult illnesses, but this also brings the challenges of increasing demands on services and the resulting higher costs to meet this demand.

We will ensure that we continue to help and support our most vulnerable citizens when they need it but will focus on working with partners, the third sector, families, carers and communities to provide a supportive environment within the local area that can help prevent deterioration in circumstances that can lead to a loss of independence.

¹ For the purpose of this plan, vulnerable people are defined as those individuals at risk of losing their independence, if they do not receive advice or support

How have we done so far?

Together with partners, we have already contributed to this priority by:

- supporting more people to live independently than in the year before by increasing the number of people using Telecare services and accessing community services, thus reducing the number of people needing to live in care homes;
- providing 682 people with an alternative to a hospital placement through our Community Resource Team;
- establishing a short-term enabling scheme through our Homecare Service to support people with dementia to remain in their own homes. Over 100 people benefited from accessing this service last year; and
- setting up a primary care mental health service based on early intervention with a focus on recovery and the promotion of mental wellbeing. This service responded to over 1,000 referrals last year.

What do we want to achieve by 31 March 2017?

We want to enable vulnerable people to live independently.

We will:

- work with service users, carers and partners, including the third sector, to develop services in a way which supports people to remain independent for longer and only access statutory services when absolutely necessary; and
- work with all of our existing and potential partners to develop a range of accommodation options and support for vulnerable and older people who need help to achieve or sustain independence.

How can you get involved?

You can help by:

- giving us your views on the type of support and services you feel will be of benefit and on any changes to priorities and services that we propose;
- volunteering, as volunteers play a vital role in helping to care for relatives, friends and neighbours; and
- giving us feedback on the quality and effectiveness of the service you or your family members are currently receiving.

How will we know if we are collectively succeeding?

We will know we are succeeding when:

- the proportion of older people aged 65+ who live independently increases;
- more potentially homeless households are prevented from becoming homeless;
- more people have maintained their independence through help with Care and Repair services;
- more people are provided with an alternative to a hospital placement through our Community Resource Team;
- more carers say information and support for carers is improving;
- the number of people who have been discharged home with short-term packages of care increases; and
- the average number of days to deliver a Disabled Facilities Grant reduces.

Our commitments for 2015-16

We want to ensure effective care and support is given to people when it is needed.

We will:

- produce and consult on the prevention and wellbeing strategy that includes the coordination of support, information and advice available in local communities;
- increase the range and accessibility of advice and information for carers;
- develop a regional quality framework to monitor and improve the quality of care;
- take reasonable steps to prevent homelessness in line with strengthened duties under the new Housing (Wales) Act 2014;
- help vulnerable people retain their dignity and stay as independent as possible in accommodation that best meets their needs;
- further develop crisis prevention, support and accommodation options for people with mental health needs that promotes independence and prevents hospital admission;
- continue the development of two new extracare schemes across the borough;
- continue the transformation of homecare services; and
- establish an integrated operational model for the Learning Disability Community Support Team.

IMPROVEMENT PRIORITY FIVE – WORKING TOGETHER TO TACKLE HEALTH ISSUES AND ENCOURAGE HEALTHY LIFESTYLES



Why is this important?

National statistics show that parts of the county borough are amongst the least healthy in Wales, and significant health inequalities continue to exist within the borough.

Over half of our population is overweight or obese, with less than a third of adults being physically active on five or more days per week, and around a quarter of adults report drinking over the recommended levels of alcohol at least once a week. Life expectancy for both males and females is still below the Welsh average.

Encouragingly, we are seeing some improvements as our rates of smoking and binge drinking are reducing. However, they still remain above the Welsh average.

We are pleased that through working with our partners HALO Leisure and an extensive refurbishment programme of the Bridgend Life Centre, more people are now visiting our sports and leisure centres. We also are pleased that more food establishments are broadly compliant with food hygiene standards.

We recognise the challenges posed and will continue to work with partners to develop more preventative and wellbeing solutions. We will also work with our partners to help citizens help themselves to improve their physical and mental wellbeing and make healthy lifestyle choices.

How have we done so far?

Working together, in 2013-14 we achieved the following:

- the total junior swims paid and free totalled 51,159;
- the total number of swims under the free swimming senior initiative was 84,904, 7.3% above target;
- the number of visits to local authority sport and leisure facilities per 1000 population to take part in physical activities was 9588, up from 8914 in 2012-13;
- the National Exercise Referral Scheme (NERS) received a total of 2162 referrals, up from 882 in 2012-13; and
- our 'Play for Life' programme encouraged 5244 children to get active, get creative, get involved and have fun playing;
- a reduction in the rate of smoking and binge drinking.

What do we want to achieve by 31 March 2017?

We want to see a healthier population.

We will:

- embed healthy eating messages in early years settings, such as schools, youth organisations, leisure services and community groups;
- work with partners to address priority issues such as mental wellbeing, childhood obesity, alcohol, smoking and substance misuse, especially among young people; and
- work with a range of partners to develop services and opportunities that encourage and promote life-long physical activity, including making the best use of our Rights of Way, cycleways, community routes and green spaces.

How can you get involved?

You can help by:

- taking responsibility for your own health and wellbeing;
- taking steps to do more exercise by attending your local leisure facility or joining a local club or group;
- committing to giving up smoking, reducing the amount of alcohol you drink and eating more healthily; and
- asking your GP about access to the national exercise referral scheme or for books on prescription.

How will we know if we are collectively succeeding?

We will know we are succeeding when:

- the number of families participating in the Family Active Zone initiative increases;
- health indicators for citizens in the county borough improve, including:
 - the percentage of the population who smoke reduces;
 - the percentage of the population who are overweight or obese reduces;
 - the percentage of adults who binge drink on at least one day per week reduces; and
 - the percentage of adults achieving the recommended levels of physical activity increases: and
- the variation (in years) in life expectancy across our wards reduces.

Our commitments for 2015-16

We want to encourage more people across the county borough to live healthily and to see increased participation in physical activity across all population groups.

Working with public health and other partners, we will:

- ensure our schools meet the standards of the Healthy Eating in Schools Regulations 2013;
- continue to roll-out and implement cashless catering system across our schools;
- through the Family Active Zone initiative, promote nutrition, physical activity and family relationships for positive lifestyle change;
- promote the Healthy Options Scheme with businesses across the county borough to offer customers healthy options on a food business' menu;
- continue to work with partners towards joint inspections of premises selling age restricted products such as tobacco and alcohol which will help tackle nuisance behaviour related to alcohol consumption;
- develop and provide advice and education to businesses on matters such as the sale of age restricted products and food hygiene standards;
- implement the primary and secondary school national sport programme to increase physical activity levels;
- support partners in the LSB to further develop target projects to encourage better health with a focus on the Llynfi Valley;
- develop services and opportunities that encourage and promote life-long physical activity particularly amongst underrepresented groups, by working in partnership with HALO Leisure and a range of community partners;

- continue to deliver the National Exercise Referral Programme in partnership with HALO Leisure to help reduce obesity levels and encourage better weight management across the county borough;
- co-ordinate the Love to Walk programme to support community walking networks;
- develop active travel maps and support walking and cycling initiatives that will contribute to the implementation of the Active Travel (Wales) Act; and
- identify and promote new initiatives that support the health and wellbeing of employees.

IMPROVEMENT PRIORITY SIX – WORKING TOGETHER TO MAKE THE BEST USE OF OUR RESOURCES



Why is this important?

By 2014-15 the Council has had to make savings of more than £27 million due to reductions in funding from national government and a fall in our income from fees, charges and our investments. Unfortunately, our difficult financial position is set to continue for a number of years to come. In our Medium Term Financial Strategy we estimate that between 2015-16 and 2018-19, we will have to make further savings of up to £49 million. Budget cuts of this scale present the Council with a significant challenge that will require us to make many difficult decisions about what services can be maintained and what cannot. Obviously we want to minimise the impact of reduced funding on the services that we provide to our citizens. We are, therefore, committed to finding more than half our savings from within the Council by maximising the use of the resources that will be available to us. The other half will have to come from changes to our policies and the way some services are delivered as well as reducing or withdrawing some of the services we currently provide.

We will have no choice but to reduce the size of our workforce in the face of our financial position, but we will aim to limit the number of compulsory redundancies as far as possible. We will also invest in the workforce to ensure our employees have the skills and expertise to drive forward the Council's improvement priorities in these difficult times.

How have we done so far?

Working together, we:

- achieved £27 million revenue savings from 2011-12 to 2014-15;
- secured £5.5 million in capital receipts from asset sales over the same period;
- established our transformation programme, known as the “Bridgend Change Programme”;
- improved our communication with citizens through the use of social media;
- reduced the time we take to process new claims for housing benefit and Council tax benefit by more than 30%; and
- secured better value for money from our commissioning and procurement by renegotiating contracts and through collaboration.

What do we want to achieve by 31 March 2017?

We want people in the county borough to be confident that the Council is fair, ambitious, customer-focused and efficient.

We will:

- achieve the savings identified in the Medium Term Financial Strategy;
- pursue the Council’s transformation agenda by implementing the Bridgend Change Programme;
- explore innovative and flexible ways of delivering services, including commissioning;
- maximise the use of our assets and technology;
- develop a stronger organisation development function to increase the skills of employees and allow greater flexibility; and
- improve our communication with citizens to understand their needs and improve their access to our services.

How can you get involved?

You can help by:

- telling us if you feel confident that the Council is fair, ambitious, customer-focused and efficient;
- letting us know what services are most important to you and your community, and where demand for services could be reduced;
- sharing with us what you think we are doing right, so that we can spread good practice. If you have concerns, tell us what they are so we can consider how we may do better;
- informing us of your experiences of accessing Council services so that we know if we are succeeding in making it easier for our citizens, and can take action if we are not; and
- letting us know if you have witnessed what you consider to be wasteful practices, so that we can examine what we are doing and determine if improvements can be made.

How will we know we are succeeding?

We will know we are succeeding when:

- planned savings are achieved;
- released assets generate required capital receipts;
- the use of our available accommodation is maximised;
- we achieve more flexible and cost effective delivery of services through contract management and e procurement is implemented;
- staff have the range of skills that support the achievement of the Council's transformation agenda;
- more citizens give positive feedback regarding communication, engagement, access to services and value for money.

Our commitments for 2015-16

We need to make £11.2m of savings in 2015–16 and to prepare for further savings in future years while driving improvements in priority areas.

We will:

- implement the planned savings identified in the 2015-16 budget;
- deliver the projects contained within the Bridgend Change Programme (BCP);
- improve efficiency by rationalising and maximising the use of ICT systems and software applications;
- develop proposals to provide citizens with more self- service options for accessing Council services;
- develop effective mechanisms to improve our understanding of citizens' views;
- explore new ways of engaging and consulting with children and young people to continue to hear their voice;
- implement the contract management and e-procurement strategy to improve efficiency;
- deliver the agreed actions of the Parc Afon Ewenni scheme;
- extend electronic learning opportunities for staff to develop the skills and flexibility of the Council's work force;
- further rationalise the Council's operational estate to reduce accommodation costs;
- pursue our asset disposal strategy with the aim of securing capital receipts of at least £6 million; and
- introduce a compliance tracking system to support more effective facilities management of our buildings.

APPENDIX 1: SUCCESS INDICATORS

(Please note targets for 2015-16 are provisional. Changes may be made in light of the end of year data for 2014-15. Please also note some national indicators are currently under review for use in 2015-16. Amendments to some indicators included in this list might be necessary following the review).

PRIORITY ONE – WORKING TOGETHER TO DEVELOP THE LOCAL ECONOMY				
Indicator	2012-13 Actual	2013-14 Actual	2014-15 Target	2015-16 Target
Percentage of working age population that is in employment	68.9% (Labour Force Survey, ONS)	72.1%	increase	increase
Percentage of 16-24 year olds in employment	47.1% (Labour Force Survey, ONS)	50.1%	increase	increase
Gross Value Added (GVA) per head	£14,489 (2011, ONS)	£15,593 (2014, ONS)	increase	increase
Gross Disposable Household Income (GDHI) per head	£14,007 (2011, ONS)	£14,623	increase	increase
Percentage of all children under 16 who are living in working age households with no one in employment	17.5% (2012, Annual Population Survey)	20% (2013, Annual Population Survey)	reduction	reduction
The percentage of children living in households below 60% median income	22.7% (2011, Child Poverty Unit)	22.4%	reduction	reduction
The number of people claiming Jobseekers Allowance	4.0% (March 2013, NOMIS)	3.1%	reduction	reduction
The percentage of: principal (A) roads non-principal (B) roads and non-principal (C) roads in overall poor condition	(A) 5.7% (B) 7.7% (C) 11.8%	(A) 5.0% (B) 6.1% (C) 11.4%	A) 6.96% (B) 9.88% (C) 12.82%	(A) 6% (B) 8% (C) 12%
The percentage of total lengths of rights of way which are easy to use by members of the public	90%	83%	91%	92%
The number of vacant premises in town centres	Bridgend 66 Maesteg 17 Porthcawl 12	Bridgend 65 Maesteg 19 Porthcawl 17	reduction	reduction
Additional floorspace created through the Townscape Heritage Initiative (THI) and the Town Improvement Grant	n/a	THI 288sq.m TIG 340sq.m	800m ²	800m ²
Overall success rate for Adult Community Learners	n/a	75%	75%	77%
Number of VAT/PAYE registered businesses in the Borough	4,075	4,000	increase	increase

PRIORITY TWO – WORKING TOGETHER RAISE AMBITIONS AND DRIVE UP EDUCATIONAL ACHIEVEMENT				
Indicator	2012-13 Actual	2013-14 Actual	2014-15 Target	2015-16 Target
The percentage of pupils aged 15 at the preceding 31 August, in schools maintained by the local authority who achieved the Level 2 threshold including a GCSE grade A*-C in English or Welsh first language and mathematics	50.7%* ²	52.3%	60%	65%
The percentage of pupil attendance in primary schools	93.7%*	93.5%*	94.6%	95.8%
The percentage of pupil attendance in secondary schools	92.0%*	92.5%*	93%	94.9%
The percentage of all pupils (including those in local authority care) in any local authority maintained school, aged 15 as at the preceding 31 August that leave compulsory education, training or work based learning without an approved external qualification	0.3%*	0.4%	0.45%	0.1% Provisional
The percentage of pupils assessed at the end of Key Stage 2, in schools maintained by the local authority, achieving the Core Subject Indicator, as determined by Teacher Assessment	80.6%*	82.6%	84.4%	85%
The percentage of pupils assessed at the end of Key Stage 3, in schools maintained by the local authority, achieving the Core Subject Indicator as determined by Teacher Assessment	67.1%*	73.5%	78.5%	79.7% Provisional
Core Subject Indicator Key Stage 4: Percentage of pupils achieving the Level 2 threshold in each of the subjects of English or Welsh, mathematics and science, at the end of Key Stage 4	49.9%*	50.6%	55.3%	60.3% Provisional
Foundation phase outcome indicator: The percentage of pupils, at the end of the Foundation Phase, achieving at least Outcome 5 (the expected outcome) in teacher assessments	81.8%*	82.3%	82.1%	86.9% Provisional
The size of the gap in educational attainments between pupils 15+ entitled to free school meals and those who are not (measured by Level 2 inclusive indicator)	31.1%*	31.7%	24%	24% Provisional
Year 11 Leavers for Schools in the Authority known to be not in education, employment or training	6.4%	3.7%	4%	reduction
The number of visits to Public Libraries during the year, per 1,000 population	3,820	4,182	4,200	4,250
The percentage of children under 5 who are members of the library service	26%	n/a	27.5%	28%

² These figures relate to the previous school year.

PRIORITY THREE – WORKING WITH CHILDREN AND FAMILIES TO TACKLE PROBLEMS EARLY				
Indicator	2012-13 Actual	2013-14 Actual	2014-15 Target	2015-16 Target
The number of families benefiting from integrated working support provided by Connecting Families (CF) that adopt a 'team around the families' approach	44	34	61	63
The number of families benefiting from integrated working support provided by Intensive Family Support Services (IFSS) that adopt a 'team around the families' approach.	15	72	100	110
The number of children in need	918 (as of 31/3/13)	967	915	750
The number of children recorded on the Child Protection Register	161 (as of 31/3/13)	179	150	145
Looked after children as a percentage of children aged 0-17	1.34% (as of 31/3/13)	1.4%	1.1%	1.3%
Average external qualifications point score for 16 year old Looked After Children in any local authority maintained learning setting	273 ³	202	300	217
The percentage of all pupils in local authority care in any local authority maintained school, aged 15 as at the preceding 31 August that leave compulsory education, training or work based learning without an approved external qualification	6.25%*	0%*	5%	1.1%
The percentage of young people formerly looked after with whom the authority is in contact at the age of 19	100%	82.6%	90%	95
The percentage of young people formerly looked after with whom the authority is in contact, who are known to be in suitable non-emergency accommodation at the age of 19	93.3%	89.5%	100%	100%
The percentage of children looked after on 31 March who have had three or more placements during the year	10.6%	9%	9%	12%
The percentage of young people formerly looked after with whom the authority is in contact, who are known to be engaged in education, training or employment at the age of 19	73.3%	31.6%	85%	70%
The number of children benefiting from the Flying start programme	950	1,171	1,421	1586

³ These figures relate to the previous school year.

RIORITY FOUR– WORKING TOGETHER TO HELP VULNERABLE PEOPLE TO STAY INDEPENDENT				
Indicator	2012-13 Actual	2013-14 Actual	2014-15 Target	2015-16 Target
The rate of older people (aged 65 or over) supported in the community per 1,000 population aged 65 or over at 31 March	86.1	83.2	<83	<81
The rate of older people (aged 65 or over) whom the authority supports in care homes per 1,000 population aged 65 or over at 31 March	19.86	18.5	<19	<18.5
The rate of delayed transfers of care for social care reasons per 1,000 population aged 75 or over	1.96	0.9	<2.75	<2.5
The percentage of adult protection referrals completed where the risk has been managed	87.36%	100%	88%	89%
The percentage of adult clients who are supported in the community during the year	88%	88.33%	>88.5%	>88.5%
The percentage of Telecare clients who said that the service made it easier for them to manage in their own home	94%	94%	95%	95%
The numbers of recipients of Community Resource Team (intermediate services) that have been provided with an alternative to a hospital placement	697	682	750	820
Average number of days to deliver a Disabled Facilities grant for children and young people	295	349	295	295
Average number of days to deliver a Disabled Facilities grant for adults	196	222	196	196
The percentage of carers that report that information and support for carers is improving in the County Borough	n/a	Survey developed	35%	40%
Number of people discharged from hospital who, following a short term enabling service, require no ongoing personal care service	new measure	new measure	Establish baseline	To be set based on 2014-15 figures
The percentage of all potentially homeless households for whom homelessness was prevented for at least 6 months	52.89%	61.5%	61%	67%
The number of homeless households with dependent children in bed and breakfast accommodation	n/a	8	8	7
The percentage of people who have maintained their independence for six months as a proportion of people helped with Care & Repair services(funded from the Private Sector Housing Renewal and Disabled Adaptations policy)	n/a	100%	96%	96%

PRIORITY FIVE – WORKING TOGETHER TO TACKLE HEALTH ISSUES AND ENCOURAGE HEALTHY LIFESTYLES				
Indicator	2012-13 Actual	2013-14 Actual	2014-15 Target	2015-16 Target
The percentage of the population (aged 16 and over) who smoke	23%	21 %	20%	20%
The percentage of adults who are overweight or obese	59%	58%	reduction	reduction
The percentage of adults who report being physically active on five or more days in the past week	30%	29%	increase	increase
The percentage of adults who reported binge drinking on at least one day in the past week	30%	26%	reduction	reduction
Variation (in years) in healthy life expectancy across our wards Male Female	No update on 2009 data available	No update on 2009 data available	reduction	reduction
The percentage of adults reported being treated for any mental illness	13%	12%	reduction	reduction
The number of visits to local authority sport and leisure centres during the year per 1,000 population where the visitor will be participating in physical activity	8,914	9,588	9,400	9,450
Number of participants in the National Exercise Referral Scheme (NERS) programme	new measure	1161 (404 completing 16 weeks)	1170 (395 completing 16 weeks)	1170 (395 completing 16 weeks)
Number of Families participating in the Family Active Zone programmes	52	125	100	120
Schools engaged in the national sports programme				
• Primary	87% (11,644 participants)	87% (10,497 participants)	92% (10,497 participants)	95% (10,000 participants)
• Secondary	100% (69,911 participants)	100% (71,352 participants)	100% (62,919 participants)	100% (60,000 participants)
The percentage of food establishments which are broadly compliant with food hygiene standards	83.56%	88%	80%	85%
Number of businesses supporting the Healthy Options Award	n/a	n/a	1	3
Number of employees participating in Council run initiatives to support their health and wellbeing	n/a	n/a	n/a	Establish baseline

PRIORITY SIX – WORKING TOGETHER TO MAKE THE BEST USE OF OUR RESOURCES				
Indicator	2012-13 Actual	2013-14 Actual	2014-15 Target	2015-16 Target
The value of planned savings achieved	£3,968k	£3,700k	£13,300k	£11,225k
% increase in the responses from each target audience through the citizens panel	New measure	New measure	Setting baseline	5% increase
The percentage of citizens surveyed who said that their individual access requirements are met when contacting the Council	Question not asked	63%	52%	60%
£ savings in ICT through the rationalisation of support services and applications	n/a	£0k	£122k & £50k	£52k
The percentage increase of documents managed through Electronic Data Records Management (EDRM)	New measure (1,247,224 docs managed through EDRM)	n/a	No Target set – new measure	10% increase from 2012/13
Capital receipts generated through release of assets	£685k	£166k	No Target set - £3.9m achieved December 2014	£6m
Revenue savings delivered through disposal of assets	£113k	£0k	No Target set - £92k achieved December 2014	£400k
Total useable office accommodation per employee in our core offices linked to the maximising space project (m ²)	11.7m ²	11.7m ²	11.7m ²	10.0m ²
Increase in the % of employees completing e-learning modules	7.01%	27.8%	No Target set	30%

GLOSSARY

BAVO	Bridgend Association of Voluntary Organisations - the umbrella organisation supporting voluntary organisations in the borough
BCBC	Bridgend County Borough Council
Bridgend Change Programme (BCP)	A strategic programme to drive forward large-scale change in everything the Council does from the day to day business to the major decisions about services and funding
BELP	Bridgend Employer Liaison Partnership
Capital receipts	This is the income from the sale of capital assets. It can be used to finance new capital schemes, but cannot be used to finance revenue expenditure
Children on the Child Protection Register	Children who are known to be at risk and have a child protection plan in place
Children in need	Children who are unlikely to achieve a satisfactory level of health and development without the provision of services. Local authorities have a duty of care to safeguard and promote the welfare of these children
Community Hub	These are based around the county borough and consist of family support workers, family engagement officers, educational welfare officers and health visitors
Connecting Families (CF)	A multi-agency service that aims to work more effectively with families that have the most long-term and complex difficulties, and who draw on a wide range of services

Disabled Facilities Grant (DFG)	Such grants can help towards the costs of adapting a home so that the occupant can continue to live there
Estyn	Her Majesty's Inspectorate for Education and Training in Wales
Families First	A Welsh Government programme which emphasises prevention and early intervention for families, particularly those living in poverty, through co-ordinated responses
Flying Start	The Welsh Government initiative to support families and children under four years old who live in some of the most deprived areas of Wales. It provides intensive health visiting, free part time childcare provision, early language development and parenting programmes
GCSE	General Certificate of Secondary Education
GDHI	Gross Disposable Household Income, the amount of money that households have available for spending or saving
GVA	Gross Value Added, a measure of the size of the economy based on the value of goods and services produced in an area
HALO Leisure	Social enterprise that operates a number of leisure centres on behalf of councils
Health inequalities	Differences in health status between individuals or groups, as measured by, for example, life expectancy, mortality and illness
Intensive Family Support Services (IFSS)	Provides specialist support for families across the Western Bay (Swansea, Neath Port Talbot and Bridgend) region
JAFF	Joint Assessment Family Framework is a way of working out what extra support a child and /or their family might need

Key Stage 1 (KS1)	School years known as Year 1 and Year 2
Key Stage 2 (KS2)	School years known as Year 3, Year 4, Year 5 and Year 6
Key Stage 3 (KS3)	School years known as Year 7, Year 8 and Year 9
Key Stage 4 (KS4)	The two years of school education, which incorporate GCSEs and other exams, known as Year 10 and Year 11
Local Investment Fund	This is £1.2M of funding from the European Union, used to deliver financial assistance to businesses in the borough.
Local Government (Wales) Measure 2009	A Welsh law which guides service improvement and strategic planning by local authorities
Local Service Board (LSB)	A multi-agency partnership board of a range of public, private and third sector partners including the Council
Looked After Children (LAC)	Generally used for children 'looked after' by the local authority, meaning they are in care or accommodated in a secure environment outside of the family home
Median income	The middle level of income in a moving list of the lowest to the highest incomes
Medium Term Financial Strategy(MTFS)	Sets out how the Council plans to use its resources over the next four years to support the achievement of its corporate priorities and statutory duties.
NEET	Not in education, employment or training
National Exercise Referral Scheme (NERS)	A GP referral scheme that focuses on helping people with certain health conditions to become healthy and active.

Revenue (expenditure)	Includes all spending on the day to day running costs of services, such as staff salaries, maintenance of buildings, equipment, general supplies and services
RoWIP	Rights of Way Improvement Plan
Safeguarding	This refers to the approach to protect people from being abused or neglected
TAF	Team around the family – a process that brings different agencies together to develop a multi-agency support package for a family
Telecare	A system that links sensors via a community alarm unit installed in the home to a central monitoring centre
Third sector	The part of the economy made up of non-governmental and non-profit-making organisations, such as charities, community groups and cooperatives
Vulnerable people	For the purpose of Corporate Plan, vulnerable people are defined as those individuals at risk of losing their independence if they do not receive advice or support

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO COUNCIL

25 FEBRUARY 2015

REPORT OF THE SECTION 151 OFFICER

MEDIUM TERM FINANCIAL STRATEGY 2015-16 to 2018-19

1. Purpose

- 1.1 The purpose of this report is to present Council with the Medium Term Financial Strategy 2015-16 to 2018-19, which includes a financial forecast for 2015-19, a detailed revenue budget for 2015-16 and a Capital Programme for 2015-16 to 2024-25.

2. Connections to the Corporate Plan

- 2.1 The Corporate Plan and Medium Term Financial Strategy (MTFS) identify the Council's service and resource priorities for the next four financial years, with particular focus on 2015-16.

3. Background

Corporate Plan - Policy Context

- 3.1 The Council reviews its Corporate Plan each year to ensure it continues to reflect the Council's corporate improvement priorities, commitments and performance indicators. The Council's six corporate improvement priorities and specific commitments for 2015-16 have been reviewed. The final plan will be presented to Council for approval alongside the MTFS 2015-19 on 25 February 2015. The final Corporate Plan and MTFS will be fully aligned and will include explicit links between resources and corporate priorities.
- 3.2 The Council's MTFS is set within the context of UK economic and public expenditure plans, Welsh Government priorities and legislative programme. The MTFS articulates how the Council plans to use its resources to support the achievement of its corporate priorities and statutory duties, including the management of financial pressures and risks over the next four years. It helps the Council to work more effectively with partners in other sectors and provides a strategy for the use of balances to meet changes in resources or demands from year to year without impacting unduly on services or council tax payers.
- 3.3 The MTFS includes:-
- The principles that will govern the strategy and a four year financial forecast, comprising detailed proposals for 2015-16 and outline proposals for 2016-17 to 2018-19.

- The capital programme for 2015-16 to 2024-25, linked to priority areas for capital investment and Capital Financing Strategy.
- The Treasury Management Strategy and Corporate Risk Register.

The Financial Context

- 3.4 The Chancellor of the Exchequer reported in his 2013 Autumn Statement that the economy was growing faster than had been expected and he reinforced the UK Government's commitment to the long term economic plan set out in 2010. However, the UK government budget deficit remains well behind the Office of Budget Responsibility forecast, which estimated that net borrowing would fall by 11.2% over the whole year. Net borrowing to the end of November was £75.8 billion which, whilst £500 million less than in November 2013, is not reducing at the pace required to meet the borrowing target.
- 3.5 The UK Government Settlement to the Welsh Government for 2015-16 is a cash reduction of -0.4%. There is no settlement at this point for future years. On 13 January 2015 the Welsh Government published its final budget which included £70 million of extra funding to the Welsh NHS in 2015-16 to deliver high quality, sustainable health services, in addition to the £295 million already announced by the Welsh Government for health and social care for 2015-16.

Welsh Government Final Local Government Settlement

- 3.6 The Final Local Government Settlement was published on 10 December 2014. The published figures show the average reduction in Aggregate External Finance (AEF) for Councils across Wales for 2015-16 (after allowing for transfers into the settlement) is -3.4%. It shows Bridgend's reduction as being -3.4%. However, the published figures do not recognise that the additional funding of £10 million for social care in the settlement appears to have replaced funding that was previously provided, albeit in the form of a specific grant. When this is taken into account the reduction across Wales is -3.6% and -3.6% for Bridgend. This is a reduction of £134,000 on the Provisional Settlement because of minor changes to data sets and the use of the updated council tax base for 2015-16.
- 3.7 Councils have been advised that the settlement also includes sufficient funding to protect school budgets equivalent to 1% above the change in the Welsh Government's Revenue Budget. This equates to a 0.6% cash increase or £508,000 for Bridgend.

Settlement Implications for 2016-2019

- 3.8 The Minister has given no indication of the indicative allocations for 2016-17 onwards, but in view of current economic and fiscal projections and in the absence of other information the most likely scenario in the Medium Term Financial Strategy is that predicated on an assumption that AEF will reduce by 4.5% for 2016-17, 2017-18 and 2018-19. Based on these assumptions the total recurrent reductions required from 2016-17 to 2018-19 amount to £37.6 million.

Grant Transfers into the 2015-16 Revenue Settlement

- 3.9 There have been a number of transfers into and out of the final settlement for 2015-16, amounting to £298,000 net transfer into the Council:

Transfers in:

- Local Government Borrowing Initiative (LGBI) for 21st Century Schools (£115,000)
- Integrated Family Support Service (£288,000)
- Autistic Spectrum Disorder (£40,000)

Transfers out:

- Student Finance Wales (£111,000)
- Food Safety Controls (£22,000)
- National Adoption Service (£12,000)

- 3.10 The transfer out of £111,000 for Student Finance Wales is in respect of the transfer of new responsibilities to the Student Loans Company in February 2014.

Regional Collaboration Fund (RCF) / Intermediate Care Fund (ICF)

- 3.11 Welsh Government has written to local authorities to advise them that the funding allocation for the Regional Collaboration Fund (RCF) in the Welsh Government budget for 2015-16 is £5 million to cover all the ongoing projects approved under the Fund in 2013. This is a significant reduction from the original allocation of £10 million. Projects receiving funding have been asked to consider how they will reconfigure projects to manage within revised reduced funding for 2015-16. There is no future funding in the Final Budget for the ICF which is £50 million in 2014-15 (£35 million revenue and £15 million capital). However, Welsh Government has recently announced £20 million of additional funding for the Health Service for 2015-16 (from the £70 million referred to in paragraph 3.5) to take forward projects funded by the Intermediate Care Fund in 2014-15.

Council Tax

- 3.12 When announcing the Provisional Settlement in October 2014 the Minister advised that when drawing up budget plans for 2015-16 he expects local authorities “to look at all income streams including council tax” and advised councils that Welsh Government offers considerable flexibility to authorities in Wales which is not available to their counterparts in England where restrictive freezes apply. The proposals for 2015-16 are based on a Council tax increase of 4.8% based on an appropriate balance between the needs of the council and its citizens.

Welsh Government Capital Settlement

- 3.13 In February 2014 Council approved a capital programme for 2014-15 to 2023-24, based on the assumption that annual Welsh Government capital funding would be flat lined from 2015-16 onwards. Council subsequently approved revised capital programmes in July and December 2014, reflecting funding changes to some schemes, slippage from 2013-14, additional external funding approvals and

changes to expenditure profiles. The final local government capital settlement for 2015-16 provides this Council with £6.288 million capital funding for 2015-16, which is £36,000 less than 2014-15. No indications have been given for 2016-17 or beyond.

Current Year (2014-15) Financial Performance

3.14 The in-year financial position as at the 31 December 2014 is shown below.

Table 1- Comparison of budget against projected outturn at 31 December 2014

Directorate/Divisions	Budget 2014-15 £'000	Projected Outturn 2014-15 £'000	Projected Over / (Under) Spend Qtr 3 2014-15 £'000	Projected Over / (Under) Spend Qtr 2 2014-15 £'000
Directorate				
Children	125,109	125,109	0	0
Wellbeing	43,416	43,513	97	147
Communities	26,570	26,656	86	179
Resources	14,973	14,983	10	82
Legal & Regulatory Services	6,532	6,042	(490)	(429)
Total Directorate Budgets	216,600	216,303	(297)	(21)
Council Wide Budgets	38,531	38,531	0	0
Total	255,131	254,834	(297)	(21)

3.15 The projected Directorate underspend is £297,000 as at the end of December 2014. This is mainly due to the significant underspend in Legal and Regulatory Services, but the overall figure masks a number of in year budget pressures in Safeguarding and Family Support and Adult Social Care, over and above the additional recurrent funding that was allocated to these areas in the 2014-15 budget. The outturn assumes full implementation of the current year budget reduction requirements across the Council's budget which amount to £11.274 million. Where proposals to meet this requirement have been delayed or are not achievable directorates have met their requirements using other measures such as vacancy management.

3.16 The Council cannot exceed its approved cash limited budget. As such, fortuitous underspends in budgets will be applied to offset overspends on other budgets. In accordance with the Council's Financial Procedure Rules, at year end, consideration will be given to requests from directors to carry forward any planned directorate underspends for specific purposes into the following year, as long as these can be met from within the Council's cash limited budget for 2014-15. Similarly, consideration will be given to any overspends to determine whether these should be carried forward as a first call on the directorate budget for the following year.

4. Current Situation

Medium Term Financial Strategy (MTFS) 2015-16 to 2018-19

- 4.1 This section of the report sets out the proposed MTFS for the Council for the next four financial years, based on the latest information available from the Welsh Government. It does not include fixed funding, expenditure or activity projections, but sets best, worst and most likely scenarios for the resources that will be available. The MTFS is reviewed regularly and amended as additional information becomes available, with the detail for future years being developed over the period of the strategy.
- 4.2 The development of the MTFS 2015-16 to 2018-19 has been led by Cabinet and CMB and has taken into account auditors' views and issues arising in 2014-15, underpinned by the ongoing aim to embed a culture of medium term financial planning closely aligned with corporate planning.
- 4.3 Implementation of the MTFS will continue to be led by Cabinet and CMB, supported by financial and performance data. The Council will seek to ensure that it is widely understood by internal stakeholders (Members, employees and Unions) and external stakeholders (citizens, businesses and partners). As well as linking explicitly to the Council's corporate priorities, the MTFS also links to other internal resource strategies such as the Workforce Development Plan, the ICT Strategy, the Asset Management Plan and Bridgend Change Programme (BCP).

Scrutiny and Challenge

- 4.4 As stated in paragraph 4.2 above Cabinet and CMB are seeking to embed a culture of medium term financial planning within the Council. Against that background, further efforts have been made in 2014-15 to secure greater involvement of stakeholders.
- 4.5 A full consultation on the MTFS was undertaken over a six week period during October and November, including a budget simulation exercise and community engagement workshops. A total of 443 responses were received with consistent feedback from all engagement methods. The level of engagement with young people was increased through use of the budget simulator and social media communication.
- 4.6 The budget consultation showed that 50% of participants believed they were very aware of the current financial situation. In being asked how respondents would manage the budget all services received a minimum reduction of 3%. The service area responses showed:

Service Area	% of Respondents proposing a reduction in budget	Average reduction proposed
Corporate Functions	85%	30%
Resources	74%	14%
Legal and Regulatory Services	68%	13%
Sport, Play and Active Wellbeing	54%	6%

Schools and Adult Social Care were both the least likely to be decreased and/or maintained.

- 4.7 There was majority support for introducing a charge for pest control, a parking charge for Blue Badge holders in our off-street car parks and for introducing a percentage charge for credit card payments made to the Council. 64% of respondents voted 'yes' to delivering libraries and cultural services through a not for profit trust. This was the most supported proposal, offering a potential saving of £391,000. A review of home to school transport received a split 50:50 response rate between yes and no – the full public consultation on this proposal ended on 22 December 2014, and a separate report will be presented to Cabinet on the outcomes of the consultation at a later date. The associated saving is estimated to be £550,000. Over one in three (36%) believed that residents could help to reduce demand on the council by taking more personal responsibility. This is also supported by other respondents suggesting a need for third party and/or voluntary/co-production collaboration and engagement.
- 4.8 In addition to the public consultation Members have participated in the planning process through the Budget Research and Evaluation Panel, Council briefings and a specific Members' budget workshop. The Town and Community Councils (TCC) and the third sector have also been engaged through the TCC Forum and the Third Sector Review project. The draft MTFS and 2015-16 budget proposals have been considered by the Budget Research and Evaluation Panel and each of the Scrutiny Committees. The Corporate Resources and Improvement Overview and Scrutiny Committee has summarised and collated observations and recommendations. Cabinet has provided a response to these recommendations which is attached at Appendix M.

MTFS Principles

- 4.9 As well as consideration of future income and expenditure scenarios, the MTFS provides a set of clear principles which drive the budget and spending decisions over 2015-2019 and which Members and others can examine and judge the Council's financial performance against. The fourteen key principles are to ensure that:
1. The Council continues to meet its statutory obligations and demonstrates how it directs resources to meet the Council's corporate priorities.
 2. Adequate provision is made to meet outstanding and reasonably foreseen liabilities.

3. The financial control system is sufficiently robust to support the delivery of financial plans and mitigate corporate risks.
4. Budgets will be reviewed annually to ensure existing and forecast spend is still required and to identify further efficiency savings as required to meet inescapable budget pressures.
5. Financial plans provide an optimum balance between income and expenditure for both capital and revenue.
6. All services seek to provide value for money and contribute to public value.
7. Balances are not used to fund recurrent budget pressures or to keep down council tax rises unless an equivalent budget reduction or increase in council tax is made in the following year in recognition that balances are a one-off resource.
8. The Council Fund balance will be maintained at a minimum of £7 million over the MTFS period.
9. Capital investment decisions support the Council's corporate priorities and mitigate any statutory risks taking account of return on investment and sound option appraisals.
10. Prudential borrowing is only used to support the capital programme where it is affordable and sustainable within the Council's overall borrowing limits and the revenue budget over the long term.
11. Decisions on the treatment of surplus assets are based on an assessment of the potential contribution to the revenue budget and the capital programme.
12. Resources are allocated to deliver the Bridgend Change Programme based on clear strategic plans that are kept under review by Corporate Directors to maintain alignment with the MTFS.
13. Other resource strategies (including the Workforce Development Plan, Treasury Management Strategy, ICT Strategy and Asset Management Plan) are kept under review to maintain alignment with the MTFS and the Corporate Plan.
14. Budgets will be managed by Corporate Directors in accordance with the Council's Financial Procedure Rules.

MTFS Resource Envelope

- 4.10 The MTFS planning assumptions for 2016-17, 2017-18 and 2018-19 are based on a reduction in AEF of -4.5% and an assumed increase in council tax of 4.5% each year. The 2015-16 AEF figure is -3.4% based on the published Final Settlement. However, these assumptions, together with forecast pressures and risks are all subject to change not least due to continuing economic uncertainty as well as

national legislative and policy developments. The MTFS will be regularly reviewed against service performance and external economic and fiscal information to ensure that early action can be taken as necessary to keep it and the Corporate Plan on track. In view of the uncertainties, the MTFS has been developed taking into account possible resource envelope scenarios, based on percentage changes in AEF shown in Table 2.

Table 2 – MTFS Scenarios: % Change in AEF

	2015-16	2016-17	2017-18	2018-19
	% Change	% Change	% Change	% Change
Best Scenario		-3.0%	-3.0%	-3.0%
Most Likely Scenario	-3.4%	-4.5%	-4.5%	-4.5%
Worst Scenario		-6.0%	-6.0%	-6.0%

4.11 Table 3 shows the Council's potential net budget reduction requirement based on the forecast resource envelope (paragraph 4.10), inescapable spending assumptions (paragraph 4.12) and an assumed increase in council tax of 4.5% each year.

Table 3: MTFS Potential Net Budget Reduction Requirement

	2015-16	2016-17	2017-18	2018-19	Total
	£000	£000	£000	£000	£000
Best Scenario	11,225	10,738	9,647	9,347	40,956
Most Likely Scenario	11,225	13,566	12,263	11,763	48,817
Worst Scenario	11,225	16,394	14,794	14,021	56,434

Managing within the MTFS Resource Envelope

- 4.12 The financial forecast is also predicated on £48.82 million budget reductions being met from Directorate and Corporate budgets and these are referred to later in the report. It is also predicated on a number of spending assumptions, including:
- Projections for demographic changes, including an ageing population and an increasing number of young people with complex disabilities living into adulthood and adding progressively to the demand for care.
 - Inflationary uplifts to support specific contractual commitments.
 - Inflation for energy costs of 6.2%, based on notification of known increases and projected forward pricing.
 - The potential impact of national policies and new legislation not accompanied by commensurate funding e.g. Welfare Reform Bill, Social Services and Wellbeing Act, Housing Act and auto enrolment related to the provision of employee pension schemes.

- A projected increase of 0.2% in 2015-16, 0.3% in 2016-17 and a further 0.2% in 2017-18 in employers' pension contributions resulting from the triennial Actuarial Valuation. There are additional increases in employers' contributions for teachers' pensions of 2.3%.
- The removal of the National Insurance Contribution rebate as a result of the introduction of the single tier state pension in April 2016.
- Fees and Charges will increase by the statutory minimum or CPI (at prevailing rate, currently 0.5%) plus 1%.
- Services will absorb within budgets non contractual inflationary pressures of up to the prevailing CPI rate.

MTFS Net Budget Requirement

- 4.13 The MTFS net budget requirement for 2015-16 is based on the most likely scenario, taking into account the net percentage change in AEF in paragraph 4.10, inescapable budget pressures in paragraph 4.12 and the budget reduction requirement in paragraph 4.15. This is shown in Table 4.

Table 4 – Net Budget Requirement

	2015-16
	£000
Net Budget Previous Year (2014-15)	255,131
Net Change in AEF	6,454
Pressures incl. demographic & legislative (Para 4.12)	5,365
Budget Reduction Requirement (Para 4.15)	(11,225)
Increase in Council Tax Income	(3,524)
Net Budget Requirement	252,201

- 4.14 Appendix A shows the indicative budgets for the next four years based on the most likely scenario. It is built up based on the assumptions in paragraph 4.12 and predicated on the budget reduction requirement being met from Directorate and Corporate budgets identified in Table 3.

MTFS Budget Reduction Requirement

- 4.15 Budget Reduction proposals are being developed by officers to meet the £48.82 million requirement, and Table 5 shows the current risk status of those identified so far.

Table 5 - Risk Status of Budget Reduction Proposals 2015-16 to 2018-19

Year	GREEN	AMBER	RED	Total Reductions Identified	Total to be Identified	Total Reductions Required
	£'000	£'000	£'000	£'000	£'000	£'000
2015-16	6,266	4,394	565	11,225	0	11,225
2016-17	2,351	4,147	6,272	12,770	796	13,566
2017-18	80	477	8,753	9,310	2,953	12,263
2018-19	40	25	5,989	6,054	5,709	11,763
Total Identified	8,737	9,043	21,579	39,359	9,458	48,817
% of Reductions Identified	22.20%	22.97%	54.83%			

Risk Status Key:

- RED** Proposals in Development
- AMBER** Implementation Plans in Development
- GREEN** Implementation Plans in Place

4.16 A number of proposals for 2016-17 onwards require further information and analysis, and as such are not identified separately in Appendix C but presented in respect of whether they relate to:

- I. Making Best Use of Resources
- II. Managed Service Reductions
- III. Collaboration and Service Transformation; and
- IV. Policy Changes

They include proposals such as stopping delivering day services in adult social care, the potential closure of some public buildings and services such as public toilets, parks pavilions and playgrounds, further rationalisation of Council buildings and rationalisation of school places, alongside significant reductions in staffing across the Council. The impact of such reductions would be significant for residents in the County Borough and cannot be underestimated, but such proposals must be considered as the Council is legally bound to set a balanced budget each year and so will have some very difficult decisions to take going forward. Making Best Use of Resources encapsulates proposals which relate to staff restructures, rationalisation of assets and ICT and account for the majority of budget reduction proposals. Despite these proposals, there is still a shortfall against the forecast budget reduction requirement over the next four years of £9,458,000.

4.17 The value of budget reduction proposals identified to date is shown in Table 6 by category. The categories are also shown by individual proposal in Appendix C.

Table 6 – Budget Reduction Proposals 2015-16 to 2018-19

	2015-16	2016-17	2017-18	2018-19	Total	%
	£'000	£'000	£'000	£'000	£'000	
Making Best Use of Resources	6,748	7,046	4,187	2,096	20,077	51.0
Managed Service Reductions	1,177	2,334	1,887	1,041	6,439	16.4
Collaboration & Service Transformation	1,406	1,154	738	1,277	4,575	11.6
Policy Changes	1,894	2,236	2,498	1,640	8,268	21.0
Total Identified as at 20.01.2015	11,225	12,770	9,310	6,054	39,359	

4.18 The table shows that over fifty percent of the planned reductions identified so far will come from Making Best Use of Resources, for example through:

- Retendering learner transport contracts
- Modernising the school estate
- Waste management initiatives
- Remodelling health and social care
- School transport route efficiencies
- Staffing restructures

4.19 Budget reduction proposals relating to Collaboration and Service Transformation amount to 11.6% of the total reductions. These include remodelling cultural services and adult social care, regulatory services and youth offending services. Policy changes amount to 21.0% and include reducing services to the statutory minimum as well as cutting some discretionary services. The policy change proposals are subject to consultation.

4.20 All of the proposals have implications for the Council workforce given that 69% of the Council's net revenue budget relates to pay costs. It follows that annual real terms reductions in Council budgets over the next four years will lead to a reduced workforce over the MTFs period. The intention is to manage such a reduction through the continuation of a recruitment freeze, redeployment, early retirements and voluntary redundancies, but some compulsory redundancies will continue to be necessary. The costs of redundancies will be significant and the Council will need to ensure there are sufficient funds in earmarked reserves to meet these one off costs.

Corporate Risk Assessment

4.21 The Council's Risk Assessment which identifies the key corporate risks and mitigating actions is attached as Appendix L. The main risks which have been taken into account in the preparation of the MTFs are failure to use resources effectively and achieve the planned reductions target, the impact of welfare reform measures and local government reorganisation and increased support for vulnerable people, including children and their families.

2015-16 Revenue Budget

- 4.22 This section of the report sets out the Council's revenue budget for 2015-16 which forms part of the MTFs. It has been developed using the MTFs principles stated in paragraph 4.9 above.
- 4.23 On 9 December 2014 Cabinet received a report on the Medium Term Financial Strategy 2014-15 to 2018-19, which included a draft revenue budget for 2015-16. This included proposals for increases in budget allocations in specific service areas to meet budget pressures and also budget reduction proposals.
- 4.24 WG agreed its budget and the final settlement on 10 December 2014. The change in Revenue Support Grant in cash terms for Bridgend between the provisional and final settlement is a reduction in funding of £134,000. This is due to:
- Minor changes to some data sets
 - Application of the 2015-16 council tax base in the distribution formula for the final settlement.
- 4.25 Table 7 shows the revenue budget for 2015-16. This includes specific grants transferring into the settlement as outlined in paragraph 3.9.

Table 7 – Revenue Budget 2015-16

	Revised Budget 2014-15	Specific Grant Transfers from WG	School Protection	Pension Changes	Pay / Prices / Demographics	Inescapable Budget Pressures	Budget Reduction Proposals	Revenue Budget 2015-16
	£000	£000	£000	£000	£000	£000	£000	£000
Service Budgets								
Education & Transformation								
Education & Transformation	22,207	353		69	341		-2,281	20,689
Schools	84,748		508				-170	85,086
	106,955	353	508	69	341	0	-2,451	105,775
Social Services & Wellbeing								
Adult Social Care	40,438	483		78	1,580	1,398	-2,787	41,190
Safeguarding	18,381	-12		20	157		-470	18,076
Sport, Play and Active Wellbeing	2,978			4	85		-277	2,790
	61,797	471	0	102	1,822	1,398	-3,534	62,056
Communities	26,570			133	455	243	-2,488	24,913
Resources	14,746			53	333	693	-1,153	14,672
Legal & Regulatory Services	6,532	-22		14	83		-554	6,053
Corporate Budgets								
Capital Financing	10,515						-200	10,315
Levies	7,030						-102	6,928
Repairs and Maintenance	1,150						-50	1,100
CTR Scheme	13,825				622		-193	14,254
Pension Related Costs	1,361			-171				1,190
Insurance Premiums	1,737						-100	1,637
Other Corporate Budgets	2,913	-61		0	-80	936	-400	3,308
Net Budget Requirement	255,131	741	508	200	3,576	3,270	-11,225	252,201

4.26 The net budget will be funded by:

	£
Revenue Support Grant/ Non Domestic Rates	188,409,365
Council Tax Income	63,791,853
Total	252,201,218

Council Tax Implications

4.27 The implications in terms of the Council Tax increase (excluding Police & Crime Commissioner for South Wales and Community Council precepts) are shown in Table 8.

Table 8 – Council Tax Increase 2015-16

2014-15 Average Band D	£1191.87
2015-16 Average Band D	£1249.07
% Increase	4.8%
Weekly Increase	£1.10

Pay, Prices and Demographics

4.28 The additional cost to the Council of the agreed NJC pay award for the period April 2015 to March 2016 is estimated to be £1.897 million (including £452,000 relating to schools) and is allocated to directorate budgets. Funding has also been allocated to the adult social care budget to meet demographic pressures in line with paragraph 4.12 above.

4.29 Price inflation has been allocated to service budgets and includes provision for contractual increases in business rates, food costs, energy costs and other commitments. In addition, provision has been made for the proposed increases in employer pension contributions from 1 April 2015.

4.30 The remaining inflation provision will be retained centrally within corporate budgets and reviewed pending the outcome of any unforeseen demand led contract price inflation in relation to, for example, Out of County Education placement agreements or adjustments which may be required to meet contractual increases where the index is set after the Council's budget is approved.

Delegated Schools Budgets

4.31 The delegated schools' budget has been completely protected from the average 8.5% reductions that other directorates have had to find. The 2015-16 budget provides an additional £508,000 to the schools' budget to meet the Welsh Government's 1% protection commitment.

Unavoidable Pressures

4.32 During 2014-15 a number of unavoidable 2015-16 service budget pressures have arisen totalling £3.270 million, detailed in Appendix B. These have been categorised into one-off pressures, with varying degrees of probability, and more certain and recurring pressures. In total for 2015-16, the recurring pressures total

£2.334 million. The one-off pressures total £936,000 and funding will be retained centrally and allocated to services to meet the cost of these pressures, should they arise during 2015-16.

Budget Reductions

- 4.33 Budget reduction proposals of £11.225 million have been identified from service and corporate budgets to achieve a balanced budget, detailed in Appendix C.

Corporate Budgets

- 4.34 Corporate budgets include funding for the Council tax reduction scheme, costs of financing capital expenditure, the unallocated inflation budget, a central contingency provision, discretionary rate relief, provision for redundancy related costs and the Carbon Reduction Commitment.
- 4.35 The income budget for the Outcome Agreement Grant (OAG), which underpins base budgets by £1.4 million, is also included in corporate budgets. This is a reduction of £14,000 from 2014-15. This is dependent on the achievement of specific outcomes linked to targets set by the authority and agreed with Welsh Government.

Fees and Charges

- 4.36 Generally, income from fees and charges will be increased by CPI (at the prevailing rate, currently 0.5%) plus 1%, subject to rounding, or in line with statutory or service requirements. Schedules of fees and charges will be reported separately, as usual, under Delegated Powers. New charges or charges that have been included above the general increase are shown in Appendix D. A number of new charges are proposed as a consequence of the public consultation exercise, during which the proposals received wide support e.g. credit card charges, parking charges for blue badge holders.

Links to Corporate Priorities

- 4.37 Allocations of the 2015-16 budgets at area of service level are shown in Appendix E. Table 9 summarises how the budget allocations contribute to corporate improvement priorities and support core business, and further details can be found in Appendix F.

Table 9 – 2015-16 Budget by Corporate Improvement Priority

Budget 2015-16 Corporate Improvement Priorities			
Directorate	Corporate Improvement Priorities	Core Business	Total
	£'000	£'000	£'000
Education & Transformation	18,492	2,197	20,689
Schools	84,916	170	85,086
Adult Social Care	38,397	2,793	41,190
Safeguarding & Family Support	17,606	470	18,076
Sport, Play & Active Wellbeing	2,513	277	2,790
Communities	10,838	14,075	24,913
Legal & Regulatory Services	3,835	2,218	6,053
Resources	(1,021)	15,693	14,672
Corporate Budgets	0	38,732	38,732
NET BUDGET REQUIREMENT	175,576	76,625	252,201

Council Reserves

- 4.38 It is proposed that the Council's unallocated balances are maintained at the current level of at least £7 million throughout the MTFS period. Any accrued council tax income for 2014-15 will be used to mitigate unforeseen service pressures including service reconfiguration costs in 2015-16. Also, as part of the 2015-16 budget strategy process, the Council undertook a review of all its earmarked reserves and has developed a protocol for Reserves and Balances. It outlines the principles to assess the adequacy of reserves, rationale for establishing reserves and the monitoring of the reserves. This protocol together with the full details of the earmarked reserves can be found in Appendix G. A summary of the General Fund and Usable Earmarked Reserves is provided below:

Opening Balance 1 April 2014 £'000	Reserve	Movement 2014-15 £'000	Closing Balance 31 March 2015 £'000	Movement 2015-16 £'000	Closing Balance 31 March 2016 £'000
7,395	Council Fund Balance	0	7,395	0	7,395
32,381	Total Earmarked Reserves	(1,578)	30,803	(11,298)	19,505
39,776	Total Usable Reserves	(1,578)	38,198	(11,298)	26,900

Capital Programme and Capital Financing Strategy

- 4.39 This section of the report deals with the proposed Capital Programme for 2015-16 to 2024-25, which forms part of, but extends beyond the MTFS. It also covers the Council's capital financing strategy (including prudential borrowing and capital receipts forecast). Both have been developed in line with the MTFS principles and reflect the Welsh Government capital settlement for 2015-16, which provides general capital funding for the Council for 2015-16 of £6.288 million of which £3.909m is un-hypothecated supported borrowing and the remainder £2.379m as

general capital grant. No indicative allocations have been provided for 2016-17, so for now it is assumed that this level of funding will remain constant for years after 2015-16, but this will be indicative only. The Programme has been revised since it went to Cabinet on 10 February 2015 to take into account one new scheme and an amendment to an existing scheme.

Capital Programme

- 4.40 Development of the proposed Capital Programme has involved a review of the current programme in light of the provisional settlement as well as historical annual allocations to certain service areas e.g. Disabled Facility Grants (DFGs) and Special Regeneration Funding (SRF). Appendix H sets out the revised capital programme by Directorate for the period 2015-16 to 2024-25.
- 4.41 The programme proposed contains a number of significant strategic investment projects that will support a number of corporate priorities, as described below. Appendix I sets out the programme by improvement priority and a summary is shown in Table 10 below.

Table 10 – Capital Programme by Improvement Priority

Improvement Priority	Revised 2014-15	2015-16	2016-17	2017/18 to 2024/25	Total
	£000	£000	£000	£000	£000
1. Developing the Local Economy	5,025	13,772	4,735	3,030	26,562
2. Raising Aspirations and Educational Achievement	9,885	10,497	17,751	9,873	48,006
3. Supporting Children and Families	821	0	0	0	821
4. Helping Vulnerable and Older People to stay independent	4,045	3,134	2,350	18,800	28,329
5. Encouraging Healthy Lifestyles to reduce Health Inequalities	0	0	0	0	0
6. Best Use of Resources	9,111	5,064	0	0	14,175
Addressing Statutory Risks / OBAU	3,870	3,974	1,600	25,677	35,121
TOTAL	32,757	36,441	26,436	57,380	153,014

Raising aspirations and improving educational achievement

- 4.42 The Schools' Modernisation and Investment Programme forms a cornerstone of the corporate priority to raise aspirations and improve educational achievement by improving the learning environment. School modernisation and school improvement complement each other, and well established collaborative arrangements are taking forward strategies to enhance teaching and learning and school leadership, supported by state of the art buildings and the innovative use of new technology. The Welsh Government has committed to fund 50% (£22.475 million) of the total costs for Band A priority projects, through a combination of capital grant and the Local Government Borrowing Initiative. To receive this funding the Council needs to submit detailed business cases for each project including details of how the Council's 50% match funding (£22.475 million) will be provided. Council has

agreed that this would be met from core funding allocations of £5 million, anticipated S106 funding of £4 million and projected receipts from the sale of school and other sites, and central funding, of £13.475 million.

- 4.43 The programme is based on the current estimated expenditure profile over the funding period. This is an ambitious programme and it is essential that the planned capital receipts already committed and ring fenced from the sale of school sites to finance the programme are retained for this purpose. Any change to this commitment would require Council approval.
- 4.44 In the meantime, the following projects have been included in the Council's approved programme, but funding for each project will not be confirmed until Welsh Government approves the final business case and sufficient capital receipts have been generated:

Project	Current Status
Coety / Parc Derwen Primary School	Welsh Government approved the Full Business Case – Under construction
Special Education Needs Provision	Welsh Government approved the Business Justification Case – Under construction
Garw Valley South Primary Provision	Welsh Government approved the Outline Business Case – In design.
Pencoed Primary School	Strategic Outline Case to be submitted in February 2015
Gateway Primary Provision	Welsh Government approved the Strategic Outline Case. Outline Business Case to be submitted to Welsh Government in February 2015. Cabinet approval received to consult on the enlargement and relocation of Brynmenyn Primary School.
Mynydd Cynffig Primary School	Cabinet approval received to consult on the closure of Mynydd Cynffig Infants School and extend the age range of Mynydd Cynffig Junior School to create a primary school
Héronsbridge Special School	Exploring opportunities for additional capacity to meet needs of children with ASD.

Supporting the Local Economy

- 4.45 The proposed capital programme includes a number of projects which will help to support the local economy through infrastructure investment, regeneration and town centre developments.

Leveraging Energy Company Obligation (ECO) into Wales Capital 2014 – 15 grant

- 4.46 This grant of £1.385 million, from the Welsh Government, supports projects to fit energy efficiency measures to properties including external wall insulation, boiler replacement and heating upgrades.

Parc Afon Ewenni

- 4.47 The Parc Afon Ewenni programme is the means by which the Council intends to regenerate and redevelop one of the most important gateways into Bridgend Town and deliver its commitment to support the development of 650 new homes in an identified strategic housing site within the Council approved Local Development Plan. To enable the benefits of the programme to be realised the Council needs to vacate the Waterton site and relocate services currently provided there to alternative sites. Against that background in February 2013 Council approved £1.69 million of funding in the capital programme for the depot rationalisation project associated with the Parc Afon Ewenni programme. The initial allocation was only to meet the costs of refurbishment of the Bryncethin offices to accommodate the “building” element of the depot function. It did not specifically include removal costs or relocation costs, such as the salt barn, warehousing, or furniture costs as these had not been evaluated at that time.
- 4.48 On 3 February 2015 Cabinet received a report which explained how the depot project has developed since the original funding approval was given. In particular, the report detailed how the scope of the project had widened considerably following detailed feasibility and the capital funding requirements had therefore also significantly increased. The Cabinet report evaluated the range of options that officers considered in seeking the most cost effective means of relocating the whole depot function, taking into account that the original proposal to relocate to Bryncethin site was the most expensive of the options identified. Cabinet approved the recommendation to purchase a vacant warehouse at Eastern Business Park, Bridgend Industrial Estate, with an adjacent plot of land and to relocate the depot function there. Under this proposal, once vacated the Bryncethin site would be declared surplus (excluding the Customer and Community Support Unit which would remain) and could be disposed of to deliver a capital receipt to support the Capital programme. This would be in addition to the substantial capital receipt from the sale of the land at Waterton in due course, once the site has been vacated by the depot and County Borough Supplies by April 2016.
- 4.49 The Depot Relocation cannot be achieved within the existing budget which is currently £1.69 million with spend to date of £60,000. Council is requested that the additional capital funding required for the option chosen by Cabinet, which amounts to £2.746 million including the cost of the warehouse and adjacent land purchase referred to in 4.48 above, be included within the Capital Programme and met from a combination of earmarked reserves for capital expenditure and realised capital receipts.

Capital Minor Works

- 4.50 The capital programme includes an annual allocation of funding to tackle the backlog of capital minor repairs and maintenance works in the Council’s existing buildings and non-buildings infrastructure, as well as energy management, fire prevention and DDA capital schemes. A similar budget is also available in the revenue budget to tackle revenue related works. The allocation proposed for 2015-

16 for capital minor works remains at £1.1million. However, it is proposed to top-slice the revenue budget by £50,000 in 2015-16, as in 2014-15, to fund prudential borrowing to the value of £500,000 to enable the Council to progress major packages of repair.

- 4.51 Outline proposals have been developed for a number of projects linked to council priorities which will be considered for inclusion in the capital programme following the preparation of detailed business plans and once further capital funding becomes available.

Capital Programme Fixed Allocations

- 4.52 The Capital Programme contains a number of fixed annual allocations which are shown in Table 11 below.

Table 11 – Current Annual Allocations of Capital Funding

	2014-15 £'000	2015-16 £'000	2016-17 £'000	2015-16 as %age of GCF
Highways Capitalised Repairs	200	200	200	3.2%
Transportation Capitalised Repairs	250	250	250	3.4%
Disabled Facilities Grant	2,350	2,350	2,350	37.4%
Housing Renewal Schemes	100	100	100	1.6%
Special Regeneration Funding	540	540	540	8.9%
Minor Works	1,100	1,100	1,100	17.5%
Community Projects	50	50	50	0.8%
Total	4,590	4,590	4,590	72.8%

- 4.53 Against the background of the reductions in capital funding, these annual allocations have been reviewed and the following proposed for the 2015-16 capital programme:

- Highways and Transportation Capitalised Repairs – unchanged now that the Local Government Borrowing Initiative has come to an end;
- Minor works – £1.1 million core funding plus £500,000 funded from prudential borrowing, to help address the backlog of maintenance requirements in existing property assets;
- Housing Renewal and DFGs – Cabinet agreed in November 2013 to allow this funding to be used for two additional grants - the Healthy Home Assistance and Homes in Town grants. It is proposed to keep these allocations at existing levels;
- Strategic Regeneration Fund (SRF) allocations are committed to projects up to 2016-17. However, following announcement of the Welsh Government's Structural Funding Programme 2014-20, and the additional funding that can be secured using the SRF as matched funding, it is proposed to extend the period of matched funding in the capital programme up to and including the 2020-21 financial year.
- Since 2008-09 Town and Community Councils have been able to apply for match funding from the Council for local projects and as a result a number of

worthwhile community projects have been developed. Funding of £50,000 has been allocated for 2015-16.

Capital Financing Strategy

- 4.54 The Capital Financing Strategy is underpinned by the Council's Treasury Management Strategy. The two key principles used in the Capital Financing Strategy are:
1. Decisions on the treatment of surplus assets are based on an assessment of the potential contribution to the revenue budget and the capital programme.
 2. Prudential borrowing is only used to support the capital programme where it is affordable and sustainable within the Council's overall borrowing limits and the revenue budget over the long term.

Capital Receipts

- 4.55 The Council estimates that around £19 million of capital receipts could be generated over the next three years, of which £6 million is expected to be realised in 2015-16. Of the £19 million, £9.5 million relates to school buildings vacated through the 21st Century Schools Programme, to be used as match funding for the programme. It also includes receipts anticipated from Glanogwr offices, industrial units, and the Waterton site along with the sale of other surplus sites within the County Borough. Receipts are subject to the exchange of contracts, so it is prudent not to commit them until we have a contractual agreement. However, the capital programme does assume £11 million of anticipated capital receipts from the sale of school sites as this was a Welsh Government requirement as part of the match funding for the 21st Century Schools Programme. Confirmation of these receipts will be required before contracts can be awarded for these projects.

Prudential Borrowing

- 4.56 Prudential Borrowing totalling £34.6 million was approved by Council on 27 February 2014 along with an additional £2.1 million to carry out works on the Highways Infrastructure and approximately £6.6 million between 2014-15 and 2016-17 towards the costs of the 21st Century Schools Programme under the Local Government Borrowing Initiative. It is proposed that this borrowing be increased by a further £0.5 million to allow for additional capital minor works.
- 4.57 The Welsh Government has now confirmed its LGBI funding for the 21st Century Schools Programme (£5.6 million) and after taking into account minor adjustments in prudential borrowing requirements on existing schemes, this will take the overall level of approved Prudential / Unsupported Borrowing to a minimum of £41.5 million by the end of 2016-17. This does not include the £2.5 million loan, from the Welsh Government Central Capital Retained Fund, to develop sites in the Llynfi Valley.

Treasury Management Strategy 2015-16

- 4.58 The Prudential Code for Capital Finance in Local Authorities (fully revised 2011) requires the Council to set a number of Treasury Management Indicators and report

them within the Treasury Management Strategy. The Council is required, prior to the start of the financial year, to approve the Treasury Management and Investment Strategies for 2015-16, and the Treasury Management and Prudential Indicators for the period 2015-16 to 2018-19. These are included in the Treasury Management Strategy 2015-16, attached as Appendix K. The indicators either summarise the expected activity or introduce limits upon the activity, reflect the underlying capital programme and provide assurance that capital investment decisions are affordable, prudent and sustainable.

5. Effect on Policy Framework and Procedure Rules

- 5.1 The budget setting process is outlined within the Council's Constitution and Financial Procedure Rules.

6. Equality Impact Assessment

- 6.1 The proposals contained within this report cover a wide range of services and it is inevitable that the necessary budget reductions will impact on the local population in different ways. In developing these proposals, consideration has been given to their potential impact on protected groups within the community and on how to avoid a disproportionate impact on people within these groups.
- 6.2 A high level equality impact assessment (EIA) has been undertaken on the Council's budget proposals and updated MTFS (see Appendix J). EIAs have been completed for individual 2015-16 proposed budget reduction proposals which may impact on certain groups of citizens within the County Borough.

7. Financial Implications

- 7.1 This report outlines the financial issues that Council is requested to consider as part of the 2015-16 to 2018-19 MTFS. The Council's Chief Financial Officer is required to report annually on the robustness of the level of reserves. The level of Council reserves is sufficient to protect the Council in light of unknown demands or emergencies and current funding levels. It must be emphasised that the biggest financial risks the Council is exposed to at the present time relate to realising unplanned budget reduction proposals in future years and the unknown impact of national legislative changes, further collaborations and local government re-organisation. Therefore, it is imperative that the council fund balance is kept at the current level over the term of the MTFS and essential that revenue service expenditure and capital expenditure is contained within the identified budgets.
- 7.2 The Chief Financial Officer is also required to report to Council if he/she does not believe that he/she has sufficient resource to discharge his/her role as required by s114 of the Local Government Act 1988. Members should note that there is sufficient resource to discharge this role.
- 7.3 The budget includes estimates which take into account circumstances and events which exist or are reasonably foreseeable at the time of preparing the budget. The budget has been prepared following consultation with Members, the School Budget Forum and service managers. Subject to the risks identified in the body of the report the MTFS provides a firm basis for managing the Council's resources for the year 2015-16 and beyond.

8. RECOMMENDATIONS

8.1 Council is asked to approve the MTFS 2015-16 to 2018-19 including the 2015-16 revenue budget, the Capital Programme 2015-16 to 2024-25 and the Treasury Management Strategy 2015-16. In particular it is asked to approve the following specific elements:

- The MTFS 2015-16 to 2018-19
- The Net Budget Requirement of £252,201,218 in 2015-16.
- A Band D Council Tax for Bridgend County Borough Council of £1249.07 for 2015-16.
- The 2015-16 budgets as allocated in accordance with Table 7 in paragraph 4.25.
- The Capital Programme 2015-16 to 2024-25 (Appendix H).
- The Treasury Management Strategy 2015-16 and Treasury Management and Prudential Indicators 2015-16 to 2018-19 (Appendix K).

Ness Young CPFA
Section 151 Officer and Corporate Director - Resources
February 2015

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Background Papers:
Final Local Government Revenue and Capital Settlements 2015-16
Cabinet Report – MTFS 2015-16 to 2018-19
Provisional Local Government Revenue and Capital Settlements 2015-16
Cabinet Report – MTFS 2015-16 to 2018-19 - 16 September 2014

4 Year Budget Forecasts 2015-16 to 2018-19				
	Budget 2015-16	Indicative Budget 2016-17	Indicative Budget 2017-18	Indicative Budget 2018-19
Service Budgets	£000	£000	£000	£000
Education& Transformation	20,689	18,879	18,214	17,814
Schools	85,086	84,336	82,936	81,936
Adult Social Care	41,190	38,805	37,660	37,620
Safeguarding	18,076	16,911	16,091	16,091
Sport, Play & Active Wellbeing	2,790	2,494	2,494	2,494
Communities	24,913	22,980	22,879	22,879
Resources	14,672	13,632	13,367	13,142
Legal and Regulatory Services	6,053	5,414	4,836	4,836
Other Proposed Budget Reductions		-2,052	-6,288	-10,677
Savings yet to be found		-796	-3,749	-9,458
	213,469	200,603	188,440	176,677
Corporate/ Other Budgets				
Council Tax Reduction (CTR) Scheme	14,254	14,904	14,904	14,904
Repairs and Maintenance	1,100	1,000	1,000	1,000
Levies	6,928	6,928	6,928	6,928
Capital Financing	10,315	10,215	10,215	10,215
Corporate Budgets	4,307	5,103	5,203	5,403
Target Savings to be identified				
Inflationary/Other Pressures	1,828	7,840	14,800	21,765
	38,732	45,990	53,050	60,215
Net Budget Requirement	252,201	246,593	241,490	236,892

Assumptions:

1. Projections for demographic changes, including an ageing population and an increasing number of young people with complex disabilities living into adulthood and adding progressively to the demand for care.
2. Inflationary uplifts to support specific contractual commitments.
3. Provision for inflationary uplifts to support specific contractual commitments and a pay award of 2.2% for 2014-16.
4. Inflation for energy costs of 6.2% based on notification of known increases and projected forward pricing.
5. The potential impact of national policies and new legislation not accompanied by commensurate funding e.g. Welfare Reform Bill, Social Services and Wellbeing Act, Housing Act and auto enrolment related to the provision of employee pension schemes.
6. A projected increase of 0.2% in 2015-16, 0.3% in 2016-17 and a further 0.2% in 2017-18 in employers' pension contributions resulting from the triennial Actuarial Valuation. There are additional increases in employers' contributions for teachers' pensions of 2.3%.
7. The removal of the National Insurance Contribution rebate as a result of the introduction of the single tier state pension in April 2016.
8. Fees and Charges will increase by the statutory minimum or CPI (at prevailing rate, currently 0.5%) plus 1%.
9. Services will absorb within budgets non contractual inflationary pressures of up to the prevailing CPI rate.

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Ref	Service Area	Improvement Priority	Comment	Recurring pressure	One-off Pressure
Social Services and Wellbeing					
SSW1	Agency Social Workers	IP3	Every year vacancies arise across the Safeguarding service which, due to the nature of the service, cannot be left unfilled. There has also been a shortage of experienced social workers across the teams which has meant that high cost (experienced) agency workers have been required to complete complex child protection and court work, in addition to cover being required for sickness and maternity. This one off pressure will ensure continuity of service provision prior to the review of the current Safeguarding team structure and all posts being successfully filled.	0	112
SSW2	Adoption	IP3	The number of adoptions has increased in recent years as the service strives to reduce the number of looked after children. The cost of inter-agency adoptions has also increased and this has put additional pressure on the budget. The service budget will fund the staffing and other fixed costs of the new Western Bay adoption service in 2015-16, along with an anticipated number of independently commissioned placements, but this will be in excess of current budget. As the service goes forward the costs are anticipated to reduce, so the reserve will be established to meet the one-off pressure.	0	292
SSW3	Mental Health	IP4	Rising incidence of mental health problems There is a growing number of people who are suffering mental ill health, particularly linked to substance misuse. This is a volatile service area which has seen patterns over the last 2 years of more complex needs due to increasing co-incidence of alcohol and drug misuse and criminality. The outcome is increased intensity, complexity, frequency and unpredictability of needs placing significant pressures onto Social Services Budgets. The growth for 2015-16 provides for the continuation of the increasing need for residential placements. The growth figure is based on current levels of expenditure and demand increases in this area. A similar trend has been assumed in future years.	70	0
SSW4	Direct Payments	IP4	Between 2008/09 and 2014 the take up of Direct Payments has more than tripled whilst the actual financial cost has increased by 240%. This upward trend is continuing. Based on the latest DP position there are 141 DP cases plus an additional 25 pending. The projected committed costs from these cases matches the current 2014-15 budget should there be no further cases coming forward. The projected spend for current cases in 2015-16, not allowing for the increase in numbers, is £28k over current budget provision. Growth is therefore needed to meet the expected increase in numbers, with spend anticipated to increase at the current rate.	400	0

Budget Pressures 2015-16

Ref	Service Area	Improvement Priority	Comment	Recurring pressure	One-off Pressure
SSW5	Older People Residential Care	IP4	Increased cost of provision following withdrawal of HC1. Clients have had to be re-located to other provision at a higher cost.	120	0
SSW6	Deprivation of Liberty Standards Legislation	IP4	This new piece of legislation will require local authorities to apply for DoL registrations across a range of services. The cost has been estimated on the basis of 400 applications being required at a cost of £400 each. However, much of the cost will be of a one-off nature on a rolling assessment basis.	8	77
SSW7	Learning Disability & Mental Health	IP4	A review is currently underway in relation to sleep-in arrangements, which may result in a cost pressure. A budget adjustment may be needed to meet this cost pressure.	800	0
TOTAL				1,398	481

Communities

COM1	Waste Management	IP6	Additional funding to meet potential increased costs for waste.	0	320
COM2	Residual Waste	IP6	Increase in tonnage at MREC	0	135
COM3	various	IP6	The removal of the general and overhead charges included within the charge out rates for some internal staff costs following new guidance published by CIPFA has resulted in a budget pressure on revenue accounts within the Communities Directorate. However, a process has begun to identify any other potential staff costs that can be capitalised where a direct contribution to specific capital schemes can be evidenced.	243	0
TOTAL				243	455

Resources

RES1	Property	IP6	Following vacation of V2C, Bryncethin accommodation is being used by BCBC staff so cannot be relet, resulting in pressure of £100k pa	100	0
RES2	ICT	IP6	Increase in cost of enhanced Community Care IT system	75	0

Budget Pressures 2015-16

Ref	Service Area	Improvement Priority	Comment	Recurring pressure	One-off Pressure
RES3	various	IP6	The removal of the general and overhead charges included within the charge out rates for some internal staff costs following new guidance published by Cipfa has resulted in a budget pressure on revenue accounts within the Resources Directorate. However, a process has began to identify any other potential staff costs that can be capitalised where a direct contribution to specific capital schemes can be evidenced.	379	0
RES1	Finance	IP6	Grant from the DWP for administration of Housing Benefit and Welfare Reform has been reduced by 15% from 2013-14. This has not been matched by a corresponding reduction in volume of work, which has actually increased due to the number of changes of circumstances processed.	139	0
	TOTAL			693	0
TOTAL BUDGET PRESSURES				2,334	936

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Budget Reduction Proposals 2015-16 to 2018-19

Ref.	Links to Population Outcome	Improvement Priority	Categories	Budget Reduction Proposal	Impact	Budget 2014-15 £'000	Total Budget Reduction as % of 2014-15 Budget	Indicative 2015-16 £000	Indicative 2016-17 £000	Indicative 2017-18 £000	Indicative 2018-19 £000	Reason for 2015-16 RAG status (Red / Amber only)
KEYS			IMPROVEMENT PRIORITY			CATEGORIES						
RAG STATUS			IP1 - Developing the local economy			BUR- Making Best Use of Resources						
RED Proposals in Development			IP2 -Raising aspirations and driving up educational achievement			MSR- Managed Service Reductions						
AMBER Implementation Plan in Development			IP3 -Supporting young people & families			CST - Collaboration and Transformation						
GREEN Implementation Plans Developed			IP4 -Helping the vulnerable and older people to stay independent			PC - Policy Changes						
			IP5 -Encouraging healthy lifestyles to reduce health inequalities									
			IP6 -Making Best Use of Resources									
			OBAU -Other Business as Usual									
EDUCATION & TRANSFORMATION												
EDUCATION												
CH1	Wise	IP2	MSR	Out of County budgets - reduction of Education costs by returning children with additional needs to in-house provision with additional support if required	Potentially, the needs of children will not be totally met. Currently children's complex needs are met out of county and therefore bringing these in-house will require additional provision	1,513	13%		200			
CH2	Healthy	IP3	CST	Youth Offending Service Collaboration	The service will need to be remodelled across three authorities. Potential reduction of posts and redundancies	391	38%		150			
CH3	Corporate Business	IP2	BUR	Retender Learner Transport contracts	Lower cost contracts may result in reduced quality of service	4,969	10%	400	100			
CH4	Corporate Business	IP2	MSR	Rationalise Special Education Needs transport	Children with special educational needs may see changes to their current modes of transport	1,583	16%	100	150			
CH5	Corporate Business	IP2	PC	Review of Learner Transport Policy regarding statutory distances for free travel	The number of children receiving free transport will reduce.	4,969	10%		250	240		
CH6	Corporate Business	IP2	PC	Review of learner transport policy regarding charging for post 16 transport	Charged transport will no longer be subsidised. Parents/pupils will be expected to pay more	312	24%		50	25		
CH7	Corporate Business	IP2	PC	Increase charges for paid places on home to school transport	Charged transport will no longer be subsidised. Parents will be expected to pay more	25	100%		25			
CH8	Wise	IP2	BUR	Review of learner transport policy - Cease provision of non statutory free post-16 transport	The number of post-16 learners receiving free transport will reduce.	4,969	18%		300	200	400	
CH9	Wise	IP2	BUR	School transport route efficiencies	Minimal impact. More efficient routes to be identified	4,969	12%	200	200	200		
CH10	Wise	IP3	MSR	Realign On-Track with multi-agency community team provision	The function has been absorbed within wider children services, however there were staff redundancies.	100	100%	100				
CH12	Healthy & Wise	OBAU	MSR	Reduction catering service budget	Minimal impact. Recent trends suggest targeted income levels can be maintained	859	23%	200				
CH13A	Corporate Business	IP6	BUR	Staff Restructures - Business Support functions	Potential redundancies and reduction in the level of support provided to service areas	1,456	21%	310				
CH14A	Corporate Business	IP6	BUR	Reduce non staff budgets across directorate including performance management costs	Reduced budget to spend on resources	60	75%		45			
CH15	Healthy & Wise	IP2	BUR	Staff Restructure - Inclusion and Additional Learning Needs	Potential redundancies and reduction in the staffing resources available	3,240	3%		100			
CH16	Healthy & Wise	IP3	BUR	Restructure Senior Leadership - Children's Directorate	Reduced leadership capacity within the directorate	75	100%		75			
CH17,23,24	Healthy & Wise	IP3	BUR	Remodel integrated working and family support service	Restructure of service. Potential redundancies	1,338	41%	545				Status is amber as restructure has not been completed and therefore exact budget reductions cannot be identified as yet.
CH18	Wise	IP2	MSR	Review provision of the County Music Service	The music service will no longer be subsidised by the authority	40	100%	40				
CH19	Wise	IP2	BUR	Accommodation costs in relation to Youth Service currently based at Tondou	No impact. More efficient use of accommodation	80	100%	80				

Budget Reduction Proposals 2015-16 to 2018-19

Ref.	Links to Population Outcome	Improvement Priority	Categories	Budget Reduction Proposal	Impact	Budget 2014-15 £'000	Total Budget Reduction as % of 2014-15 Budget	Indicative 2015-16 £000	Indicative 2016-17 £000	Indicative 2017-18 £000	Indicative 2018-19 £000	Reason for 2015-16 RAG status (Red / Amber only)
CH20	Corporate Business	IP6	BUR	Review all temp posts across the directorate/Vacancy Management	Directorate staff leavers will not be replaced. Staff resources will reduce	0		100				The proposal is reliant on staff leaving their posts and not being replaced. Therefore until vacant post budgets equal the value of budget reduction, status will remain as amber.
CH26	Wise	IP2	BUR	Propose for schools to fund all copyright licenses	Schools will have to pay for licenses that the directorate currently funds	50	100%	50				
CH28	Wise	IP3	BUR	Remodel Childcare team	Reduction in monitoring and support for private nursery settings	217	33%	72				
CH29	Wise	IP3	BUR	Remodel Youth Service Counselling Function for Schools	Reduced youth service counselling provision	204	25%		50			
CH30	Wise	IP3	BUR	Remodel Educational Psychology Service which includes statementing	Restructure of service. Potential redundancies. Schools will also be expected to pay for additional services where required.	404	12%		50			
CH31	Wise	IP3	BUR	Remodel Looked After Children Education (LACE) Team	Restructure of service. Potential redundancies	65	100%		65			
CH32 (previously part of RES16)	Corporate Business	OBAU	BUR	Review of the Corporate Project Group	Less project management support to Directorates from the Corporate Team	227	37%	84				
				Total Education and Transformation central				2,281	1,810	665	400	
SCHOOLS												
CH11	Wise	IP2	BUR	Progress School modernisation programme which includes rationalisation of nursery provision	More efficient use of physical resources i.e. schools. Possible amalgamations	84,748	0%	170				
SCH2	Wise	IP2	MSR	Reduction in school budgets	Reduction in school budgets	84,748	1%		750			
SCH4	Wise	IP2	PC	Schools task group review of surplus places and school provision	Schools task group review of surplus places and school provision	84,748	0%				1,000	
SCH5	Wise	IP2	PC	Nursery provision - Reduction in early years provision from full time to part time as per statutory minimum.	Reduction of nursery provision to its statutory minimum	84,748	2%			1,400		
				Total Schools				170	750	1,400	1,000	
				Total Education & Transformation Directorate				2,451	2,560	2,065	1,400	

Budget Reduction Proposals 2015-16 to 2018-19

Ref.	Links to Population Outcome	Improvement Priority	Categories	Budget Reduction Proposal	Impact	Budget 2014-15 £'000	Total Budget Reduction as % of 2014-15 Budget	Indicative 2015-16 £000	Indicative 2016-17 £000	Indicative 2017-18 £000	Indicative 2018-19 £000	Reason for 2015-16 RAG status (Red / Amber only)
SOCIAL SERVICES & WELLBEING												
ADULT SOCIAL CARE												
ASC1	Healthy & Wise	IP4	CST	Focus local authority homecare on specialist and complex care	Focus in-house homecare provision on specialist and complex care and retain 2,268 hours to achieve this. Commission the remaining 2,132 hours from the independent sector to deliver more generic packages of care	3,781	18%	307	357			
ASC2	Healthy & Wise	IP4	CST	Support increased independence through enablement and progression in Learning Disability services	The reviews of care packages will include a consideration of the authorities statutory obligation to provide support and that which the service user could fund themselves. Advice has been sought from the legal team and these reviews will be done on an individual basis and based on a needs assessment.	4,763	9%	220	220			An implementation plan is in place and Cabinet has agreed the re-tender of the independently provided supported living service, the outcome of which will inform this reduction.
ASC3	Healthy & Wise	IP4	PC	Link the work on the new assessment framework to the new national eligibility criteria as part of the Social Services and Wellbeing Act ensuring timely	The case for new ways of working has been laid down by the Social Services and Wellbeing Act (2014). In the coming years the wellbeing directorate will be developing the best solutions for delivering services that meet service users' needs and expectations flexibly while providing value for money.	17,251	15%	1,399	1,155			This is a significant savings target for the service considering the increasing demand on services. A continued programme of change is being delivered to achieve this saving.
ASC4	Healthy & Wise	IP4	BUR	Consolidation of Adult Day Services premises	No impact - this represent the residual savings from service consolidation	318	6%	20				
ASC5	Healthy & Wise	IP4	BUR	Service efficiencies - work related schemes	A staff and management restructure will be completed by March 2015. Discussions are taking place with the Communities Directorate about Bleaf and WoodB joining the development of the Cultural trust.	332	40%	67	67			
ASC6	Healthy & Wise	IP4	BUR	Management, Admin and Training Implement measures to achieve 7% and 5% across the 2 years	There will be a low impact on the public.	24,024	2%	215	153			Significant savings have already been achieved in these areas to date. Reviews of the workforce are underway which will inform the detail plan to support this saving
ASC7	Healthy & Wise	IP4	CST	Reprovision and remodelling of Shared Lives	There will be minimal impact of this on families and service users.	422	32%	135				Following a recent tender exercise an implementation plan needs to be developed with the new provider.
ASC8	Healthy & Wise	IP4	BUR	Reduction in sickness across services	No impact on the public	220	45%	50	50			
ASC9	Healthy & Wise	IP4	MSR	Review CHC-eligible cases to secure appropriate contribution to packages of care	In October 2014 Welsh Government introduced new guidance for meeting the eligibility for NHS Continuing Health Care (CHC). As part of this renewed guidance it is likely that some current service users who have a primary health care need who were previously excluded may become eligible for NHS CHC support.	Cross service budget		70	70			Project team established to implement long term planned approach.
ASC10	Healthy & Wise	IP4	BUR	Develop income stream for specialist Mental Health placements at Glyn Cynffig	There is currently a service review underway for this care provision, one of the areas being explored could be the potential generation of income for the directorate from other public sector organisations.	113	91%	15	15	73		A review is ongoing. No decisions reached at this stage.
ASC11	Healthy & Wise	IP4	BUR	Income Generation at Ael Y Bryn	A charging and service provision agreement will be put in place for potential customers of this service	334	81%	95	174			This reduction is dependent on other authorities contracting to place a service user in this unit

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Ref.	Links to Population Outcome	Improvement Priority	Categories	Budget Reduction Proposal	Impact	Budget 2014-15 £'000	Total Budget Reduction as % of 2014-15 Budget	Indicative 2015-16 £000	Indicative 2016-17 £000	Indicative 2017-18 £000	Indicative 2018-19 £000	Reason for 2015-16 RAG status (Red / Amber only)
ASC12	Healthy & Wise	IP4	BUR	Continued efficiencies within LD Day Services	A staff restructure is being implemented and an options appraisal for the future management arrangements of the service is being produced	1,560	10%	35	6	80	40	
ASC13	Healthy & Wise	IP4	BUR	Remodel Meals at Home service.	The Council remains committed to the provision of quality meals at home to people living in their own homes, who are assessed as needing a meal and who are unable to provide this for themselves. A current review is underway that is exploring different models of service delivery and provision in order to do this in a sustainable way	122	100%	122				A review of the service has been completed. There is a savings plan for 2015/16 and a longer term option is being developed
ASC15	Healthy & Wise	IP4	BUR	Achieve transport efficiencies	There will be no impact on staff or service users by this arrangement which involves some of the in-house routes being provided by a community transport organisation.	784	7%	37	18			
ASC17	Healthy & Wise	IP4	MSR	Managed Service Reductions Residential & Respite Care	A review of the level of residential respite care provided to individuals may impact on the level of service received.	8,131	4%			356		
ASC18	Healthy & Wise	IP4	PC	Development of Extra Care Housing	Impact - service users There will be a full consultation with service users and their families throughout the process. Impact - staff The development of ECH will mean a change in the care model from residential to domiciliary care, staff will be fully consulted throughout the transformation process.	1,851	17%			315		
ASC19	Healthy & Wise	IP4	MSR	Develop a Delivery Model for the Bridgend Resource Centre	A working group has been established and project management arrangements are being developed.	1,227	9%			111		
ASC20	Healthy & Wise	IP4	PC	Introduce charges for supplementary holiday support in Learning Disabilities	Implementation of this process will bring a consistent model across all learning disability support living services	Cross service budget			100			
ASC21	Healthy & Wise	IP4	MSR	Transfer Family Care Service to the Community Hubs	A transfer plan will be produced during 2014/15	232	91%			210		
				Total Adult Social Care				2,787	2,385	1,145	40	

Ref.	Links to Population Outcome	Improvement Priority	Categories	Budget Reduction Proposal	Impact	Budget 2014-15 £'000	Total Budget Reduction as % of 2014-15 Budget	Indicative 2015-16 £000	Indicative 2016-17 £000	Indicative 2017-18 £000	Indicative 2018-19 £000	Reason for 2015-16 RAG status (Red / Amber only)
SAFEGUARDING AND FAMILY SUPPORT												
CH22	Healthy and Wise	IP3	PC	Remodelling of Childrens Residential Care	Reduction in the number of residential care beds provided within the authority and an increases in evidenced based therapeutic interventions to prevent the need for children to come into residential care	1,241	73%	200	400	300		A project team is being initiated to review provision of respite service.
CH25	Wise	IP3	BUR	Reduction in Safeguarding LAC numbers and related reduction in costs	It is envisaged that costs can be reduced if children at risk can be identified early and alternative support be provided instead of them becoming 'Looked after'	11,140	10%		585	520		
CH27	Wise	IP3	BUR	Remodel and restructure safeguarding management arrangements	Reduced leadership capacity within the directorate	3,864	5%	50	160			
CH13B	Corporate Business	IP6	BUR	Staff Restructures - Business Support functions	Potential redundancies and reduction in the level of support provided to service areas	835	20%	170				
CH14B	Corporate Business	IP6	BUR	Reduce non staff budgets across directorate	Reduced budget to spend on resources	10,650	0%		20			
CH20B	Corporate Business	IP6	BUR	Review all temp posts across the directorate/Vacancy Management	Directorate staff leavers will not be replaced. Staff resources will reduce	7,731	1%	50				Significant savings have already been achieved in these areas to date. Reviews of the workforce are underway which will inform the detail plan to support this saving
Total Safeguarding and Family Support								470	1,165	820	0	
SPORTS , PLAY & ACTIVE WELLBEING												
HL1	Healthy	IP5	CST	Reduction in costs relating to sport, play and leisure	Will have no impact on service users as can be achieved via staffing reconfiguration.	131	23%	30				
HL2	Healthy	IP5	BUR	Review Healthy Living Partnership Contract	Decisions would be needed following presentation of options and consideration of financial penalties and capital claw-back.	2390	8%		181			
HL3	Healthy	IP5	CST	Continued savings associated with the Halo leisure partnership	None if the business plan can continue to be delivered with reduced financial support from the Council	2390	14%	247	80			
HL4	Healthy	IP5	MSR	Review of Lifeguard services to consider length of season and beach coverage.	Removing the lifeguard service would reduce support for rescues, assists, advice, first aid and lost children. Partnership with lifeguarding clubs would increase voluntary patrolling arrangements alongside paid cover for school holiday periods.	137	17%		23			
HL5	Healthy	IP5	MSR	Transfer management of Porthcawl dual use hall to school management	Potential withdrawal of facility for community use or increase in pricing by School. Usage is low, in comparison to other sites, and could be managed by School.	12	100%		12			
Total Sports , Play & Active wellbeing								277	296	0	0	
Total Social Services & Wellbeing Directorate								3,534	3,846	1,965	40	

Budget Reduction Proposals 2015-16 to 2018-19

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Ref.	Links to Population Outcome	Improvement Priority	Categories	Budget Reduction Proposal	Impact	Budget 2014-15 £'000	Total Budget Reduction as % of 2014-15 Budget	Indicative 2015-16 £000	Indicative 2016-17 £000	Indicative 2017-18 £000	Indicative 2018-19 £000	Reason for 2015-16 RAG status (Red / Amber only)
COMMUNITIES												
COM1	Corporate Business	OBAU	BUR	Procure by competitive tendering and in accordance with the provisions of a MOU between BCBC and NPTCBC, a contractor to operate and managing the MREC	Nil Public Impact	4,347	12%	300	235			Ongoing procurement exercise. Results of tender will not be known until later in the calendar year.
COM3	Wealthy	IP6	BUR	Reduce net running costs of Bridgend Bus Station by reviewing service provision	Potential departure charges implemented for all bus operators and review of staffing posts.	177	23%	40				
COM4	Place	OBAU	BUR	Review staffing structures within the Communities Directorate to identify possible savings	Development - at this level we will be implementing an 'English-style planning service for planning applications, with minimal customer contact'. Regeneration - reduction in budgets will mean we will be doing less to attract investment, create jobs and supporting the local economy to grow. Sustainable Development - No future support for Eco Schools, Fair Trade schools or Forest Schools.	18,987 (staffing budget for Communities Directorate as a whole)	5%	544	431			
COM5	Corporate Business	IP6	CST	Savings anticipated from proposed collaboration with SWP on a joint vehicle maintenance facility	Savings predicated upon shared managerial/operational staff	-62	N/a - Fleet has a net income budget	75				Report being submitted to Cabinet on the 3rd Feb
COM6	Corporate Business	OBAU	MSR	Review of public conveniences	The rationalisation of public toilets will help the council focus on maintain higher quality services to the most used public toilets	201	25%	50				
COM7	Place	OBAU	MSR	Review of Grounds Maintenance & Bereavement Services	The introduction of wild meadow flowers to some grassed areas accompanied by a reduction in grass cutting will give a more natural look to verges and grassed areas, with less neatly cut and mown verges. Sports pitches and bowling greens will receive less maintenance with some possibly closing. Changes to the provision of park pavilions will also be required. Budget reductions attached to Bereavement Services may lead to a reduction in general grounds maintenance activities and standards at cemeteries.	1,626	33%	437	100			Review of staffing structures/ management and operational arrangements currently ongoing.
COM8	Corporate Business	OBAU	BUR	Review of car parking charges - staff and long/short term stay car parks	<ul style="list-style-type: none"> May displace cars to on-street or non local authority car parks Could reduce car park users but increase cycling or public transport use 	-968	6%	60				Development of Car Parking Strategy ongoing
COM9	Corporate Business	IP6	BUR	Review of Highways maintenance/DLO Services	<ul style="list-style-type: none"> Reduced service levels and worsening state of repair to roads and structures Reduction in bus services Reduced ability to respond to emergency events 	7,624	16%	308	917			Review of staffing structures/ management and operational arrangements currently ongoing.
COM10	Place	OBAU	BUR	Public to purchase their own black refuse bags to an appropriate specification.	The public are asked to meet the cost of black refuse sacks by purchasing their own sacks from local retail outlets.	N/a	N/a - New charge	50				Detailed specification on the acceptable presentation of waste at the kerbside to be developed.

Budget Reduction Proposals 2015-16 to 2018-19

Ref.	Links to Population Outcome	Improvement Priority	Categories	Budget Reduction Proposal	Impact	Budget 2014-15 £'000	Total Budget Reduction as % of 2014-15 Budget	Indicative 2015-16 £000	Indicative 2016-17 £000	Indicative 2017-18 £000	Indicative 2018-19 £000	Reason for 2015-16 RAG status (Red / Amber only)
COM11	Place	OBAU	BUR	Implementation of charging for Blue Badge Holders for Car Parking	<ul style="list-style-type: none"> Potential to displace vehicles on-street Brings BCBC in-line with other local authorities 	N/a	N/a - New charge	165				
COM12	Place	OBAU	BUR	Review of staffing structures within Housing & Regeneration	Residents will not benefit from accessing WG funding for energy efficiency measures.	£2.270m (staffing budget for Housing & Regeneration as a whole)	2%	40				
COM13	Place	OBAU	BUR	Review of School Crossing Patrol service in line with GB standards.	Reduction in SCP provision across the Borough	120	50%	60				Report being submitted to Cabinet on the 3rd Feb
COM14	Place	OBAU	BUR	Bereavement services - implement fee strategy to remove BCBC current subsidy	Higher charges for the provision of burial services, at Council maintained cemeteries will ensure that the standards of grounds maintenance are maintained at current levels.	95	55%	52				Development of Fee strategy on-going
COM15	Corporate Business	IP6	BUR	Staffing restructures in Elections	This would reduce staffing levels by one post in a small team resulting in some delays in processing applications to register to vote and impact on the preparation for the delivery of local and national elections.	152	30%	46				
COM16	Place	IP6	MSR	Review of supported bus services	Reduction in number and frequency of subsidised bus routes, with a risk of losing heavily subsidised and less used routes to some parts of the County Borough.	433	28%	120				
COM17	Healthy/Wise & Corporate Business	IP1 / IP2	CST	New models of service delivery will be in place for Cultural Services by 16/17. Savings required for 17/18 will comprise an extension of these.	Transfer of services to a new not for profit organisation to realise savings and create a business focussed on improving services.	£3.260m budget for Culture in total 14/15.	18%			101		
HL1	Healthy & Wise	IP1	CST	Transfer of management and operation of Bryngarw House	Change in service model to focus on events and functions market.	"	"	56				
HL2	Corporate Business	IP1	MSR	Reduction in arts development capacity	<ul style="list-style-type: none"> Less delivery capacity to support community organisations Some projects will cease Funding impact passed onto third sector 	"	"	60				
HL3	Healthy & Wise	IP2	BUR	Efficiencies in Pyle Hub operation	More efficient use of building through multi-agency occupancy.	"	"	25				
HL5	Healthy & Wise	IP2	CST	Library Service Options appraisal and implementation of agreed service model	Transfer of services to a new not for profit organisation to realise savings and create a business focussed on improving services.	"	"		150			
HL6	Corporate Business	IP1	CST	Development of arts venues trust	Transfer of services to a new not for profit organisation to realise savings and create a business focussed on improving services.	"	"		100			
Total Communities Directorate								2,488	1,933	101	0	

Budget Reduction Proposals 2015-16 to 2018-19

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RESOURCES												
FINANCE AND ICT												
RES1	Corporate Business	IP6	BUR	Reduce size of Finance and Accountancy team	Reduced capacity to undertake statutory financial functions. Reduced support for directorates.	2129	17%	119	237			
RES2	Corporate Business	IP6	BUR	Re-negotiate banking contract, cash collection and cash payment contracts.	New contracts in place for banking and cash collections services. Result in additional work to change systems linked to existing providers e.g. cheque stationery, Council tax and Sundry Debtors Bills etc.	99	35%	35				Retender will result in a delay in implementation.
RES3	Corporate Business	IP6	BUR	Rationalisation of software applications and licenses and review of outsourced arrangements		1423	14%		200			
RES4	Corporate Business	IP6	CST	Renegotiated Internal Audit Partnership contributions to Vale of Glamorgan Council	Reduced internal audit coverage within the Council, fewer services audited and audits undertaken in shorter timescales.	403	15%	20	20	20		
RES5	Corporate Business	IP6	BUR	Staffing Restructures Revenues, and Financial Assessments Services /Vacancy Management	Reduced staff levels and costs	2590	9%	163	60			
RES6	Corporate Business	IP6	BUR	Review charges for Receiverships and improved recovery of Housing Benefits overpayments	Service users are paying the appropriate costs	-286	-10%	30				
RES7	Corporate Business	OBAU	BUR	Reduce the size of the ICT service	Reduced Support Function decline level and expediency of support	3,725	3.2%	52	68			
RES9	Corporate Business	OBAU	BUR	Introduction of % charge for credit card payments made to the Council	Additional charge of 1.7% charge on all credit card payments to recoup the fees imposed on the Council.	19	100%	19				
Total Finance and ICT								438	585	20	0	
HUMAN RESOURCES												
RES11	Corporate Business	OBAU	BUR	Reduce number of monthly pay day dates from two to one.	A failure to achieve a collective agreement will mean a protracted consultation process, particularly with schools. Saving may not be achievable.	1,167	2%		23			
RES12	Corporate Business	OBAU	CST	Reduce CCTV & Customer Services Operations	Some savings will be achieved through the proposed CCTV collaboration with the Vale of Glamorgan but the remainder will need to be found from elsewhere within the Customer Services Operation which could lead to a fall in customer satisfaction	1,241	9%	30	30	50		Agreement has now been reached between BCBC & VoG to run a joint CCTV service and a collaboration agreement is in the process of being drafted.
RES13	Corporate Business	OBAU	BUR	Reduce the size of the HR, OD and Communications teams	Reduction in capacity leading to possible delays at a time when activity is high in terms of internal service reviews. Western Bay and other collaborative working projects are also demanding more resource. On-going cuts to the service will impact severely on the level of service that can be provided moving forward.	2,234	32%	164	170	170	200	
RES14	Corporate Business	OBAU	BUR	Reduction in corporate training budget	Less training provision for employees of the Council	51	39%	20				

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Budget Reduction Proposals 2015-16 to 2018-19

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RES15	Corporate Business	OBAU	BUR	Move from paper to electronic versions only of the County Bulletin and Bridgenders	Residents who are not connected to the internet may feel excluded	19	100%	3	16			
RES16	Corporate Business	OBAU	BUR	Review of Business Support Unit	Less business support to Directorate	363	7%	26				
Total Human Resources								243	239	220	200	
PROPERTY (ESTATES AND BUILT ENVIRONMENT)												
RES18	Corporate Business	OBAU	BUR	Review of cleaning service	Cost reductions to be achieved by reducing cleaning or withdrawing the service	-122	-82%	100				£60k savings identified due to changes in frequency of cleaning offices. Additional savings identified through staff restructuring, and the introduction of team cleaning. Further reductions in frequency of cleaning may be necessary.
RES19	Corporate Business	IP6	BUR	Increase in the fees and charges for non-operational property	Results in tenants / purchasers being charged additional fees / rental.	-752	-13%	25	25	25	25	
RES20	Corporate Business	OBAU	BUR	Review of the Facilities Management service	Need to undertake staff consultation to restructure service. Will result in reduced capacity to service public offices.	606	13%	79				
RES21	Corporate Business	OBAU	BUR	Office Accommodation - closure of office buildings	Reduction in office accommodation. Forms part of Maximising Use of Space and Technology Board office remodelling proposals and will enable staff mobile working.	2,091	15%	120	191			
RES23	Corporate Business	OBAU	BUR	Staffing Restructure - Built Environment	Nearing completion of the restructure in Built Environment that will realise these savings. Hoping to go to consultation by the end of October.	2,867	5%	148				
Total Property								472	216	25	25	
Total Resources Directorate								1,153	1,040	265	225	
LEGAL & REGULATORY SERVICES												
LRS1	Wealthy / Healthy	IP1 / IP5 / OBAU	CST	Public Protection Collaboration	The project is intended to reduce costs and maintain resilience. The project places additional burden on the remainder of the department and programmed savings yr1 provide amber .	1,953	17.92%	286	47	17		The 3 authorities have agreed to establish the joint service. Business Case and financial model being finalised prior to Joint Working Agreement being signed off.
LRS2	Corporate Business	OBAU	BUR	Restructure of Legal & Democratic, Registration, Procurement, Performance & Partnership Services. Fundamental review of how services are delivered	Determination of restructure made, implementation planned. Reductions place significant burden on service requiring reduction of service demand from central and front line services including committee and Member support.	3416	41.60%	268	592	561		Restructure of the services included has now been finalised
Total LARS								554	639	578	0	
CORPORATE / COUNCIL WIDE												
CS1	Corporate Business	IP6	BUR	Rationalise and reduce voluntary sector funding by 10%		Cross directorate		78	33			
CS2	Corporate Business	IP6	BUR	Target reductions in administrative support linked to EDRM		Cross directorate		250	250			

Budget Reduction Proposals 2015-16 to 2018-19

Ref.	Links to Population Outcome	Improvement Priority	Categories	Budget Reduction Proposal	Impact	Budget 2014-15 £'000	Total Budget Reduction as % of 2014-15 Budget	Indicative 2015-16 £000	Indicative 2016-17 £000	Indicative 2017-18 £000	Indicative 2018-19 £000	Reason for 2015-16 RAG status (Red / Amber only)
CS3	Corporate Business	IP6	BUR	Transfer of revenue funding to prudential borrowing to finance minor capital works		1,150	13.0%	50	100			
CS5	Corporate Business	IP6	BUR	Review capital financing budgets		10,515	2.9%	200	100			
CS6		IP6	PC	Cease the pensioners' council tax relief scheme	Cessation of the scheme will mean that no additional support for pensioners on low income will be provided.	200	96.5%	193				
CS7	Corporate Business	IP6	PC	Reduction in Fire Service Precept	The South Wales Fire and Rescue Authority has advised that it is proposing an average 1.54% reduction in its precept to its constituent authorities for the 2015-16 financial year. For Bridgend, this amounts to a reduction of 1.55%, or £100k.	6,585	1.55%	102				
CS8	Corporate Business	IP6	BUR	Carbon Reduction costs for schools to be met from protected Individual Schools Budget		84,748	0.22%	72	117			
CS9	Corporate Business	OBAU	BUR	Reductions in Insurance Premiums	Reduction in the annual amount put aside to increase the estimated cost to the Council of the outstanding liability for Employer's Liability, Public Liability and Property.	1,736	17%	100	100	100		
				Total Corporate / Council Wide				1,045	700	100	0	
OTHER PROPOSED BUDGET REDUCTIONS:												
				BUR- Making Best Use of Resources					767	2,258	1,431	
				MSR- Managed Service Reductions					1,029	1,760	1,241	
				CST - Collaboration and Transformation							1,077	
				PC - Policy Changes					256	218	640	
				Total Other Reductions				0	2,052	4,236	4,389	
				GRAND TOTAL REDUCTIONS				11,225	12,770	9,310	6,054	
				REDUCTION TARGET				11,225	13,566	12,263	11,763	
				REDUCTION SHORTFALL				0	796	2,953	5,709	

Type of Charge	Comment	Detail of Revised Fee / Charge
WELLBEING DIRECTORATE		
Adult Social Care	Whilst charges are adjusted annually in light of the anticipated year's costs of providing services, it is a requirement that the charges reflect the actual costs of delivering services. It is therefore not possible to increase costs simply on the basis of an inflationary amount. Irrespective of the calculated charges for services, the amount an individual pays for any services is based on a financial means test, and for non-residential services is capped in line with the Fairer Charges (Wales) regulations. The cap is expected to be raised to £60 for 2015-16 (for 2014-15 it is £55) irrespective of the total cost of all services provided to an individual.	TBA
Play, Leisure and Active Wellbeing	Following the initial operational period for the marina a move to full cost recovery for the moorings is sought which will require an increase of 15% on current annual fees. The resultant fees will remain competitive for the region.	Dependent on size of berth.
COMMUNITIES DIRECTORATE		
Highways Car parks	Consideration is being given for the introduction within car parks for persons with Blue badges, Such provision has previously been provided free of charge. This is in line with the outcome of the public consultation exercise, in which there was majority support for introducing charges for blue badge holders.	To be determined
Highways Bus station	The proposal is to investigate the introduction of departure charges for operators at Bridgend bus station - actual level of increase charge is still to be determined.	£0.30 per departure
Bereavement Services	Increases in burials charges to reduce/remove any element of Council subsidy to the service are to be brought forward for consideration to meet the MTFS saving. The level of charges is yet to be determined.	To be determined
RESOURCES DIRECTORATE		
Credit Charge Payments	It is proposed to introduce a charge of 1.7% on all payments via credit cards to the Council. This is in line with the outcome of the public consultation exercise, in which there was majority support for introducing charges for credit card payments to the Council.	variable

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ALLOCATION OF BASE BUDGETS BY SERVICE AREA

Page 93 A03 - SERVICE	Revised Budget	Specific	School	Pension	Pay/Prices/	Adjustments for	Inescapable	Budget	Revenue
	2014-15	Grant	Protection	Changes	Demographics	budget switches	Budget	Reduction	Budget
	£000	Transfers	£000	£000	£000	between and	Pressures	Proposals	2015-16
	£000	from WG				within	2015-16	2015-16	2015-16
						Directorates			
Education & Transformation									
Education & Transformation									
AOSCAA - INCLUSION	3,673			21	70	-44			3,720
AOS CAB - FOUNDATION	1,132				5	4		-72	1,069
AOS CAC - YOUTH SERVICE	731			1	16	-17		-319	412
AOS CAD - TRANSITION	132				1	10		-100	43
AOS CAE - POST 14	0					0			0
AOS CAF - STATUTORY ADVICE & PSYCHOLOGY	509			3	8	-34			486
AOS CAG - EMOTIONAL HEALTH & BEHAVIOUR	1,471			15	34	51			1,571
AOS CAH - SCHOOL IMPROVEMENT	803				1	-15			789
AOS CAI - MUSIC SERVICE	37					3		-40	0
AOS CBA - STRATEGIC PLANNING & RESOURCES	3,844	115		5	26	-21			3,969
AOS CBB - BUSINESS STRATEGY & SUPPORT	629			3	22	24		-190	488
AOS CBC - SUPPORT FOR CHILDREN & LEARNERS	6,391	-48		11	122	25		-1,135	5,366
AOS CBD - COMMISSIONING & PARTNERSHIPS	606	286		3	18	-36		-228	649
AOS CBF - STRATEGIC MANAGEMENT	1,567					33		-100	1,500
AOS CBG - CYOUTH OFFENDING SERVICE	395			5	18	1			419
AOS CFA - DIRECTORATE CONTINGENCY	60					14		-13	61
TRANSFORMATION	227			2				-84	145
	22,207	353	0	69	341	0	0	-2,281	20,689
Schools									
AOS CBE - INDIVIDUAL SCHOOLS BUDGET	84,748		508					-170	85,086
	84,748	0	508	0	0	0	0	-170	85,086
Social Services & Wellbeing									
Adult Social Care									
AOS BAA - OLDER PEOPLE	19,395			36	873		142	-1,898	18,548
AOS BAB - ADULT PHYS DIS/SENS IMPAIRMENT	3,821			2	43		84	-35	3,915
AOS BAC - ADULTS LEARNING DISABILITIES	12,453	40		33	556		280	-624	12,738
AOS BAD - ADULTS MENTAL HEALTH NEEDS	2,623			3	76		84	-15	2,771
AOS BAF - OTHER ADULT SERVICES	207			0					207
AOS BAG - ADULT SERVICES MGT & ADMIN	1,939	443		4	32		808	-215	3,011
	40,438	483	0	78	1,580	0	1,398	-2,787	41,190
Safeguarding									
AOS BDA - SAFEGUARDING	18,381	-12		20	157			-470	18,076
	18,381	-12	0	20	157	0	0	-470	18,076

ALLOCATION OF BASE BUDGETS BY SERVICE AREA

APPENDIX E

Page 30 of 30	Revised Budget 2014-15	Specific Grant Transfers from WG	School Protection	Pension Changes	Pay/Prices/ Demographics	Adjustments for budget switches between and within Directorates	Inescapable Budget Pressures 2015-16	Budget Reduction Proposals 2015-16	Revenue Budget 2015-16
AOS - SERVICE									
Sport, Play & Active Wellbeing									
AOSBBG - MISCELLANEOUS SERVICES	156			4					160
AOSBBH - RECREATION AND SPORT	2,822				85			-277	2,630
	2,978	0	0	4	85	0	0	-277	2,790
Communities									
AOSDAA - DEVELOPMENT	461	0	0	3	19			-141	342
AOSDAB - HOUSING & COMMUNITY REGEN	1,379	0	0	-15	29			-50	1,343
AOSDAC - REGENERATION	1,887	0		8	32			-140	1,787
AOSDAD - REGEN & DEV - MGMT	123	0	0					0	123
AOSDBA - STREETWORKS	8,315	0	0	3	42			-492	7,868
AOSDBB - HIGHWAYS AND FLEET	6,520		0	63	132			-452	6,263
AOSDBC - TRANSPORT & ENGINEERING	1,023	0	0	8	83		243	-445	912
AOSDBE - PARKS & OPEN SPACES	2,348	0	0	27	40			-437	1,978
AOSDBF - STREET SCENE MGT & ADMIN	312	0	0	3	3			0	318
AOSDCA - BUSINESS UNIT	733	0	0	16	8			-144	613
AOSDEA - ADULT LEARNING	104			-3	3				104
AOSDEB - ARTS & ENTERTAINMENT	842			3	15			-60	800
AOSDEC - LIBRARY SERVICE	1,781			36	26			-25	1,818
AOSDED - COMMUNITY CENTRES	207			-1	2				208
AOSDEE - BRYNGARW HOUSE	281			-18	18			-56	225
AOSDEF - CENTRAL SERVICES	101			0	1				102
AOSDFA - ELECTIONS	153			0	2		0	-46	109
	26,570	0	0	133	455	0	243	-2,488	24,913
Resources									
AOSAAA - CHIEF EXECUTIVE UNIT	719			1	1			-35	686
SERAG - PROPERTY (ESTATES)	1,685			11	110		150	-281	1,675
SERAH - HUMAN RESOURCES	4,144			19	68		7	-286	3,952
SERAI - FINANCE & ICT	7,638			14	107		274	-403	7,630
SERAJ - PROPERTY (BUILT ENVIRONMENT)	560			8	47		262	-148	729
	14,746	0	0	53	333	0	693	-1,153	14,672
Legal & Regulatory Services									
AOSACA - LEGAL SERVICES	2,186			6	29			-11	2,210
AOSACB - DEMOCRATIC SERVICES	1,703			2	9			-151	1,563
AOSACC - REGULATORY SERVICES	1,930	-22		5	33			-313	1,633
AOSACG - PROCUREMENT	307				4			-24	287
AOSACH - PARTNERSHIPS	406			1	8			-55	360
	6,532	-22	0	14	83	0	0	-554	6,053

ALLOCATION OF BASE BUDGETS BY SERVICE AREA

Page 05 A005 - SERVICE	Revised Budget 2014-15	Specific Grant Transfers from WG	School Protection	Pension Changes	Pay/Prices/ Demographics	Adjustments for budget switches between and within Directorates	Inescapable Budget Pressures 2015-16	Budget Reduction Proposals 2015-16	Revenue Budget 2015-16
Service Base Budgets 2015-16	216,600	802	508	371	3,034	0	2,334	-10,180	213,469
CAPITAL FINANCING	10,515							-200	10,315
LEVIES	7,030							-102	6,928
REPAIRS & MAINTENANCE	1,150							-50	1,100
CTR SCHEME	13,825					622		-193	14,254
PENSION RELATED COSTS	1,361			-171					1,190
INSURANCE PREMIUMS	1,737							-100	1,637
OTHER CORPORATE BUDGETS	2,913	-61				-80	936	-400	3,308
TOTAL	255,131	741	508	200	3,576	0	3,270	-11,225	252,201

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Budget 2015-16 Detailed Corporate Improvement Priorities								
	IP1	IP2	IP3	IP4	IP5	IP6	OBAU	
Service Budgets	Developing the local economy	Raising aspirations and driving up educational achievement	Supporting young people & families	Helping the vulnerable and older people to stay independent	Encouraging healthy lifestyles to reduce health inequalities	Making Best Use of Our Resources	Other Business as Usual	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Education & Transformation	0	16,710	1,731	51	0	2,197	0	20,689
Schools	0	84,916	0	0	0	170	0	85,086
Adult Social Care	0	0	0	24,885	13,513	2,787	6	41,190
Safeguarding & Family Support	0	0	17,806	(200)	0	470	0	18,076
Sport, Play & Active Wellbeing	160	0	82	0	2,270	277	0	2,790
Communities	7,215	1,851	44	1,006	722	2,488	11,587	24,913
Resources	(769)	(37)	0	(215)	0	1,337	14,356	14,672
Legal & Regulatory Services	1,913	0	884	0	1,038	554	1,664	6,053
Corporate Budgets	0	0	0	0	0	945	37,787	38,732
NET BUDGET REQUIREMENT	8,519	103,440	20,547	25,527	17,543	11,225	65,400	252,201

PRIOR YEAR COMPARISON

Budget 2014-15 Detailed Corporate Improvement Priorities								
	IP1	IP2	IP3	IP4	IP5	IP6	OBAU	
Service Budgets	Developing the local economy	Raising aspirations and driving up educational achievement	Supporting young people & families	Helping the vulnerable and older people to stay independent	Encouraging healthy lifestyles to reduce health inequalities	Making Best Use of Our Resources	Other Business as Usual	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Education & Transformation	0	17,619	1,938	112	0	2,538	0	22,207
Schools	0	84,632	0	0	0	116	0	84,748
Adult Social Care	0	0	0	24,554	14,108	3,099	-1,323	40,438
Safeguarding & Family Support	0	0	17,947	0	0	434	0	18,381
Sport, Play & Active Wellbeing	156	0	80	0	2,226	516	0	2,978
Communities	8,161	1,812	56	1,027	698	1,728	13,088	26,570
Resources	(854)	(43)	0	(215)	0	1,399	14,459	14,746
Legal & Regulatory Services	1,897	0	873	0	1,041	449	2,271	6,532
Corporate Budgets	0	0	0	0	0	1,035	37,496	38,531
NET BUDGET REQUIREMENT	9,361	104,020	20,894	25,479	18,073	11,314	65,992	255,131

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Reserves and Balances Protocol

1. Background

- 1.1 Bridgend County Borough Council is required to maintain adequate financial reserves to meet the needs of the organisation. The purpose of this policy is to set out how the Council will determine and review the level of its Council Fund balance and Earmarked Reserves. The policy has regard to LAAP Bulletin 77 'Local Authority Reserves and Balances', issued in November 2008.
- 1.2 The requirement for local authorities to hold financial reserves is acknowledged in statute. Reserves are one component of an authority's medium-term financial planning—other components include revenue spending plans, income forecasts, potential liabilities, capital investment plans, borrowing and council tax levels. These decisions are inter-linked. This means that, to ensure prudent financial management, some authorities will need to maintain reserves at higher levels than others.
- 1.3 Section 32 and 43 of the Local Government Finance Act 1992 require local authorities in Wales to have regard to the level of reserves needed to meet estimated spending when calculating the budget requirement. Section 25 of the Local Government Act 2003 requires:-
- the Chief Finance Officer to report to members on the budget including the adequacy of reserves; and
 - Members to have regard to the Chief Finance Officer's report in making their decisions.
- 1.4 As a result, in reviewing medium-term financial plans and preparing annual budgets, the Council will consider the establishment and maintenance of reserves for the Council Fund. The nature and level of reserves will be determined formally by the Council, informed by the judgement and advice of the Chief Finance Officer – the Section 151 Officer.

2. Types of Reserve

- 2.1 The Council will maintain the following usable reserves:

Nature of Reserve	Description
Council Fund	to manage the impact of uneven cash flows and unexpected events or emergencies;
Earmarked Reserves	to meet known or predicted requirements and include Insurance Reserves, Earmarked reserves will be established on a "needs" basis, in line with planned or anticipated requirements;
Delegated School Balances	these represent the cumulative effect of over and under-spending on school delegated budgets not available to the Council;
Private Finance Initiative (PFI) Equalisation Reserve	to meet future PFI costs arising from advance payments of Revenue Support Grant.

- 2.2 The Council will also maintain a number of other reserves that arise out of the interaction between legislation and proper accounting practices. These reserves, which are not resource-backed, will be specified in the annual Statement of Accounts. These are called Unusable Reserves. The

Council's unusable reserves are the Capital Adjustment Account, the Revaluation Reserve and the Pensions Reserve.

3. Regulatory Framework

3.1 It is the responsibility of the Section 151 Officer to advise local authorities about the level of reserves that they should hold and to ensure that there are clear protocols for their establishment and use. CIPFA do not accept the case for introducing a generally applicable minimum level of reserves either as an absolute amount or a percentage of budget. It is for the local authority to make their own judgements based on relevant local circumstances.

3.2 For each Earmarked Reserve there needs to be a clear protocol setting out:-

- The reason for / purpose of the Reserve
- How and when the reserve can be used
- Procedures for the reserve's management and control
- A process and timescale for review

4. Principles to Assess the Adequacy of Reserves

4.1 The Section 151 Officer will advise the Council on the adequacy of reserves. In considering the general reserve, or Council Fund, the Section 151 Officer will have regard to:

- the strategic financial context within which the Council will be operating through the medium-term;
- the overall effectiveness of governance arrangements and the system of internal control;
- the robustness of the financial planning and budget-setting process;
- the effectiveness of the budget monitoring and management process.

4.2 CIPFA guidance on Local Authority Reserves and Balances advises that a statement reporting on the annual review of earmarked reserves should be made to Council, at the same time as the budget is approved. Within the Council's Medium Term Financial Strategy (MTFS), there are a number of main principles that relate to reserves. These are detailed below:-

MTFS Principle 8

The Council Fund balance will be maintained at a minimum of £7 million over the MTFS period

The Council Fund balance provides resources for purposes such as general contingencies and cash flow management. It acts as a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing. It acts as a contingency to cushion the impact of unexpected events or emergencies. This is in accordance with CIPFA's Guidance Note on Local Authority Reserves and Balances. The Council Fund balance at the 31 March 2014 was £7.395 million, representing 2.9% of net expenditure for 2013-14.

MTFS Principle 2

Adequate provision is made to meet outstanding and reasonably foreseen liabilities

The Council holds a number of earmarked reserves to cover potential corporate liabilities and reasonably foreseen risks and pressures, such as insurance, major claims, treasury management, change management fund, invest to save fund and severance costs. These reserves are reviewed throughout the year and the balances are adjusted at the end of the financial year based on the most up to date information of potential outstanding liabilities. The total of these reserves at 31 March 2014 was £19.613 million.

There is also a small Expenditure Equalisation Reserve which has been created to smooth expenditure that is incurred in a particular future year over the period of the MTFS. These include the costs of elections and the preparation of the Local Development Plan. This reserve totalled £251,000 as at 31 March 2014.

MTFS Principle 7

Balances are not used to fund recurrent budget pressures or to keep down council tax rises unless an equivalent saving or increase in council tax is made in the following year in recognition that balances are a one-off resource.

This principle is designed to prevent the use of reserves to meet recurrent budget pressures as this is considered imprudent and unsustainable. It also allows for the creation of earmarked reserves to meet foreseen one-off risks or pressures within directorates either as part of the budget planning process or as a result of carrying forward planned underspends (in line with the Council's Financial Procedure Rules). These reserves are reviewed throughout the year and the balances are adjusted at the end of the financial year based on the most up to date information of potential outstanding liabilities, one off pressures identified in the MTFS and year end reserve requests from Directorates. The total of these reserves at 31 March 2014 was £5.369 million.

MTFS Principle 9

Capital investment decisions support the Council's corporate priorities and mitigate any statutory risks taking account of return on investment and sound option appraisals.

In line with this principle a number of earmarked reserves have been created to cover potential capital liabilities, risks and pressures associated with the Council's Capital Programme and Asset Management Plan and include funding for capital investment feasibility studies, demolition costs, compliance with legislation and revenue contributions to the capital programme, to enable schemes to be progressed. The total of these reserves at 31 March 2014 was £7.148 million.

5. Summary of Earmarked Reserves

5.1 The forecast for reserves over the financial year 2014-15 and 2015-16 is shown below:-

Opening Balance 1 April 2014 £'000	Reserve	Movement 2014-15 £'000	Closing Balance 31 March 2015 £'000	Movement 2015-16 £'000	Closing Balance 31 March 2016 £'000
7,395	Council Fund Balance		7,395		7,395
	Earmarked Balances :-				
5,369	Directorate Risks and Pressures Reserve	(2,679)	2,690	(2,690)	0
19,613	Corporate Risks and Pressures Reserve	1,711	21,324	(5,049)	16,275
7,148	Capital Risks and Pressures Reserve	(630)	6,518	(3,489)	3,029
251	Expenditure Equalisation Reserve	20	271	(70)	201
32,381	Total Earmarked Reserves	(1,578)	30,803	(11,298)	19,505
39,776	Total Usable Reserves	(1,578)	38,198	(11,298)	26,900

6. Establishment and Monitoring of Reserves

- 6.1 In considering specific reserves, the Section 151 Officer will have regard to matters relevant in respect of each reserve, and will advise the Council accordingly. The process for the determination of Directorate reserves will be based upon the principles of effective financial management. The agreement of businesses cases will be determined by the Section 151 Officer, having considered the recommendations of the Corporate Management Board.
- 6.2 Directorate Finance Officers are issued with details of how to apply for Earmarked Reserves within the Closing of Accounts Pack for the financial year. The Pack includes guidance as follows: "For a request to be approved there must be a firm commitment / policy decision, i.e. order raised or committee minute. The requested amount must be material and should be restricted in number to those considered to be key. Subject to these criteria being met, the Directorate will be informed of whether the requests have been approved." The establishment of the Earmarked Reserve is authorised by the Section 151 Officer and then reported within the Statement of Accounts. The draft accounts are presented to Audit Committee in June following the end of the financial year. They are then scrutinised by External Audit and a revised post-audit Statement of Accounts is reported to Audit Committee by the end of September.
- 6.3 The Section 151 Officer will monitor the drawdown of specific reserves in accordance with the agreed policy, and keep Members advised, through normal monitoring reports. Reserves can only be used once and so should not be held to fund ongoing expenditure (MTFS Principle 7). This would be unsustainable as, at some point, the reserves would be exhausted. To the extent that reserves are used to meet short term funding gaps, they must be replenished in the following year. However, Earmarked Reserves that have been used to meet a specific liability would not need to be replenished, having served the purpose for which they were originally established.
- 6.4 All Earmarked Reserves are recorded on a central schedule held by the Financial Control Team which lists the various earmarked reserves and the purpose for which they are held and shows the estimated opening balances for the year, planned additions/withdrawals and the estimated closing balance. Any appropriations to or from Earmarked Reserves are controlled by the Financial Control Team. Evidence of expenditure incurred at period 6, period 9 and year-end will be required from Directorate Finance Officers and a pro-forma will need to be completed which will be

authorised by the Section 151 Officer to release the funding from the earmarked reserves. Appropriate working papers for each reserve are produced at year-end and provided to the External Auditor to support the disclosures within the Statement of Accounts.

7. Summary of Specific Provisions and Balances

7.1 As well as the Council Fund and Earmarked Reserves as detailed in the above table, there are a number of specific provisions and balances as follows:-

Delegated School Balances

These balances represent the cumulative effect of over and under-spending on school delegated budgets not available to the Council. Current projections suggest that these balances will be around £2.000 million by 31 March 2015 (£2.467 million at 31 March 2014).

Maesteg School PFI Equalisation Fund

This Fund is used to equalise the funding available from Welsh Government to meet the costs of the Unitary Charge for the Private Finance Initiative School at Maesteg over the contract period. The balance will be £3.406 million by 31 March 2015 (£3.051 million at March 2014).

Specific Provisions

These are provisions for unforeseen events which include the mitigation of any potential Equal Pay claims arising from the Abdullah judgement, carbon reduction commitment and a major claims reserve to mitigate the deficit on the pension fund and other potential contractual claims. Also the provisions include the need to meet the total outstanding liability of Bridgend's self -insurance fund based on a professional analysis of the claims outstanding for Employer's Liability, Public Liability and Property. The current projections suggest that the balance on the provisions will be around £5.400 million by 31 March 2015 (£4.900 million at 31 March 2014).

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	Improvement Priority	Council Dec '14 Budget 2014-15	New Approvals & Vire	Slippage	Revised Budget	Indicative										Total to 2024/25 £'000
		2014/15 £'000	2014/15 £'000	2014/15 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	
Education and Transformation																
Pen Y Fai Primary School	IP2	907			907	105	-	-	-	-	-	-	-	-	-	1,012
Mynydd Cynffig Primary School Extension	IP2	398			398	-	277	3,188	1,029	6	-	-	-	-	-	4,898
Y Dderwen Comprehensive School	IP2	1,633			1,633	-	-	-	-	-	-	-	-	-	-	1,633
Coety/Parc Derwen Primary School	IP2	2,374			2,374	5,157	204	-	-	-	-	-	-	-	-	7,735
Tondu Primary School Temporary Accomodation	IP2	350			350	-	-	-	-	-	-	-	-	-	-	350
Additional Learning Needs	IP2	3,568		15	3,553	15	-	-	-	-	-	-	-	-	-	3,568
Garw Valley South Primary Provision	IP2	800		540	260	3,119	5,467	1,143	11	-	-	-	-	-	-	10,000
Pencoed Primary School	IP2	-			-	1,040	5,767	1,432	11	-	-	-	-	-	-	8,250
Gateway to the Valleys Primary Provision	IP2	529		350	179	1,061	6,036	1,541	12	-	-	-	-	-	-	8,829
Flying Start Provision	IP3	720			720	-	-	-	-	-	-	-	-	-	-	720
Ysgol Y Ferch O'r Sger	IP2	15			15	-	-	-	-	-	-	-	-	-	-	15
Ysgol Bro Ogwr	IP2	26			26	-	-	-	-	-	-	-	-	-	-	26
Heronbridge Special School	IP2	-			-	-	-	1,000	500	-	-	-	-	-	-	1,500
Schools Modernisation Retentions	OBAU	-			-	707	-	-	-	-	-	-	-	-	-	707
Litchard Primary School	IP2	180			180	-	-	-	-	-	-	-	-	-	-	180
Tremains Primary School	IP2	10			10	-	-	-	-	-	-	-	-	-	-	10
School Boiler Replacement	OBAU	255			255	-	-	-	-	-	-	-	-	-	-	255
Education & Transformation Directorate Minor Works	OBAU	805			805	-	-	-	-	-	-	-	-	-	-	805
Total Children's		12,570	-	905	11,665	11,204	17,751	8,304	1,563	6	-	-	-	-	-	50,493
Social Services and Wellbeing																
Adult Social Care																
Celtic Court Purchase and Refurbishment	IP4	826			826	784	-	-	-	-	-	-	-	-	-	1,610
Bridgend LDD Core Centre	IP4	136	137		273	-	-	-	-	-	-	-	-	-	-	273
Pyle Life Centre Hub	IP4	18			18	-	-	-	-	-	-	-	-	-	-	18
Care Standards Act	IP4	105			105	-	-	-	-	-	-	-	-	-	-	105
Glan yr Afon Resource Centre	IP4	123			123	-	-	-	-	-	-	-	-	-	-	123
Total Social Services and Wellbeing		1,208	137	-	1,345	784	-	-	-	-	-	-	-	-	-	2,129
Communities																
Street Scene																
Highways Maintenance(Capitalised Repairs)	OBAU	200			200	200	200	200	200	200	200	200	200	200	200	2,200
Transportation Minor Works(Capitalised Repairs)	OBAU	250			250	250	250	250	250	250	250	250	250	250	250	2,750
Local Govt Borrowing Initiative (Highways Infrastructure)	IP6	2,103			2,103	-	-	-	-	-	-	-	-	-	-	2,103
Local Govt Borrowing Initiative (Street Lighting)	IP6	588			588	-	-	-	-	-	-	-	-	-	-	588
Road Safety	OBAU	240			240	-	-	-	-	-	-	-	-	-	-	240
Fleet Vehicles	IP6	68	8		76	-	-	-	-	-	-	-	-	-	-	76
Bridge Renewal	OBAU	63			63	-	-	-	-	-	-	-	-	-	-	63
Parks Pavilions	IP6	150			150	837	-	-	-	-	-	-	-	-	-	987
Playground at Ffordd yr Eglwys	OBAU	75			75	-	-	-	-	-	-	-	-	-	-	75
Highways Street Infrastructure	IP6	1,040			1,040	960	-	-	-	-	-	-	-	-	-	2,000
Coastal Access Improvement Programme	OBAU	113			113	-	-	-	-	-	-	-	-	-	-	113
Residents Parking Bridgend Town Centre	OBAU	152		77	75	77	-	-	-	-	-	-	-	-	-	152
Street Scene Minor Works	OBAU	50			50	-	-	-	-	-	-	-	-	-	-	50
S106 Minor Schemes	OBAU	28			28	-	-	-	-	-	-	-	-	-	-	28
Transport Schemes	OBAU	273	449		722	-	-	-	-	-	-	-	-	-	-	722
Coychurch New Cremators	OBAU	-	170		170	890	-	-	-	-	-	-	-	-	-	1,060
Coety Bypass Land Compensation	OBAU	35	51		86	-	-	-	-	-	-	-	-	-	-	86
Regeneration & Development																
Bridgend Digital	IP1	70			70	-	-	-	-	-	-	-	-	-	-	70
Special Regeneration Funding	IP1	18			18	184	105	540	540	540	540	-	-	-	-	2,467
Bridgend Townscape Heritage Initiative	IP1	355			355	75	40	-	-	-	-	-	-	-	-	470
Maesteg Townscape Heritage Initiative	IP1	83			83	-	-	-	-	-	-	-	-	-	-	83

	Improvement Priority	Council Dec '14 Budget 2014-15	New Approvals & Vire	Slippage	Revised Budget	Indicative										Total to 2024/25
		2014/15 £'000	2014/15 £'000	2014/15 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	£'000
WG - Flying Start		720			720	-	-	-	-	-	-	-	-	-	-	720
WG - Other		1,837	1,479		3,316	901	433	-	-	-	-	-	-	-	-	4,650
WG - 21st Century Schools		2,482	1,590	- 530	3,542	1,317	8,330	2,900	400	-	-	-	-	-	-	16,489
WG - Vibrant & Viable		634			634	4,267	1,057									5,958
Coastal Housing		150			150	-	2,205									2,355
Transport Grant		273	449		722	-	-	-	-	-	-	-	-	-	-	722
EU		783	148		931	36	-	-	-	-	-	-	-	-	-	967
S106		602			602	3,375	504	-	-	-	-	-	-	-	-	4,481
Other Contributions		28			28	-	-	-	-	-	-	-	-	-	-	28
Sub-Total External Funding Approvals		7,761	3,666	- 530	10,897	10,196	12,629	2,935	435	-	-	-	-	-	-	37,092
Total Funding Available		31,350	2,389	- 982	32,757	36,441	26,436	12,929	6,723	6,288	6,288	6,288	6,288	6,288	6,288	153,014
Funding Shortfall/Surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Glossary of terms

SBIG - School Building Improvement Grant

WG - Welsh Government

SEN - Special Educational Needs

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SUSTRANS - Org. focused on making smarter travel choices

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HLPP - Healthy Living Partnership Programme

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Planning Act 1990

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	Improvement Priority	Council Dec '14 Budget 2014-15	New Approvals & Vire	Slippage	Revised Budget	Indicative										Total to 2024/25
		2014/15 £'000	2014/15 £'000	2014/15 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	£'000
IP6 Making Best Use of Resources																
Local Govt Borrowing Initiative (Highways Infrastructure)	IP6	2,103			2,103	-	-	-	-	-	-	-	-	-	-	2,103
Local Govt Borrowing Initiative (Street Lighting)	IP6	588			588	-	-	-	-	-	-	-	-	-	-	588
Parks Pavilions	IP6	150			150	837	-	-	-	-	-	-	-	-	-	987
Highways Street Infrastructure	IP6	1,040			1,040	960	-	-	-	-	-	-	-	-	-	2,000
Fleet Vehicles	IP6	68	8		76	-	-	-	-	-	-	-	-	-	-	76
Maximising Space and Technology / BCP	IP6	1,360			1,360	-	-	-	-	-	-	-	-	-	-	1,360
Relocation of Depot Facilities	IP6	1,630			1,630	2,746	-	-	-	-	-	-	-	-	-	4,376
Energy Company Obligation (ECO) grant	IP6	-	1,385		1,385											1,385
Non-operational assets	IP6	525			525	475										1,000
Investment in ICT	IP6	254			254	46	-	-	-	-	-	-	-	-	-	300
Total IP6 Best Use of Resources		7,718	1,393	-	9,111	5,064	-	-	-	-	-	-	-	-	-	14,175
Addressing Statutory Risks / OBAU																
Schools Modernisation Retentions	OBAU	-			-	707	-	-	-	-	-	-	-	-	-	707
School Boiler Replacement	OBAU	255			255											255
Education & Transformation Directorate Minor Works	OBAU	805			805	-	-	-	-	-	-	-	-	-	-	805
Highways Maintenance(Capitalised Repairs)	OBAU	200			200	200	200	200	200	200	200	200	200	200	200	2,200
Transportation Minor Works(Capitalised Repairs)	OBAU	250			250	250	250	250	250	250	250	250	250	250	250	2,750
Road Safety	OBAU	240			240	-	-	-	-	-	-	-	-	-	-	240
Bridge Renewal	OBAU	63			63	-	-	-	-	-	-	-	-	-	-	63
Playground at Fford yr Eglwys	OBAU	75			75	-	-	-	-	-	-	-	-	-	-	75
Coastal Access Improvement Programme	OBAU	113			113	-	-	-	-	-	-	-	-	-	-	113
Residents Parking Bridgend Town Centre	OBAU	152		77	75	77	-	-	-	-	-	-	-	-	-	152
Street Scene Minor Works	OBAU	50			50	-	-	-	-	-	-	-	-	-	-	50
S106 Minor Schemes	OBAU	28			28	-	-	-	-	-	-	-	-	-	-	28
Transport Schemes	OBAU	273	449		722	-	-	-	-	-	-	-	-	-	-	722
Coychurch New Cremators	OBAU	-	170		170	890										1,060
Coety Bypass Land Compensation	OBAU	35	51		86	-	-	-	-	-	-	-	-	-	-	86
Bryngarw House	OBAU	47			47	-	-	-	-	-	-	-	-	-	-	47
Healthy Living Minor Works	OBAU	130			130	-	-	-	-	-	-	-	-	-	-	130
Berwyn Centre	OBAU	-			-	200	-	-	-	-	-	-	-	-	-	200
Pyle Life Centre Library Book Store	OBAU	2	2		-	-	-	-	-	-	-	-	-	-	-	-
Minor Works	OBAU	181			181	1,600	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	11,681
DDA Works	OBAU	165			165	-	-	-	-	-	-	-	-	-	-	165
Community Projects	OBAU	115			115	50	50	50	50	50	50	50	50	50	50	615
Design and Supervision - Old Schemes	OBAU	100			100	-	-	-	-	-	-	-	-	-	-	100
Total Statutory Risks / OBAU		3,279	668	-	3,870	3,974	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	22,244
Unallocated		-	-	-	-	-	-	-	535	1,692	1,698	2,238	2,238	2,238	2,238	12,877
Total Expenditure		31,350	2,389	-	32,757	36,441	26,436	12,929	6,723	6,288	6,288	6,288	6,288	6,288	6,288	153,014
Expected Capital Resources																
General Capital Funding																
General Capital Funding - Supported Borrowing		3,932			3,932	3,909	3,909	3,909	3,909	3,909	3,909	3,909	3,909	3,909	3,909	43,022
General Capital Funding - General Capital Grant		2,392			2,392	2,379	2,379	2,379	2,379	2,379	2,379	2,379	2,379	2,379	2,379	26,182
Capital Receipts		10,322	-	178	-	62	10,082	9,322	4,806	3,706	-	-	-	-	-	27,916
Unsupported Borrowing		1,853	-	100		1,753	2,297	-	-	-	-	-	-	-	-	4,050
Loan - WG		-		100		100	2,400									2,500
Local Govt Borrowing Initiative (Highways Infrastructure)		2,691			2,691	-	-	-	-	-	-	-	-	-	-	2,691
Local Govt Borrowing Initiative (21st Century Schools)		1,980	-	1,590	-	390	-	2,883	2,713	-	-	-	-	-	-	5,596
Revenue Contribution		419		491		910	3,055	-	-	-	-	-	-	-	-	3,965
Sub-Total General Capital Funding		23,589	(1,277)	(452)	21,860	26,245	13,807	9,994	6,288	6,288	6,288	6,288	6,288	6,288	6,288	115,922
External Funding Approvals																
Heritage Lottery Fund (HLF)		232			232	300	100	35	35	-	-	-	-	-	-	702

	Improvement Priority	Council Dec '14 Budget 2014-15	New Approvals & Vire	Slippage	Revised Budget	Indicative										Total to 2024/25
		2014/15 £'000	2014/15 £'000	2014/15 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2024/25 £'000
CADW		20			20	-	-	-	-	-	-	-	-	-	-	20
WG - Flying Start		720			720	-	-	-	-	-	-	-	-	-	-	720
WG - Other		1,837	1,479		3,316	901	433	-	-	-	-	-	-	-	-	4,650
WG - 21st Century Schools		2,482	1,590	- 530	3,542	1,317	8,330	2,900	400	-	-	-	-	-	-	16,489
WG - Vibrant & Viable		634			634	4,267	1,057									5,958
Coastal Housing		150			150	-	2,205									2,355
Transport Grant		273	449		722	-	-	-	-	-	-	-	-	-	-	722
EU		783	148		931	36	-	-	-	-	-	-	-	-	-	967
S106		602			602	3,375	504	-	-	-	-	-	-	-	-	4,481
Other Contributions		28			28	-	-	-	-	-	-	-	-	-	-	28
Sub-Total External Funding Approvals		7,761	3,666	- 530	10,897	10,196	12,629	2,935	435	-	-	-	-	-	-	37,092
Total Funding Available		31,350	2,389	- 982	32,757	36,441	26,436	12,929	6,723	6,288	6,288	6,288	6,288	6,288	6,288	153,014
Funding Shortfall/Surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Glossary of terms

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Area

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Planning Act 1990

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Full Equality Impact Assessment

Name of project, policy, function, service or proposal being assessed	Revenue Budget 2015/16 to 2017/18 – the updated Medium Term Financial Strategy
Date assessment completed	19 November 2014

At this stage you will need to re-visit your initial screening template to inform your discussions on consultation and refer to [guidance notes on completing a full EIA](#)

1. Consultation

		Action Points
Who do you need to consult with (which equality groups)?	The council is mindful that the full impact of the proposed budget reductions outlined in the Medium Term Financial Strategy will be high level, negative and potentially impacting many customers, citizens, visitors and service users from across most of the protected characteristic groups. The council is also mindful that, in order to maximise its reach into its communities, and the people who use its services, it needed to consider further innovative engagement methods. The council introduced an online budget simulator, used social media, local papers and radio, online consultation methods, distributed hard copies of consultation documents to libraries and public buildings, worked with the citizens' panel and arranged a series of community engagement workshops encouraging citizens to attend and give their views on	<p>Budget Simulator: an interactive tool designed to enable consultees to control the budget in order to develop an understanding of services, costs and the impact of reducing or increasing budgets.</p> <p>Social Media: (Facebook and Twitter) were used to raise awareness amongst the council's "followers" of the consultation process, encouraging them to take part in the consultation (via the hyperlink included) and feedback their views.</p> <p>Local newspaper and radio: were used to raise awareness of the consultation process, encouraging the public to take part in the consultation and feedback their views.</p> <p>Online consultation: was used to</p>

	<p>the consultation. Additionally, the Bridgend Equality Forum comprising representatives from most of the protected characteristic groups, was consulted.</p>	<p>encourage people to give their feedback via the council's website.</p> <p>Citizens Panel: was used as a consultative group to feedback views as representatives of Bridgend County Borough Council's citizens, customers and communities.</p> <p>Community Engagement Workshops: were held across the county borough over a 3 week period enabling citizens, customers and service users to feedback, on a face to face basis, their views to council representatives who were facilitating the meetings.</p> <p>The Bridgend Equality Forum: used as a representative group to feedback views on behalf of the individuals it represents.</p>
<p>How will you ensure your consultation is inclusive?</p>	<p>The council is mindful of the different accessibility needs of people and consultation was carried out inclusively using as wide a range of formats and access opportunities as possible.</p>	<p>The consultation methods comprised of hard copy materials in various font sizes, online methods for customers and citizens who wished to feedback in a digital environment, face to face focus groups/community workshops enabling people to feedback verbally to council representatives and the Bridgend Equality Forum who engaged with their individual groups on the council's behalf.</p>
<p>What consultation was carried out? Consider any consultation activity</p>	<p>The council's consultation period on its Medium Term Financial Strategy began</p>	<p>The consultation methods comprised of hard copy materials in various font sizes,</p>

<p>already carried out, which may not have been specifically about equality but may have information you can use</p>	<p>on 6 October 2014 and ended on 17 November 2014. The Bridgend Equality Forum meets on a bimonthly cycle and various meetings are held with representative groups such as Bridgend Visually Impaired Society, Bridgend Deaf Club and Bridgend Coalition of Disabled People to discuss the council's equality agenda.</p>	<p>online methods for customers and citizens who wished to feedback in a digital environment, face to face focus groups/community workshops enabling people to feedback verbally to council representatives and the Bridgend Equality Forum who engaged with their individual groups on the council's behalf.</p>
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Record of consultation with people from equality groups

Group or persons consulted	Date, venue and number of people	Feedback, areas of concern raised	Action Points
Bridgend Equality Forum	Bimonthly, 20 – 30 attendees from various representative groups. Science park	Some concerns raised generally but addressed and developed at BEF.	
Community Engagement Workshop 1	29 October 2014, 6.30pm, Coleg Y Dderwen, 6 attendees	Discussions with attendees facilitated by BCBC Officers centred on similar themes across each Community Engagement Workshop. Whilst consultees found the budget process difficult to balance, the main themes are outlined in the table below.	
Community Engagement Workshop 2	3 November 2014, 6.30pm, Maesteg Comprehensive School, 6 attendees	“	
Community Engagement Workshop 3	4 November 2014, 6.30pm, Pencoed College 8 attendees	“	

Community Engagement Workshop 4	6 November 2014, 6.30pm, Bridgend College, 8 attendees	“	
Community Engagement Workshop 5	11 November 2014, 6.30pm, Cynffig Comprehensive School, 9 attendees	“	
Community Engagement Workshop 6	12 November 2014, 6.30pm, Grand Pavilion, Porthcawl, 34 attendees	“	

Members of the public found it very difficult to make any changes to main service area budgets, however the following table shows the average % of respondents who decreased main service areas:

Service Area	% of Respondents who decreased budget	Average % Change to Budget
Corporate Functions	91.88%	-6.12%
Resources	67.91%	-12.44%
Legal & Regulatory	61.46%	-13.67%
Communities	58.58%	-14.26%
Sports, Play & Active Wellbeing	53.41%	-12.28%
Children's	47.93%	-5.33%
Adult Social Care	41.33%	-9.36%
Schools	41.24%	-4.98%

Consultees completing the online budget simulator were also asked to consider the council's proposals for income generation. The feedback on these proposals is as follows:

Percentage of 'yes' responses for income generation proposals

1. Introduce a charge for pest control:	58%
2. Introduce a parking charge for Blue Badge holders in our off street car parks:	58%
3. Introduce a charge for credit card payments made to the council:	55%
4. Reduce the subsidy on primary school meals:	39%
5. Introduce charging for black refuse bags:	38%
6. Increase charges for meals at home:	37%
7. Increase parking charges:	32%
8. Remove subsidies on fees for bereavement services:	31%

Percentage of 'yes' responses for efficiencies proposals

1. Deliver libraries and cultural services through a "not for profit" trust:	64%
2. Review and change our policy on home to school transport:	50%
3. Introduce more stringent eligibility criteria for adult social services:	39%
4. Review of rationalisation of school crossing patrol service:	37%
5. Review of provision of public conveniences:	34%
6. Review of provision of supported bus services:	34%
7. Review of lifeguard services to reduce length of season and beach coverage:	26%
8. Limit the amount of holiday support for the carers of adults with learning disabilities:	20%

During the consultation period, the council received 271 responses to its Budget Simulator, 106 online surveys and 83 hard copy surveys (including workshop submissions) were received.

The key messages from the qualitative data we have received is to:

1. Encourage citizen engagement;
2. Outsource services where possible;
3. Invest to improve the infrastructure;
4. Provide statutory obligations;
5. Undertake activities to generate income;
6. Remove and reduce a wide range of non-essential services;
7. Restructure the council and realign the level of services provided;
8. Encourage economic development and
9. Optimise planning and management

2. Assessment of Impact

Based on the data you have analysed, and the results of consultation or research, consider what the potential impact will be upon people with protected characteristics (negative or positive). If you do identify any adverse impact you **must**:

a) Liaise with the Equalities Team who may seek legal advice as to whether, based on the evidence provided, an adverse impact is or is potentially discriminatory, and

b) Identify steps to mitigate any adverse impact – these actions will need to be included in your action plan.

Include any examples of how the policy helps to promote equality.

Actions to mitigate

This is a high level Equality Impact Assessment on the Council's budget proposals, which are outlined in detail in Appendix C. Separate EIAs have been completed for individual proposed budget reductions which may impact on certain groups of citizens within the County Borough. In anticipating the reductions in spending required of Bridgend County Borough Council (BCBC) in the financial years 2015/16, 2016/17, 2017/18 and 2018/19, our obligations under the existing statutory equality duties and our responsibilities under the single Public Sector Equality Duty the Council has undertaken a range of activities.

Within the process of developing savings proposals, a high level equality analysis was undertaken to identify key areas where there may be implications for specific protected groups under the equality legislation. As a result of this initial analysis and identification of the equality implications, Members considered the options and sought to minimise the potential negative impact on protected equality groups by, in some areas, revising the options. The proposals are accompanied by a summary analysis of those areas where the most significant equality impacts had been identified. Where possible, mitigating action has already been taken to ensure that negative impacts on protected equality groups have been minimised.

However, we acknowledge that some negative impacts will be experienced by residents and staff within the County Borough due to the ongoing need for budget reductions. This has been recognised in the information that has been considered by Members and we will be seeking further ways to mitigate any negative impact on protected groups as the changes which are necessary are implemented. Some areas within the budget proposals clearly require further and ongoing equality impact assessment work.

For the years 2016/17, 2017/18 and 2018/19 we will have the opportunity to undertake more in depth EIA work including consultation and involvement with relevant protected groups and their representatives. However, for the decisions impacting on 2015/16 there is a requirement for the Council to determine its Council Tax at its meeting in February 2015 and this necessitates the budget for 2015/16 being agreed beforehand. The law requires the Council to have determined its budget within a prescribed timescale and for the agreed budget to be in place before 1st April 2015.

Gender	Impact or potential impact	Actions to mitigate
Identify the impact/potential impact on	The impact on women and men may differ based on the demographics of Bridgend	Mitigating action will be for Bridgend County Borough Council to regularly

<p>women and men.</p>	<p>County Borough not on service delivery/provision. There were 139,740 people living in Bridgend (2011 census) with a gender split of 49.4% male (69,031) and 50.6% female (70,709).</p> <p>The makeup of Bridgend County Borough Council's employees taking into account the possible future need to reduce staffing levels (as at 30 September 2014) is:</p> <p>1397 (22.2%) male and 4901 (77.8%) female</p>	<p>monitor the potential impact of budget reductions on protected characteristic groups.</p>
<p>Disability</p>	<p>Impact or potential impact</p>	<p>Actions to mitigate</p>
<p>Identify the impact/potential impact on disabled people (ensure consideration of a range of impairments, e.g. physical, sensory impairments, learning disabilities, long-term illness).</p>	<p>A number of the budget reductions outlined in the council's Medium Term Financial Strategy have the potential to impact on disabled people if not managed properly. Of the 139,740 people living in Bridgend (2011 census), 34,359 consider that their day to day activities are limited either a lot or a little by a physical, sensory or learning disability or a long term illness. Whilst we are mindful of this potential impact we have identified opportunities for us to work in partnership with other providers and 3rd sector</p>	<p>Mitigating action will be for Bridgend County Borough Council to regularly monitor the potential impact of budget reductions on protected characteristic groups.</p>

	<p>partners to deliver alternative forms of service.</p> <p>Of the council's 6298 employees (as at 30 September 2014), 113 (1.8%) had declared a disability.</p>	
Race	Impact or potential impact	Actions to mitigate
Identify the impact/potential impact of the service on Black and minority ethnic (BME) people.	<p>From the 2011 census there are approximately 2000 BME people living in Bridgend. This figure comprises of 1.5 % of our total population. Whilst the full impact of our budget reductions on BME people is currently unknown we will continue to monitor the impact of reductions on BME people and consider mitigating action if necessary.</p> <p>As at 30 September 2014, 72 employees (1.1%) had disclosed as BME.</p>	Mitigating action will be for Bridgend County Borough Council to regularly monitor the potential impact of budget reductions on protected characteristic groups.
Religion and belief	Impact or potential impact	Actions to mitigate
Identify the impact/potential impact of the service on people of different religious and faith groups.	<p>From the 2011 census, 77,860 people in Bridgend declared religious beliefs. These were:</p> <ul style="list-style-type: none"> • Christian – 76,625 	Mitigating action will be for Bridgend County Borough Council to regularly monitor the potential impact of budget reductions on protected characteristic groups.

	<ul style="list-style-type: none"> • Buddhist – 357 • Hindu – 270 • Jewish – 33 • Muslim – 529 • Sikh - 46 <p>From the 2011 census there are:</p> <ul style="list-style-type: none"> • Gypsy/Traveller – 63 • Mixed – 998 • Asian – 1549 • Black/African/Caribbean – 315 • Other – 226 <p>This total figure of 3151 comprises 2.3 % of our total population. Whilst the full impact of our budget reductions on BME people is currently unknown we will continue to monitor the impact of reductions on BME people and consider mitigating action if necessary.</p>	
Sexual Orientation	Impact or potential impact	Actions to mitigate

Identify the impact/potential impact of the service on gay, lesbian and bisexual people.	Available data on lesbian, gay and bisexual people living in Bridgend is either not reported or is unreliable as a request for disclosure is not always welcome. Whilst the full impact of our budget reductions on LGB people is currently unknown we will continue to monitor the impact of reductions and will refer any issues to the Bridgend LGB & T forum for advice and consider mitigating action if necessary.	Mitigating action will be for Bridgend County Borough Council to regularly monitor the potential impact of budget reductions on protected characteristic groups.
Age	Impact or potential impact	Actions to mitigate
Identify the impact/potential impact of the service on older people and younger people.	From the 2011 census the age breakdown of people living in Bridgend is: 0 – 15 – 18.3% (25,572) 16 – 64 – 63.2% (88,316)	Mitigating action will be for Bridgend County Borough Council to regularly monitor the potential impact of budget reductions on protected characteristic groups.

	<p>65+ - 18.5% (25,852)</p> <p>The age breakdown of Council employees (accounting the possible staff reductions to be considered by the council) as at 30 September 2014 was as follows:</p> <p>16 – 19: 12 (0.2%)</p> <p>20 – 25: 326 (5.2%)</p> <p>26 – 30: 554 (8.8%)</p> <p>31 – 35: 677 (10.8%)</p> <p>36 – 40: 806 (12.8%)</p> <p>41 – 45: 1023 (16.3%)</p> <p>46 – 50: 985 (15.6%)</p> <p>51 – 55: 903 (14.3%)</p> <p>56 – 60: 684 (10.8%)</p> <p>61 – 65: 270 (4.3%)</p> <p>Over 66: 58 (0.9%)</p> <p>The impact on age will differ and will be dependent on service delivered and service user.</p>	
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Pregnancy & Maternity	Impact or potential impact	Actions to mitigate
	Unknown	
Transgender	Available data on transgender people living in Bridgend is either not reported or is unreliable as a request for disclosure is not always welcome. While the full impact of our budget reductions on transgender people is currently unknown we will continue to monitor the impact of reductions and will refer any issues to the Bridgend LGB & T forum for advice and consider mitigating action if necessary.	Mitigating action will be for Bridgend County Borough Council to regularly monitor the potential impact of budget reductions on protected characteristic groups.

It is essential that you now complete the action plan. Once your action plan is complete, please ensure that the actions are mainstreamed into the relevant Thematic Service Development Plan.

3. Action Plan

The key proposals within the budget that require a change in policy will be the subject of separate reports to Cabinet. Significant changes are subject to periodic post implementation monitoring and review by the Council's Cabinet and the relevant Overview & Scrutiny Committee; and in some instances, by Regulatory bodies. The Business Plans of Directorates are aligned with the Council's Budget and performance against these and the wider performance of the Council's services is monitored in quarterly Comprehensive Performance Assessment meetings. Budget monitoring is subject to quarterly reports to Cabinet and Performance reports are now also being produced for Overview and Scrutiny

Committees on a half yearly basis.

Please outline the name of the independent person (someone other than the person undertaking the EIA) countersigning this EIA below:

Paul Williams, Equalities and Engagement Officer

Please outline how and when this EIA will be monitored in future and when a review will take place:

The key proposals within the budget that require a change in policy will be the subject of separate reports to Cabinet. Significant changes are subject to periodic post implementation monitoring and review by the Council's Cabinet and the relevant Overview & Scrutiny Committee; and in some instances, by the Regulatory bodies.

The Business Plans of Directorates are aligned with the Council's Medium Term Financial Strategy and performance against these and the wider performance of the Council's services is monitored in Corporate Performance Assessment meetings.

Budget monitoring is subject to quarterly reports to Cabinet and Performance reports are now also being produced for Overview and Scrutiny Committees on a half yearly basis.

Signed: Ness Young

Date: 19 November 2014

4. Publication of your results and feedback to consultation groups

It is important that the results of this impact assessment are published in a user friendly accessible format.

It is also important that you feedback to your consultation groups with the actions that you are taking to address their concerns and to mitigate against any potential adverse impact.

TREASURY MANAGEMENT STRATEGY 2015-16



1.0 Introduction

The Council adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* (the CIPFA Code) in February 2012 which requires the Council to approve a treasury management strategy before the start of each financial year. In addition to the Code of Practice, the Welsh Government (WG) issued revised *Guidance on Local Authority Investments* in April 2010 that requires the Council to approve an Investment Strategy before the start of each financial year. This Strategy fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the WG Guidance.

The Council has an integrated Treasury Management Strategy where borrowing and investments are managed in accordance with best professional practice. The Council borrows money either to meet short term cash flow needs or to fund capital schemes approved within the capital programme. Therefore any actual loans taken are not associated with particular items of expenditure or assets. The Council is exposed to financial risks including the potential loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's treasury management strategy.

The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Cabinet, and for the execution and administration of treasury management decisions to the Section 151 Officer, who will act in accordance with the organisation's strategy, Treasury Management Practices (TMP) and CIPFA's Standard of Professional Practice on Treasury Management. Council will receive reports on its treasury management activities, including as a minimum, an annual strategy in advance of the year, a mid-year review and an annual report after its financial year end. Quarterly reports will also be received by Cabinet.

The Council nominates the Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

The Co-Operative Bank announced in November 2013 that it did not wish to support local government banking beyond 2015-16 so a bank retendering exercise was undertaken in 2014 and a new banking contract has been awarded to Barclays Bank which commenced on 5 January 2015.

2.0 Economic Context and Forecasts for Interest Rates

Economic background: There is momentum in the UK economy, with a continued period of growth through domestically-driven activity and strong household consumption. There are signs that growth is becoming more balanced. The greater contribution from business investment should support continued, albeit slower, expansion of Gross Domestic Product. However, inflationary pressure is benign and is likely to remain low in the short-term. There have been large falls in unemployment but levels of part-time working, self-employment and underemployment are significant and nominal earnings growth remains weak and below inflation.

The Bank of England's Monetary Policy Committee (MPC)'s focus is on both the degree of spare capacity in the economy and the rate at which this will be used up,

factors prompting some debate on the Committee. Despite two MPC members having voted for a 0.25% increase in rates at each of the meetings August 2014 onwards, some Committee members have become more concerned that the economic outlook is less optimistic than at the time of the August *Inflation Report*.

Credit outlook: The transposition of two European Union directives into UK legislation in the coming months will place the burden of rescuing failing EU banks disproportionately onto unsecured local authority investors. The *Bank Recovery and Resolution Directive* promotes the interests of individuals and small businesses covered by the Financial Services Compensation Scheme and similar European schemes, while the recast *Deposit Guarantee Schemes Directive* includes large companies into these schemes. The combined effect of these two changes is to leave public authorities and financial organisations (including pension funds) as the only senior creditors likely to incur losses in a failing bank after July 2015.

The continued global economic recovery has led to a general improvement in credit conditions since last year. This is evidenced by a fall in the credit default swap spreads of banks and companies around the world. However, due to the above legislative changes, the credit risk associated with making unsecured bank deposits will increase relative to the risk of other investment options available to the Council. This has led to a requirement for the Council to adopt a new strategy for 2015-16 which is detailed in section 5 Investment Strategy.

Interest rate forecast: The Council's treasury management advisor Arlingclose forecasts the first rise in official interest rates in August 2015 and a gradual pace of increases thereafter, with the average for 2015-16 being around 0.75%. Arlingclose believes the normalised level of the Bank Rate post-crisis to range between 2.5% and 3.5%. The risk to the upside (i.e. interest rates being higher) is weighted more towards the end of the forecast horizon. On the downside, Eurozone weakness and the threat of deflation have increased the risks to the durability of UK growth. If the negative indicators from the Eurozone become more entrenched, the Bank of England will likely defer rate rises to later in the year. Arlingclose projects gilt yields on an upward path in the medium term, taking the forecast average 10 year PWLB loan rate for 2015-16 to 3.40%.

Arlingclose (Council's TM Advisers) central interest rate forecast – December 2014

	Bank Rate	3 Bank month LIBID	1 Year LIBID	5-year gilt yield	10 year gilt yield	20-year gilt yield*	50-year gilt yield*
Dec 2014	0.50	0.55	0.95	1.70	2.40	2.90	3.00
Mar 2015	0.50	0.60	1.00	1.75	2.45	2.95	3.05
June 2015	0.50	0.65	1.05	1.90	2.55	3.05	3.10
Sept 2015	0.75	0.85	1.20	2.00	2.60	3.10	3.15
Dec 2015	0.75	1.00	1.35	2.10	2.65	3.15	3.20
Mar 2016	1.00	1.15	1.50	2.20	2.70	3.20	3.25
June 2016	1.00	1.30	1.65	2.30	2.75	3.25	3.30
Sept 2016	1.25	1.45	1.80	2.40	2.80	3.30	3.35
Dec 2016	1.25	1.60	1.95	2.50	2.85	3.35	3.40
Mar 2017	1.50	1.75	2.10	2.60	2.90	3.40	3.45
Jun 2017	1.50	1.85	2.20	2.70	2.95	3.45	3.50
Dec 2017	1.75	2.05	2.40	2.90	3.05	3.50	3.55
Mar 2017	1.75	2.15	2.50	2.95	3.10	3.55	3.60

3.0 The Council's Current Treasury Management Position

The Council's debt and investment position as at 31 December 2014 is shown below:

Table 1

		Principal as at 31 -12-14	Average Rate
		£m	%
Fixed rate long term funding	PWLB(i)	77.62	4.70
Variable rate long term funding	PWLB	-	-
	LOBO(ii)	19.25	4.65
Total Long Term External Borrowing(iii)		96.87	4.69
Other Long Term Liabilities(iii) (including PFI)		21.09	
TOTAL GROSS DEBT		117.96	
Fixed rate investments (iv)		18.50	0.55
Variable rate investments		7.20	0.46
TOTAL INVESTMENTS(v)		25.70	0.53
TOTAL NET DEBT		92.26	

- (i) Public Works Loan Board (PWLB)
- (ii) Lender's Option Borrower's Option (LOBO)
- (iii) Long term borrowing/liabilities include all instruments with an initial term of 365 days or more.
- (iv) Fixed rate in the above table includes instruments which are due to mature in the year
- (v) The investment totals include instant access deposit accounts which are included as "Cash" in the Council's balance sheet in the Statement of Accounts and also investments shown as "Cash Equivalents" in the Council's balance sheet that mature in 1 month or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value

The £19.25m relates to Lender's Option Borrower's Option (LOBO) loans which have a maturity date of 2054, however these may be re-scheduled in advance of this maturity date. The LOBO rate and term may vary in the future depending upon the prevailing market rates, the lender exercising their option to increase rates at one of the bi-annual trigger points and therefore, the Council being given the option to accept the increase or to repay the loan without incurring a penalty. The next trigger point is 22 July 2015 and although the Council understands that the lender is unlikely to exercise this option in the current low interest rate environment, an element of refinancing risk remains and the Council would take the option to repay these loans at no cost if it has the opportunity to do so in the future.

Investments are anticipated to drop from £25.70m on 31 December 2014 to approximately £9m by the 31 March 2015. This is due partly to the reduction in

income collected from Council Tax and National Non-Domestic Rates in February and March 2015 and expenditure expected for the capital programme.

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing. CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Forecast changes in these sums are included in the Treasury Management and Prudential Indicators shown in **Schedule A** which shows that the Council expects to comply with this recommendation during 2015-16 and the following three years.

4.0 Borrowing Strategy

The major **objectives** to be followed in 2015-16 are:-

- to minimise the revenue costs of debt,
- to manage the Council's debt maturity profile i.e. to leave no one future year with a high level of repayments that could cause problems in re-borrowing ,
- to effect funding in any one year at the cheapest cost commensurate with future risk,
- to forecast average future interest rates and borrow accordingly,
- to monitor and review the level of variable interest rate loans in order to take greater advantage of interest rate movement,
- to reschedule debt if appropriate, in order to take advantage of potential savings as interest rates change, and
- to maximise the use of all capital resources including borrowing, both supported and unsupported, useable capital receipts and grants and contributions.

The Section 151 Officer will take the most appropriate form of borrowing depending on the prevailing interest rates at the time and the expected borrowing requirement for 2015-16 is £5m at an estimated rate of 4.00%.

Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. The uncertainty over future interest rates increases the risks associated with treasury activity. As a result the Council will take a cautious approach to its treasury strategy. With short-term interest rates currently much lower than long term rates, it is likely to be more cost effective in the short term to either borrow short term loans or use internal resources. Short term and variable rate loans expose the Council to the risk of short term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates as shown in the treasury management indicators in **Schedule A**.

However, with long term rates forecast to rise in the coming years, any such short term savings will need to be balanced against the potential longer-term costs. The

Council's Treasury Management advisers will assist the Council with this 'cost of carry' and breakeven analysis.

The **approved sources** of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB)
- UK local authorities and Welsh Government (WG)
- any institution approved for investments (see Investment Strategy)
- any other bank or building society authorised by the Prudential Regulation Authority to operate in the UK
- UK public and private sector pension funds (except the Council's Pension Fund)
- capital market bond investors
- special purpose companies created to enable joint local authority bond issues.

The Council has previously raised the majority of its long-term borrowing from the PWLB, but will also investigate other sources of finance, such as Welsh Government and local authority loans and bank loans, that may be available at more favourable rates.

Before any long term borrowing is undertaken an assessment of the Council's borrowing requirement must be made. This will include:

- a calculation of the funds needed to meet capital expenditure and revenue implications of repaying the loan,
- options appraisal to determine the funding decision, as required by the Prudential Code,
- ensuring that the level of long term borrowing is consistent with the Treasury Management Strategy and the Treasury Management and Prudential Indicators,
- assessment of the PWLB interest rates and current market rate to ascertain the cheapest source of finance, and
- the selection, dependent upon interest rate levels, of the most appropriate period for borrowing, bearing in mind the maturity profile of existing Council debt.

Debt Rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. The Council may take advantage of this and replace some higher rate loans with new loans at lower interest rates, or repay loans without replacement, where this is expected to lead to an overall saving or reduction in risk.

5.0 Investment Strategy

Both the CIPFA Code and the WG Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, balancing the risk of incurring losses from defaults against receiving unsuitably low investment income.

Investment Balances: The Council holds surplus funds representing income received in advance of expenditure plus balances and reserves held. Based on its cash flow forecasts, the Council anticipates its fund balances in 2015-16 to range

from £5m to £40m with an average investment rate of 0.45% (based on current rates and investment types) but this will be reviewed at half year and reported to Council. The actual balance varies because of the cash flow during the month and year as to when income is received (such as specific grant income, housing benefits subsidy and Revenue Support Grant) and payments are made (such as salaries and wages, major capital expenditure and loan repayments).

The major **objectives** to be followed in 2015-16 are:-

- To maintain capital **security**;
- To maintain **liquidity** so funds are available when expenditure is needed;
- To achieve the **yield** on investments commensurate with the proper levels of security and liquidity.

The Council's investments have historically been placed in short term bank and building society unsecured deposits and local and central government, however, investments may be made with any public or private sector organisations that meet the credit criteria detailed below. This change is included in the Strategy as there is increasing (relative) risk from short-term unsecured bank and building society investments therefore requiring the Council to diversify into more secure and/or higher yielding asset classes during 2015-16. This reflects a lower likelihood that the UK and other governments will support failing banks as the bail-in provisions in the *Banking Reform Act 2014* and the *EU Bank Recovery and Resolution Directive* are implemented. As this diversification will represent a substantial change in approach, appropriate training will be provided by the Council's treasury management advisers before investments are made in these alternative instruments. Any new instruments used will be in full consultation with these advisers.

Investments will be made after the following steps have been taken:

- assessment of the available funds and the suitability of the period over which the investment is to be made,
- reference to the list of approved counterparties and to the maximum limit on funds to be placed with a single organisation,
- the completion of adequate documentation to ensure the protection of the Council's interests,
- checks to ensure that the interest rates offered are comparable with the other available investments, and
- due regard has been paid to the fact that a comparatively high return will usually entail a higher level of risk.

With short term interest rates currently much lower than long-term rates, due consideration will also be given to using surplus funds to make early repayments of long term borrowing if appropriate.

Credit Rating: Investment decisions are made by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used.

Approved Counterparties: The Council may invest with any of the counterparty types shown below in Table 2 below, subject to the cash limits (per counterparty) and

the time limits shown. **These must be read in conjunction with the notes immediately below the table and the combined secured and unsecured investments in any one bank must not exceed the cash limit for secured investments:**

Table 2: Approved Counterparties

Credit Rating	Banks (including building societies) Unsecured	Banks (including building societies) Secured	Government	Corporates	Registered Providers
UK Central Government	N/A	N/A	£ Unlimited	N/A	N/A
			50 Years		
UK Local Authorities *	N/A	N/A	£15,000,000	N/A	N/A
			10 Years		
AAA	£3,000,000	£4,000,000	£4,000,000	£2,000,000	£2,000,000
	5 Years	20 Years	50 Years	20 Years	20 Years
AA+	£3,000,000	£4,000,000	£4,000,000	£2,000,000	£2,000,000
	5 Years	10 Years	25 Years	10 Years	10 Years
AA	£3,000,000	£4,000,000	£4,000,000	£2,000,000	£2,000,000
	4 Years	5 Years	15 Years	5 Years	10 Years
AA-	£3,000,000	£4,000,000	£4,000,000	£2,000,000	£2,000,000
	3 Years	4 Years	10 Years	4 Years	10 Years
A+	£3,000,000	£4,000,000	£2,000,000	£2,000,000	£2,000,000
	2 Years	3 Years	5 Years	3 Years	5 Years
A	£3,000,000	£4,000,000	£2,000,000	£2,000,000	£2,000,000
	13 Months	2 Years	5 Years	2 Years	5 Years
A-	£3,000,000	£4,000,000	£2,000,000	£2,000,000	£2,000,000
	6 Months	13 Months	5 Years	13 Months	5 Years
BBB+	£1,000,000	£2,000,000	£1,000,000	£1,000,000	£1,000,000
	100 Days	6 Months	2 Years	6 Months	2 Years
BBB or BBB-	£1,000,000	£2,000,000	N/A	N/A	N/A
	Next day only	100 Days			
None	£1,000,000	N/A	£2,000,000	N/A	£2,000,000
	6 Months		25 Years		5 Years
Pooled Funds	£4,000,000				
	Per Fund				

* excluding parish and community councils

Banks Unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. Unsecured investment with banks rated BBB or BBB- are restricted to overnight deposits at the Council's current account bank.

Banks Secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits.

The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely.

Registered Providers: Loans and bonds issued by, guaranteed by, or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Welsh Government and, as providers of public services, they retain a high likelihood of receiving government support if needed.

Money Market Funds (type of pooled fund): These funds are pooled investment vehicles consisting of money market deposits and similar instruments. They have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager. Money Market Funds that offer same-day liquidity and aim for a constant net asset value may be used as an alternative to instant access bank accounts. To date the Council has not used money market funds.

Other Pooled Funds: The Council may consider using pooled bond, equity and property funds whose value changes with market prices and/or have a notice period will be used for longer investment periods as they offer enhanced returns over the longer term, and are potentially more volatile in the shorter term. To date the Council has not used any pooled funds but if it did their performance and continued suitability in meeting the Council's investment objectives would be monitored regularly.

Credit Rating Criteria and their Use: Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes as they occur.

Long-term ratings are expressed on a scale from AAA (the highest quality) through to D (indicating default). Ratings of BBB- and above are described as investment grade, while ratings of BB+ and below are described as speculative grade. The Council's credit rating criteria are set to ensure that it is very unlikely the Council will hold speculative grade investments, despite the possibility of repeated downgrades.

Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other Information on the Security of Investments: The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Specified Investments: This is an investment which offers high security and high liquidity. It is a low risk investment where the possibility of loss of principal or investment income is negligible and satisfies the conditions below as defined by *WG Investment Guidance*:-

- denominated in pound sterling,
- contractually committed to be paid within 12 months of arrangement (364 days),
- not defined as capital expenditure by legislation, and
- invested with one of:
 - the UK Government,
 - a UK local authority,
 - a UK parish or community council or
 - body or investment scheme of “high credit quality”

The Council’s defines “**high credit quality**” organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. Overseas subsidiaries of foreign banking groups will normally be assessed according to the country of domicile of the parent organisation.

Non-specified Investments: Any investment that does not fall into the criteria detailed above under the Specified definition. The Council does not intend to make any investments denominated in foreign currencies. Non-specified investments will therefore be limited to:

- long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement,
- those that are defined as capital expenditure by legislation, such as shares in money market funds and other pooled fund, and
- investments with bodies and schemes not meeting the definition on high credit quality .

All investments longer than 364 days will be made with a cautious approach to cash flow requirements and will only be entered into with prior advice from the Council’s Treasury Management Advisers.

The WG Guidance requires the Council’s Investment Strategy to set an overall limit for non-specified investments which is currently set at £25m. Table 3 below shows the non-specified categories and the relevant limits – the total of the individual limits exceed £25m, however at any one point in time a maximum of **£25m** of investments could be in one of the following non-specified categories with the following category limits:

Table 3: Non-Specified Investment Limits

	Category Total Cash limit
Total long-term investments	£15m
Total Money Market Funds and other pooled funds	£10m
Total investments without credit ratings or rated below A-	£ 6m
Total investments with institutions domiciled in foreign countries rated below AA+	£ 3m

Investment Limits:

The combined values of specified and non-specified investments with any one organisation are subject to the investment limits detailed below in Table 4, the approved counterparties and limits shown in Table 2 above and also the non-specified limits in Table 3 above. A group of banks under the same ownership will be treated as a single organisation for limit purposes.

Table 4: Investments Limits

	Cash limit
Any single organisation, except the UK Central and Local Government	£4m
UK Central Government	unlimited
UK Local Authorities	£15m
Any group of organisations under the same ownership	£4m per group
Any group of pooled funds under the same management	£4m per manager
Negotiable instruments held in a broker's nominee account	£10m per broker
Foreign countries	£4m per country
Registered Providers	£5m in total
Unsecured investments with Building Societies	£5m in total

6.0 Treasury Management and Prudential Indicators

The 2011 Treasury Management Code and Prudential Code require the Council to set and report on a number of Treasury Management and Prudential Indicators. **Schedule A** revises some of the indicators for 2014-15, 2015-16, 2016-17, 2017-18 and introduces new indicators for 2018-19 to be consistent with the principles contained in the Medium Term Financial Strategy. The indicators either summarise the expected activity or introduce limits upon the activity, and reflect the underlying capital programme.

7.0 Annual Minimum Revenue Provision Statement 2015-16

Where a Council finances capital expenditure by debt, it must put aside revenue resources to repay that debt in later years. This amount charged to revenue is called the Minimum Revenue Provision (MRP). Under the Local Authority (Capital Finance and Accounting) (Amendment) (Wales) Regulations 2008, an Annual Minimum Revenue Provision (MRP) Statement needs to be produced that details the methodology for the MRP charge. There is not a statutory minimum for the amount set aside. It needs to be considered a prudent provision to ensure that the debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits or in the case of borrowing supported by Welsh Government's Revenue Support Grant reasonably commensurate with the period implicit in the determination of that grant. This is detailed in **Schedule B**.

8.0 Performance Indicators

The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators as opposed to the treasury management and prudential indicators which are predominantly forward looking. One debt performance indicator is where the average portfolio rate of interest is compared to an appropriate average available such as the average PWLB Debt for Welsh and UK Local Authorities. The rate of return on investments can be monitored against the benchmark of the average 7 day London Inter - Bank rate (LIBID rate) and will also be benchmarked against the average Bank Rate.

9.0 Other Items

The Council is required by CIPFA or WG to include the following additional items:

Policy on Use of Financial Derivatives: The Localism Act 2011 includes a general power competence that removes the uncertain legal position over English local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). These instruments are used by organisations to manage exposure to interest rate or exchange rate fluctuations. Although this change does not apply to Wales, the latest CIPFA Code requires authorities to clearly state their policy on the use of derivatives in the annual strategy. In the absence of any legislative power, the Council's policy is not to enter into standalone financial derivatives transactions such as swaps, forwards, futures and options. Embedded derivatives within loans and investments including pooled funds may be used and the risks they present will be managed in line with the overall treasury risk management strategy.

Investment Advisers: The Council has appointed Arlingclose Limited as treasury management advisers to provide advice and information relating to its borrowing and investment activities. The quality of this service is controlled by having regular meetings with the advisers and regularly reviewing the service provided.

Investment of Money Borrowed in Advance of Need: The Welsh Government maintains that the borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity. This Council's borrowing is not linked to the financing of specific items of expenditure. The Council's Capital Financing Requirement (CFR) as at 1 January 2015, was in excess of the actual debt of the Council. This indicates that there was no borrowing in advance of need.

Investment Training: The Treasury Management Team receives training from the Council's Treasury Management advisers. The Council also supports personal development so individuals enhance their own knowledge through reading CIPFA guidance, publications and research on the internet.

TREASURY MANAGEMENT INDICATORS

The following indicators (which are forward looking parameters) form part of the CIPFA Code of Practice on Treasury Management. They enable the Council to measure and manage its exposure to Treasury Management risks using the following indicators.

The Council needs to set the upper limits to its **Interest Rate Exposure** for the effects of changes in interest rates. There are two treasury management indicators that relate to both fixed interest rates and variable interest rates. These limits have been calculated with reference to the net outstanding principal sums and are set to control the Council's exposure to interest rate risk.

No.	Interest Rate Exposure	2014-15 Proj £m	2015-16 Est. £m	2016-17 Est. £m	2017-18 Est. £m	2017-18 Est. £m
	Total Projected Principal Outstanding on Borrowing 31 March	96.87	101.87	106.87	111.87	116.87
	Total Projected Principal Outstanding on Investments 31 March	9.00	8.00	7.00	6.00	5.00
	Net Principal Outstanding	87.87	93.87	99.87	105.87	111.87
1.	Upper Limit on fixed interest rates (net principal) exposure	130.00	140.00	145.00	150.00	155.00
2.	Upper Limit on variable interest rates (net principal) exposure	50.00	50.00	50.00	50.00	50.00

The Section 151 Officer will manage interest rate exposures between these limits.

A further indicator for Treasury Management measures the **Maturity Structure of Borrowing** and is the amount of projected borrowing that is fixed rate, maturing in each period as a percentage of total projected fixed rate borrowing. This indicator is set to control the Council's exposure to refinancing risk and has been set to allow for the possible restructuring of long term debt where this is expected to lead to an overall saving or reduction in risk.

No	Maturity structure of fixed rate borrowing during 2015-16	Upper limit	lower limit
3.	Under 12 months	50%	0%
	12 months and within 24 months	25%	0%
	24 months and within 5 years	50%	0%
	5 years and within 10 years	60%	0%
	10 years and above	100%	40%

The Upper Limit for **Total Principal Sums Invested over 364 days** indicator controls the amount of longer term investments which mature beyond the period end. This is set to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments.

No.		2015-16 £m	2016-17 £m	2017-18 £m	2018-19 £m
4.	Upper Limit - Total Principal Sum Invested more than 364 day days	15	10	8	6

2.0 PRUDENTIAL INDICATORS

The Prudential Indicators are required to be set and approved by Council in accordance with CIPFA's *Prudential Code for Capital Finance in Local Authorities*.

Council is required to formally adopt CIPFA's Treasury Management Code and the revised version of the 2011 code was adopted by Council on 22 February 2012.

Prudential Indicators for Prudence

The following Prudential Indicators are based on the Council's capital programme which is subject to change.

The Council's capital expenditure plans are summarised below and this forms the first prudential indicator for Prudence. The total capital expenditure is funded from capital grants and contributions, capital receipts and revenue with the remainder being the **Net Financing Need for the Financial Year** to be met from borrowing.

No.	Prudential indicators For Prudence	2014-15 £'000 Proj.	2015-16 £'000 Est.	2016-17 £'000 Est.	2017-18 £'000 Est.	2018-19 £'000 Est.
1	Estimates of Capital Expenditure Non – HRA	31,069	36,441	26,436	12,929	6,723
	Total Capital Expenditure	31,069	36,441	26,436	12,929	6,723
	Financed by :-					
	Capital Grants and Contributions	11,821	12,575	15,008	5,314	2,814
	Capital Receipts	9,962	9,322	4,806	3,706	0
	Revenue	910	3,055	0	0	0
	Net Financing Need for Year	8,376	11,489	6,622	3,909	3,909

The second Prudential Indicator is the **Capital Financing Requirement (CFR)** for the Council. This shows the total outstanding capital expenditure that has not been funded from either revenue or other capital resources. It is derived from the actual Balance Sheet of the Council. It is essentially a measure of the underlying need to finance capital expenditure and forms the basis of the charge to the General Fund under the Prudential Code system.

The process for charging the financing of capital expenditure to revenue is a statutory requirement and is called the Minimum Revenue Provision (MRP). The actual MRP charge needs to be prudent – as detailed in the Council's MRP policy in **Schedule B**.

No.	Prudential indicators For Prudence	2014-15 £'000 Proj.	2015-16 £'000 Est.	2016-17 £'000 Est.	2017-18 £'000 Est.	2018-19 £'000 Est.
2	Capital Financing Requirement (CFR)					
	Opening CFR (1 April) excluding PFI	155,429	157,078	161,879	161,954	159,138
	Opening PFI CFR	19,776	19,300	18,787	18,235	17,640
	Opening Finance Lease CFR	41	0	0	0	0
	Opening Innovation Centre	816	769	719	663	603
	Opening HALO	971	1,150	1,033	917	800
	Total Opening CFR	177,033	178,297	182,418	181,769	178,181
	Movement in CFR excluding PFI & other liab	1,648	4,801	75	(2,817)	(2,751)
	Movement in PFI CFR	(476)	(512)	(552)	(595)	(641)
	Movement in Finance Lease CFR	(41)	0	0	0	0
	Movement in Innovation Centre CFR	(47)	(51)	(55)	(60)	(65)
	Movement in HALO CFR	180	(117)	(117)	(117)	(117)
	Total Movement in CFR	1,264	4,121	(649)	(3,588)	(3,574)
	Closing CFR (31 March)	178,297	182,418	181,769	178,181	174,607
	Movement in CFR represented by :-					
	Net Financing Need for Year (above)	8,376	11,489	6,622	3,909	3,909
	Adjustment for Halo	296	0	0	0	0
	Minimum and Voluntary Revenue Provisions*	(7,408)	(7,368)	(7,271)	(7,498)	(7,483)
	Total Movement	1,264	4,121	(649)	(3,589)	(3,574)

*Minimum Revenue Provision (MRP) and Voluntary Revenue Provision (VRP) represent the revenue charge for the repayment of debt and includes MRP for the Public Finance Initiative (PFI), Finance Leases, Innovation Centre and HALO

Limits to Borrowing Activity

The Council's long term borrowing at the 31 December 2014 was £96.87m as detailed in section 3 of the Strategy. External Borrowing can arise as a result of both capital and revenue expenditure and timing of cash flows. Because the Council has an integrated Treasury Management Strategy there is no association between individual loans and particular types of expenditure. Therefore, the Capital Financing Requirement and actual external borrowing can be very different.

The **Gross Debt** position (Borrowing and Long Term Liabilities) is shown below:

No.	Prudential indicators For Prudence Gross Debt 31 March	2014-15 £'000 Proj.	2015-16 £'000 Est.	2016-17 £'000 Est.	2017-18 £'000 Est.	2018-19 £'000 Est.
3	External Borrowing	96,867	101,867	106,867	111,867	116,867
	Long Term Liabilities (including PFI)	21,219	20,539	19,815	19,043	18,220
	Total Gross Debt	118,086	122,406	126,682	130,910	135,087

Within the Prudential Indicators, there are a number of key indicators to ensure the Council operates its activities within well-defined limits. One key control is to ensure that over the medium term, debt will only be for a capital purpose. The Council needs to ensure that external debt does not, except in the short term, exceed the Capital Financing Requirement for 2014-15 (i.e. the preceding year) plus the estimates of any additional capital financing requirement for the current and next three financial

years, however 2018-19 has also been included to be consistent with the Medium Term Financial Strategy.

No.	Prudential indicators For Prudence	2014-15 £'000 Proj.	2015-16 £'000 Est.	2016-17 £'000 Est.	2017-18 £'000 Est.	2018-19 £'000 Est.
4	Gross Debt & the CFR					
	Total Gross Debt	118,086	122,406	126,682	130,910	135,087
	Closing CFR (31 March)	178,297	182,418	181,769	178,181	174,607

As can be seen from the above table, the Council does not have any difficulty meeting this requirement in 2014-15 and does not envisage any difficulties in the current and future years. This view takes into account current commitments, existing plans and the proposals for next year's budget.

A further two Prudential Indicators control the Council's overall level of debt to support Capital Expenditure. These are detailed below:-

- The **Authorised Limit** for External Debt – this represents the limit beyond which borrowing is prohibited. It reflects a level of borrowing that could not be sustained even though it would be affordable in the short term. It needs to be set and approved by Members.
- The **Operational Boundary** for External Debt – this is not an actual limit and actual borrowing could vary around this boundary during the year. It is based on the probable external debt during the course of the year.

No.	Prudential indicators For Prudence	2014-15 £m	2015-16 Est. £m	2016-17 Est. £m	2017-18 Est. £m	2018-19 Est. £m
5	Authorised limit for external debt					
	Borrowing	140	140	140	140	140
	Other long term liabilities	30	30	30	30	30
	Total	170	170	170	170	170
6	Operational Boundary					
	Borrowing	115	105	110	115	120
	Other long term liabilities	25	25	25	25	25
	Total	140	130	135	140	145

Prudential Indicators for Affordability

The Prudential Code Indicators Numbered 1 to 6 above cover the overall controls on borrowing and financing of capital expenditure within the Council. The second suite of indicators detailed below assesses the affordability of capital investment plans and the impact of capital decisions on the Council's overall finances.

The indicator the **Ratio of Financing Costs to Net Revenue Stream** demonstrates the trend in the cost of capital against the Total Revenue amount to be met from local taxpayers and the amount provided by the Assembly in the form of Revenue Support Grant. The estimates of capital financing costs include interest payable and receivable on Treasury Management activities and the Minimum Revenue Provision

charged to the Comprehensive Income and Expenditure Statement. The revenue stream is the amount to be met from government grants and local taxpayers.

No.	Prudential Indicators for Affordability	2014-15 Proj.	2015-16 Est.	2016-17 Est.	2017-18 Est.	2018-19 Est.
7.	Estimate - Ratio of Financing Costs to Net Revenue Stream					
	Ratio	5.00%	5.05%	5.15%	5.45%	5.60%

The indicator of the **Incremental Impact of Capital Investment Decisions on Council Tax** identifies the estimate of the incremental impact to the Council Tax from the capital expenditure proposals, particularly changes in borrowing requirements that have occurred since the Capital Programme was approved for the year. This is a purely notional calculation designed to show the effect of changes in capital investment decisions

No.	Incremental Impact of Capital Investment Decisions on Council Tax	2014-15 Proj.	2015-16 Est.	2016-17 Est.	2017-18 Est.	2018-19 Est.
8.	Estimate - Increase in Band D Council Tax as per Capital Programme	£ 3.28	£ 3.91	£ 3.91	£ 3.91	£ 3.91

ANNUAL MINIMUM REVENUE PROVISION STATEMENT 2015-16

The Annual Minimum Revenue Provision Statement needs to be approved by Council before the start of each financial year. The MRP charges for 2015-16 will be on the following bases:-

- i. Capital expenditure incurred before 1 April 2008 and any capital expenditure after 1 April 2008 that is government supported expenditure and does not result in a significant asset will be based on the Capital Financing Requirement after accounting adjustments at 4% of the opening balance. This charge was supplemented by voluntary MRP (based on the useful asset life) in respect of those assets which were financed by unsupported borrowing before 1 April 2008.
- ii. all unsupported capital expenditure, exercised under the Prudential Code, and supported capital expenditure that results in a significant asset (based on an internal assessment) incurred on or after 1 April 2008, the MRP charge will be based on the Asset Life Method. The minimum revenue provision will be at equal annual instalments over life of asset. The first charge can be delayed until the year after the asset is operational but this will be at the discretion of the Section 151 Officer;
- iii. for assets reclassified as finance leases under International Financial Reporting Standards (IFRS) or resulting from a Private Finance Initiative, the MRP charge will be regarded as met by a charge equal to the element of the rent/charge that goes to write down the balance sheet liability for the year;
- iv. Where loans are made to other bodies for their capital expenditure with an obligation for the bodies to repay, no MRP will be charged. The capital receipts generated by the annual repayments on those loans will be put aside to repay debt instead.

The MRP Charge 2015-16 based on the estimated capital financing requirement is detailed below:-

	Options	Estimated Capital Financing Requirement 01-04-15 £'000	2015-16 Estimated MRP £'000
Capital expenditure before 01-04-2008 and any after 01-04-2008 that does not result in a significant asset (Supported) Capital Expenditure before 01-04-2008 (Unsupported)	(i)	125,390 1,631	4,855 271
Unsupported capital expenditure, exercised under the Prudential Code, and supported capital expenditure that results in a significant asset, incurred on or after 1 April 2008 (Supported) (Unsupported)	(ii)	3,932 26,125	131 1,431
PFI, Finance Leases and other arrangements PFI School Innovation Centre Halo Leisure	(iii)	19,300 769 1,150	512 51 117
TOTAL		178,297	7,368

Key Outcome	Corporate Improvement Priority	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
Links to all key outcomes	Links to all Corporate Improvement Priorities	<p>Welfare reform:</p> <p>The UK Government is introducing a number of significant welfare reforms over the next four years. There is still great uncertainty about the implications of the changes on citizens and staff as well as concern that the changes will put extra demands on council services and budgets that support vulnerable people.</p>	<p>Changes being made by the UK Government to benefit entitlements mean that demands on some services are likely to increase at the same time as the council's resource base reduces.</p> <p>Since 15 July 2013 there has been a limit on the total benefit a working age person can receive. BCBC will impose the cap through Housing Benefit deductions as and when notified by the Department for Works and Pensions (DWP). This currently affects around 83 households in Bridgend.</p> <p>From April 2013, maximum rent has been reduced in the social sector depending on the number of bedrooms required. About 1,250 households are affected.</p> <p>The Council will need to manage the Council Tax Reduction (CTR) scheme within its budget. Welsh Government (WG) has renewed the Regulations and the scheme will be based on 100% liability. Provision has been made in the Council's annual revenue budget 2015-16 to fund the projected additional budget requirement of £1m.</p> <p>Universal Credit (UC) commenced in October 2013 with full implementation now expected to be in 2019. The benefit will be primarily administered by DWP although the Council may have a role in face to face support for claimants.</p> <p>UC is to be rolled out nationally for single job seekers from February 2015 to March 2016.</p>	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<p>The Welfare Reform Task and Finish Group have developed an issues log with mitigating actions to minimise the impact of the reforms. This will be updated as new risks are identified.</p> <p>The Local Service Board (LSB) has developed a proposal to deal with Welfare Reform as a partnership arrangement. The Skills and Economy Programme Board reporting to the Communities Board is leading on the Co-ordination of activities. A key stakeholder steering group has been established and has:</p> <ul style="list-style-type: none"> • Arranged a series of awareness raising workshops aimed at frontline staff and volunteers • Developed an on-line resource (the moodle) which provides links to a wide range of support, including job search sessions, financial inclusion advice, credit unions, fuel poverty advice, foodbanks and DWP information sheets. • Secured funding to provide support in libraries and community venues with digital applications, eg Universal Jobmatch and Universal Credit (when introduced) • Developed a draft directory of training, employment and other support <p>The Council will monitor the impact of welfare reforms on citizens in terms of their needs across the range of council services including housing and will develop proposals for dealing with changes in demand. The Benefits Service will continue to work closely with families who are hardest hit to ensure they are adequately equipped to deal with the reduction in their income.</p> <p>Officers will be fully apprised of UK Government and WG plans to ensure that the council understands and can deal with the staff implications of moving from Housing Benefit (etc) to Universal Credit.</p> <p>As part of the Medium Term Financial Strategy (MTFS), the Council has an earmarked reserve specifically for welfare reform.</p> <p>The Council's Housing Section has agreed a protocol with registered social landlords for dealing with existing tenants who fall in arrears specifically due to the application of the bedroom cap.</p>	Corporate Director Resources	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>

Key Outcome	Corporate Improvement Priority	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
					Bridgend Housing Partnership meets quarterly and discusses the impact as an Agenda Item.		
Links to all key outcomes	Working together to make the best use of resources	<p>Using resource effectively:</p> <p>In the final Local Government Settlement 2014-15, local government funding declined with a further likely decrease on an all-Wales average of -1.57% forecasted for 2015-16. The MTFS approved by Council in February 2014 was however based on an assumption of a -3% reduction as the figures were still indicative. No indicative figures were provided for 2016-17 or 2017-18.</p> <p>In July 2014 WG indicated that authorities should plan for a cut in funding of -4.5% for each of the years 2015-16 to 2018-19. This equates to a savings target of £50m over the 4 year period.</p> <p>The Provisional Local Government Settlement was announced on 8 October, and the proposed funding for Bridgend was a reduction of -3.4%. However, this did not recognise the transfer in of funding for social care, which was previously funded through grant, giving a</p>	<p>The Council has to consider its resources very carefully and make difficult spending decisions. This will carry on over the next few years as the public finance outlook continues to be bleak.</p> <p>If there is a shortfall in savings the Council might fail to achieve its MTFS. This could necessitate the unplanned use of reserves to bridge the funding gap or unplanned cuts to services which would put vulnerable people at risk.</p> <p>In addition other specific revenue grants are likely to be reduced, but these have not yet all been quantified. In the draft WG budget there is also an indication that the Supporting People grant will reduce by 7.5% and education grants will reduce overall.</p> <p>Further town centre regeneration, office accommodation rationalisation projects and the schools modernisation programme are at risk if there is any reduction in the capital programme. WG has indicated that the capital allocation to local authorities is likely to reduce slightly in 2015-16 but no indications have been received beyond that.</p> <p>Savings proposals will have implications for the workforce given that 68% of the net revenue budget is staff costs.</p> <p>Failure to meet the savings plans would also damage the reputation of the Council with citizens, particularly if the level or quality of services was affected as a result.</p>	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<p>The Council reviews its Corporate Plan each year to ensure that it continues to reflect its priorities and key risks. The links between the Corporate Plan and the MTFS have been strengthened so that the relationship between resources and service priorities are more clearly understood. To achieve this, an integrated business and budget planning process has been introduced.</p> <p>The MTFS for the period 2015-16 to 2018-19 has been developed and target savings of £48.8m have been set. The MTFS takes into account projected future demand for services in areas such as Looked After Children, Special Education Needs and Adult Social Care. Cabinet and CMB have agreed that for 2015-16 Directorates must meet savings proposals of about 8% of their 2014-15 controllable budgets.</p> <p>The Council has established a Strategic Change Management Programme, known as the Bridgend Change Programme, supported by strong political leadership, which will be incorporated into the Corporate Performance Assessment and Overview and Scrutiny processes. The Council's pump priming budget of £200,000 has been used to establish the core staff capability to deliver the programme. In addition an earmarked reserve of £1.5m will be maintained over the life of the MTFS to support its delivery.</p> <p>Potential areas for savings have been identified and include:</p> <ul style="list-style-type: none"> • Maximising the use of space and technology • Improving procurement and commissioning • Streamlining systems processes • Modernising the school estate • Integrating health and social care • Integrating council transport services • Further collaboration in education • Maximising partnership working and reviewing funding models and delivery of services with the Third Sector. <p>The Council has a capital funding strategy in which prudential borrowing will only be used where it is affordable. Also decisions on the treatment of surplus assets will be based on an assessment of their</p>	Corporate Director Resources	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>

Key Outcome	Corporate Improvement Priority	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
		<p>real reduction of -3.6%. Again, no indicative figures were provided for 2016-17 to 2018-19.</p> <p>The revised savings targets are:</p> <p>2015-16: £11.225m 2016-17: £13.566m 2017-18: £12.263m 2018-19: £11.763m</p> <p>Not all the planned savings for 2014-15 will be achieved and this has increased the savings requirement for future years. The final Local Government Settlement for 2015-16 may impact on the level of savings required in future years.</p> <p>Directorates are currently developing alternative achievable savings proposals based on a number of scenarios for 2016-17 onwards.</p>			<p>potential contribution.</p> <p>Reductions in staff will be managed where possible by using different employment models, and the application of voluntary early retirement. Some compulsory redundancies might be necessary.</p>		
Links to all key outcomes	Links to all Corporate Improvement Priorities	<p>Local Government Reorganisation:</p> <p>Geographically Bridgend straddles both East and West Wales. The Williams Commission recommended a merger with NPT and perhaps Swansea, but because of economic and other benefits BCBC has made an expression of interest</p>	<p>Delivering the transformative change required to make MTFS savings, at a time when demand for some services is up, is already challenging.</p> <p>Without specific funding Local Government Reorganisation will add to these cost pressures and mean that larger savings will be required to balance the budget. This will make it harder to provide good quality public services.</p> <p>A proposed voluntary merger with</p>	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<p>Whilst WG endorsed the Williams Commission, it has also stated that it wishes to develop an approach that allows for negotiation and joint development between WG and councils who are willing to engage on shaping future arrangements.</p> <p>BCBC believes that the most advantageous merger for the population of Bridgend County Borough is with VoG. Consequently, it is seeking to implement this option rather than passively awaiting a merger with NPT and perhaps Swansea. The principal anticipated benefit is that being part of the Cardiff City Region will be positive for the economy and consequently for the citizens of the County Borough. In addition BCBC and VoG have similar schools systems at tertiary Level</p>	Chief Executive	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>

Key Outcome	Corporate Improvement Priority	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
		<p>for a merger with Vale of Glamorgan (VoG).</p> <p>The costs of Local Government Reorganisation are unknown, but will be high. These costs have not been factored into the 2015-16 to 2018-19 MTFS which already requires savings of £48.8m.</p> <p>The MTFS is also at risk because greater demands will be placed on senior management as they plan for Local Government Reorganisation, whilst bringing about the transformative change required to deliver services within reduced budgets.</p> <p>In the longer term there are also other risks as two workforces and sets of financial arrangements are brought together necessitating harmonisation of pay and conditions and council tax.</p>	<p>VoG will take place before the expiry of the MTFS and consequently there is uncertainty about the MTFS savings for 2018-19.</p> <p>Whilst the council has made an expression of interest for merger with VoG there remains uncertainty about the eventual outcome. If senior management are focussed on reorganisation whether it is to the west or east they may fail to deliver the required services to the public in conjunction with the savings needed for the MTFS. There is also a danger of inertia as managers feel unable to make decisions required now because of a merger that is due to take place in the future.</p> <p>The precise mechanism for harmonisation of council tax and pay and conditions between authorities is unknown. However, this may increase costs which would make it harder to realise benefits from reorganisation.</p>		<p>and are both part of the Central South Consortium. Having similar education systems is a powerful argument to merge with VoG because education is the council's single biggest spend.</p> <p>Merger with VoG would mean that the new Authority would straddle two Health Boards. Also the impact on European funding in the longer term is unknown.</p> <p>A business case outlining the opportunities and costs of a merger with VoG is being prepared; The merger would only proceed if this showed clear advantages of financial viability and enhanced services.</p>		
<p>People in Bridgend County Borough are healthier.</p> <p>People and their families are empowered and informed to live healthy and independent</p>	Working together to help vulnerable people stay independent.	<p>Supporting vulnerable people:</p> <p>If the Council in partnership with the NHS, Western Bay and other partners do not change how services are delivered, they will not be able to meet the challenges brought</p>	The number of people over the age of 75 will have grown 13% by 2015 and by 77% in 2030 when compared to 2010. At the same time there are more young people with complex health needs living into adulthood. Whilst this is good, it means that more citizens are living with long term health problems that lead to an increasing need for support.	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<p>Demographic and financial pressures require alternative models of service delivery.</p> <p>Modernisation is being driven forward as the Council works with a range of partners to deliver a broad range of support and services, across adult social care. There is a continued effort to change the emphasis from a model of "caring" to a more preventative approach of working with partners such as the NHS and third sector organisations to assist and support adults as they live independently in their</p>	Corporate Director Wellbeing	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>

Key Outcome	Corporate Improvement Priority	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
lives and our communities are stronger, cohesive and sustainable, with appropriate access to services for all.		<p>about by high public expectations, a significantly worsening budget and a population that is both older and has more complex health needs.</p> <p>Demand for services is increasing at the same time as resources are decreasing. This makes the MTFS challenging. There is currently a shortfall in the savings identified. It is imperative that the council continues to identify further savings to meet the MTFS.</p> <p>Transformation is significant and is within the context of managing demand as well as making savings. The market is changing which impacts on the ability of the council to transfer services as originally planned. The Council will have to demonstrate both flexibility and innovation in order to drive through proposals for change.</p> <p>It is important that in a period of change, the emphasis remains on safeguarding vulnerable people.</p> <p>A competent and skilled workforce is required in order to deliver on the significant change</p>	<p>This increasing demand leads to extra costs. For example, demographic change will cost an additional £400,000, Mental Health £70,000, direct payments £400,000 and Learning Disabilities £300,000.</p> <p>Failure to remodel services will:</p> <ul style="list-style-type: none"> • Restrict the Council's ability to safeguard people and respond to assessed needs as set out in the Social Services Act. • Result in longer lengths of stay in acute hospital services. • Result in a greater need for expensive hospital treatment. • Mean that vulnerable people lead less fulfilled lives. • Mean that the Council and the NHS do not meet the public's expectations and consequently the reputation of the organisations will suffer. 		<p>own communities.</p> <p>The Remodelling Adult Social Care (RASC) Programme Board continues to oversee the transformation of services. The MTFS is linked to the RASC programme so that the savings are in line with service developments. Projects are progressing well but the conclusion of the tendering of homecare was that none of the tenders were able to achieve the MTFS saving requirements and because of this the council was unable to award the contracts. The council is now making a gradual transfer of packages of generic care to the Independent sector over a period of time.</p> <p>The Learning Disability project is working to deliver a sustainable model of supported accommodation that promotes independence in the community.</p> <p>Partnership agreements will have robust outcome specifications and arrangements for monitoring of contract delivery to ensure the safeguarding of vulnerable people.</p> <p>Services will support independence and promote positive risk taking. They include:</p> <ul style="list-style-type: none"> • The development of a new assessment framework which concentrates on a strength based approach in line with the Social Services Act • Enablement focused homecare • The continued successful promotion of telecare • The continued development of the Community Resource Team to enable greater choice of health and social care within a community setting • The implementation of a falls prevention service with Public Health Wales • Further integration and service remodelling where access is via an integrated referral centre • Further development of short term residential reablement placements • The development of two Extracare housing facilities <p>Further work is now taking place to move on to the next stage of integration.</p>		

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		agenda. The Council must ensure that there is effective support and training for staff and on-going robust management of sickness absence.			<ul style="list-style-type: none"> A Service Level Agreement (SLA) has been established with Age Concern to support people being discharged earlier from hospital. A Regional Community Services Project Board has been set up. The promotion of preventative services that help keep people healthy. This will reduce the need for current and future care and mean people lead more fulfilled lives. Assist the third sector in developing and expanding their services. Continue to provide support to Carers. <p>The directorate senior management team and managers across the service will continue to pro-actively manage absence levels in line with corporate policies and monitor the sickness absence process. Managing down absence levels is a challenge.</p>		
<p>People in Bridgend County Borough are engaged and empowered to achieve their own potential.</p> <p>People are active citizens in society, equipped with the skills, qualifications and confidence needed to live and work and that there are equal opportunities so people are supported and equally valued.</p>	Working with children and families to tackle problems early.	<p>Supporting vulnerable children, young people and their families:</p> <p>If the number of Looked After Children, the complexity of cases and the length of stay in care continue to increase, then the demand on resources will outstrip the council's ability to meet needs.</p>	<p>Between 2007/08 and 2012/13 the number of Looked After Children increased by 40%, from 292 to 412.</p> <p>The wellbeing and safety of children might be compromised. They may be unable to</p> <ul style="list-style-type: none"> Thrive and make the best use of their talents Live healthy and safe lives Be confident and caring throughout their lives Know and receive their rights <p>Patterns of behaviour, such as poor parenting, will be repeated in subsequent generations.</p> <p>A potential increase in the proportion of young people identified as not in education, employment or training (NEET).</p> <p>A less skilled and flexible workforce.</p>	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<p>Communicate the "Looked After Children Placement and Permanency Strategy" throughout the council, and to statutory partners and stakeholders.</p> <p>Share responsibility with other agencies for the development of the strategy and its implementation.</p> <p>Promote targeted early intervention and prevention services via the Early Intervention Strategy published in the summer of 2014. This will lead to a reduction in the numbers of families developing more complex needs which require intensive costly interventions.</p> <p>Data sharing with NHS and other partners will be enhanced if there is agreement to the implementation of a common platform for information sharing via the Community Care Information Solution (CCIS). The DRAIG system continues to be supported until the end of March 2016.</p> <p>Focus on supporting families with complex and acute needs through the Intensive Family Support Service and Connecting Families.</p> <p>Have a workforce which works proactively delivering interventions at an early stage. Where necessary this will involve transforming social work practice and using evidence and strength based practices and outcome focussed methodologies.</p>	Corporate Director Children	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>

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			<p>Increased social and economic costs.</p> <p>A loss of reputation to the Council.</p> <p>An increase in the need to commission expensive placements with independent fostering and adoption providers.</p> <p>Increased demands on social work teams, reviewing officers and support teams.</p>		<p>Striving for stability and permanence for Looked After Children. This will include using increased numbers of adoptions, special guardianship orders, residence orders and other long term arrangements with Foster Carers or extended family. The Western Bay Regional Adoption Service will help make the best use of resources so that improvements can be made to ensure that children requiring adoptive placements are speedily and appropriately matched with adopters who can meet their needs for their entire childhood.</p> <p>Robust self-evaluation to ensure that we know and understand the Looked After Children population.</p> <p>Take a multi-agency partnership approach to increase prevention and early intervention services that focus on particular vulnerable groups including teenage pregnancies, substance and alcohol misuse and domestic abuse.</p>		
<p>People in Bridgend County Borough are engaged and empowered to achieve their own potential.</p> <p>People are active citizens in society, equipped with the skills, qualifications and confidence needed to live and work, and that there are equal opportunities so people are supported and equally valued.</p>	Working together to raise ambitions and drive up educational attainment.	<p>School modernisation:</p> <p>Budget pressures may reduce or delay the 21st Century school programme.</p> <p>Welsh Government has confirmed that it will use the LGBI to fund 25% of its share of match funding. For BCBC this amounts to £5.562m. Funding to meet the cost of borrowing will be paid to the council by specific grant. However the availability of these monies depends on the ability of the Council to release sufficient land for sale to support the programme through match funding. If the council is unable to do</p>	<ul style="list-style-type: none"> Insufficient progress may have a negative impact on pupils' learning and wellbeing. There is a link between attendance, attainment and the school environment. It may affect the range of educational opportunity for pupils. There may be inefficient use of resources, due to a mismatch in the supply and demand for places in different schools. Deterioration in the state of school buildings will result in increased running costs and the need for emergency repairs. This could result in potential health and safety issues. Resources that could be better spent on direct support to children (BCBC schools are relatively poorly funded) will be diverted to less productive use. New schools are designed as community facilities and in the 	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<p>Continue to implement a phased schools modernisation programme but within a revised timetable.</p> <p>School modernisation is part of the Council's capital programme. The Council will submit detailed business cases for each project. Match funding will be met from core funding allocations of £5m with an extra £2m coming from general capital receipts, anticipated Section 106 funding of £4m and projected sale of school sites of £11.135m. The funding from these sales is ring fenced.</p> <p>Maintain strong programme and project management arrangements. There is a track record of delivering projects to time, cost and quality.</p> <p>Procurement through the South East Wales Schools & Capital Programme Contractor Framework. However the current framework expires at the end of March 2015 and the new one is not yet agreed. There may be different contractors on the panel and some costs may increase.</p> <p>Maintain good links with Welsh Local Government Association and WG.</p> <p>Review catchment area boundaries to ensure supply</p>	Corporate Director Children	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>

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		<p>so there may be a delay in new builds which may prejudice the Council's ability to provide for sufficient school places.</p> <p>Demand for disabled adaptations and repairs and maintenance are outstripping the budget. Failure to provide for disabled learners may result in litigation or tribunals.</p>	<p>case of Coleg Cymunedol Y Dderwen is also a multi-agency hub.</p> <ul style="list-style-type: none"> Inadequacies in buildings maintenance have been identified, including fire safety within schools. 		<p>meets demand.</p> <p>Provide temporary accommodation.</p> <p>Regular health and safety audits and condition surveys will enable the council to prioritise improvement works and respond to emerging issues.</p> <p>Property services are currently managing a project to look at the risks around fire safety within Bridgend schools.</p> <p>The Safe, Dry and Warm project has commenced as has condition surveys of all school buildings.</p>		
<p>People in Bridgend County Borough benefit from a stronger and more prosperous economy.</p> <p>People are increasingly active in the local economy and support local businesses, and our communities are sustainable with the appropriate infrastructure to support business growth and thriving town centres.</p>	Working together to develop the local economy	<p>The economic climate and austerity:</p> <p>If the economy continues to perform badly the quality of life for residents will suffer. There will be no positive long lasting economic, environmental and social change as our towns, local businesses and deprived areas suffer decline.</p> <p>Individuals, particularly young people, may be unable to secure employment because they lack the basic skills and confidence necessary and suitable jobs are not available in the economy.</p> <p>Severe cuts in Welsh Local Government spending will happen over the MTFs period 2015-16 to 2018-19. These cuts will impact</p>	<p>There will be cuts in the public sector and these will disproportionately affect regeneration activities as spending on other services are protected.</p> <p>Reductions in regeneration funding have a disproportionate affect because each £1 of Council funding leverages between £8 and £13 from other sources.</p> <p>There could be further job losses and business failures in the local economy if the UK and European economies don't get stronger The quality of life within the County Borough may decline.</p> <p>Pressure will be placed on diminishing Council services which support local businesses and employment.</p> <p>Town centres continue to suffer, predominantly the retail sector. Without regeneration they will not be attractive places to visit or able to compete with retail developments in neighbouring centres such as Talbot Green and Neath. Even with regeneration,</p>	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>	<p>Three Communities First teams are in place. The new programme is focused on fighting poverty and seeks to achieve three main outcomes. These being healthy, learning and prosperous communities. Applications have been submitted to WG to continue the programme in the 3 Cluster areas for 2015-16 and a decision is expected in December 2014.</p> <p>The Council supports the business community via the Business Forum, Bridgend Tourism Association, the Destination Management Partnership, Coastal Partnership, and town centres, through the Town Centre Manager, BID Partnership (Bridgend) and THI Programmes.</p> <p>The Council has an apprenticeship programme in operation.</p> <p>Increasing footfall in town centres through strategic, high quality events, supported by proactive marketing. The target is to increase footfall by 15% over the usual during event days. The quarter 2 figure indicates a 25.71% increase for the Mash up and the Feastival.</p> <p>Implementation of the current rural development programme and development of the successor programme which is being submitted to WG. The current rural development programme is scheduled to end in December 2014, with the successor scheduled to start in January 2015.</p>	Corporate Director Communities	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>

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		<p>on the local economy disproportionately because the Council is one of the key local employers.</p> <p>The current Convergence Programme is coming to an end, with key schemes that support local economic development and employment ending shortly. There will be significant gaps in the Council's mitigation strategies unless replacement schemes are funded and approved.</p>	<p>competition and resilience will be difficult, as the nature of town centres is changing.</p> <p>The proposed regeneration programme assumes £2.6m of capital receipts. This includes an anticipated receipt from Porthcawl Regeneration Phase 1.</p> <p>Existing capital schemes will be affected if there are cost over-runs on regeneration projects. There is no provision to fund unforeseen works.</p> <p>At a time when regeneration is being asked for more solutions and more input, budgets are being cut.</p>		<p>Implement the Youth Engagement And Progression Framework.</p> <p>Bridgend All four construction lots are complete. A bid for Vibrant & Viable Places has been approved to support projects in Bridgend town centre. The £5.978m grant was confirmed in June as part of a £11 million investment programme which includes bringing a residential core to the town and creating added footfall and vitality</p> <p>Maesteg/Llynfi Valley A development land programme for key sites in the Llynfi valley is being discussed with WG. Funding for the Llynfi Valley has been agreed by WG subject to finalisation of heads of Terms.</p> <p>Porthcawl The new marina was officially launched in April 2014. An operational and business review will be carried out at the end of first full year. The project remains on target. The Jennings building is being marketed. The Porthcawl THI launch has been postponed to coincide with the Jennings announcement.</p> <p>WG funding for a new town centre partnership and action plan has also been approved.</p> <p>Project management principles are in place to ensure the delivery of the funding remains effective.</p>		
<p>Bridgend County Borough is a great place to live, work and visit.</p> <p>People take pride in the county, their communities, the heritage and</p>	Working together to make the best use of our resources.	<p>Disposing of waste:</p> <p>The EU Waste Framework Directive promotes waste prevention and increased recycling.</p> <p>WG's waste strategy 'Towards Zero Waste' sets challenging</p>	<p>Failure to achieve recycling/composting targets could result in:</p> <ul style="list-style-type: none"> Inefficient use of resources as waste goes to landfill sites Penalties of £200 per tonne if we fail to achieve landfill allowance targets 	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>	<p>The Kier contract has delivered a stable recycling performance and this is likely to continue until the end of the current contract term in March 2017. Any extension to this contract or alternative delivery model will need to build in the requirement to meet the targets set by WG in their policy document "Towards Zero Waste". A long term waste strategy was presented to Cabinet in November 2011.</p> <p>Shanks, the preferred bidder for the anaerobic digestion plant, have notified the South West Wales</p>	Corporate Director Communities	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>

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natural environment and our communities are clean and safe and have a good range of leisure, tourism and cultural activities.		targets. Since 2012-13 there has been an obligation to recycle / compost 52% of waste and this will rise to 70% by 2025. If new services do not deliver improved performance the environment will be affected and fines will be imposed on the Council.	Increased recycling has a knock on effect to the contract requirements of MREC.		<p>Regional Hub that they have decided not to proceed with the procurement. The way forward is being discussed with WG and Hub members.</p> <p>Neath Port Talbot CBC has commenced a procurement process for the sale of Neath Port Talbot Recycling who operate the MREC, with a guaranteed contract for Neath Port Talbot and Bridgend councils to dispose of their residual waste. This will allow Neath Port Talbot and Bridgend councils to participate in the procurement of a regional residual waste facility by 2019-20, although some uncertainties remain.</p> <p>In the short term, improved recycling rates will be achieved by education and communication to increase participation, but difficult decisions will have to be made about how improved services are funded.</p>		
<p>People in Bridgend County Borough are healthier.</p> <p>People and their families are empowered and informed to live healthy and independent lives and our communities are stronger, cohesive and sustainable, with appropriate access to services for all.</p>	Working together to tackle health issues and encourage healthy lifestyles.	<p>Healthy Life Styles:</p> <p>There are significant health inequalities within the County Borough. Many people in Bridgend live unhealthy lifestyles and this might deteriorate as welfare reform continues and some people become poorer. If the Council does not promote healthy living the emotional and physical wellbeing of citizens will suffer.</p>	<p>Unhealthy lifestyles have many affects. These include:</p> <ul style="list-style-type: none"> Shortened life expectancy. Life expectancy in the County Borough is below the Welsh average. Shortened healthy life expectancy. Some areas of the County Borough have a healthy life expectancy which is 20 years longer than others. Higher rates of obesity resulting in significant costs to the economy, health and social Services. Worse emotional health. Less fulfilled lives as people lose their independence due to ill health. <p>These result in greater demand upon expensive medical and care services provided by ABMU and the Council.</p>	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>	<p>Five key actions have been identified:</p> <ul style="list-style-type: none"> Improve healthy living programmes in leisure facilities, schools and communities to encourage participation in physical activity. <p>The £4.2m investment in Bridgend Life centre was completed and facilities have been enhanced at Heronsbridge School and Garw Valley Life Centre.</p> <p>The number of physical activity based visits to leisure facilities is increasing. The total was 85,735 higher in 2013-14.</p> <p>The National School Sport Survey identifies good levels of participation and the gap in participation between girls and boys is narrowing.</p> <p>The national free swimming initiative for those over 60 also shows encouraging levels of engagement. The scheme supported 84,904 visits by persons over 60 and 18,451 junior free swims.</p> <p>The Sport and Physical Activity Service has led on the action plan to ensure that there are sufficient quality opportunities for children and young people to play.</p> <ul style="list-style-type: none"> Work with Public Health and other parties to further develop targeted projects to help tackle health issues and live healthy lifestyles including: weight management, harmful drinking and smoking 	Corporate Director Wellbeing	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>

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					<p>New programmes have been rolled out to help reduce harmful drinking. This includes the development of a Substance Misuse Policy for Comprehensive Schools with consideration being given to a similar policy for primary schools.</p> <p>Information is provided to the parents of children and young people found drinking in the community.</p> <p>Healthy lifestyles are promoted via the Corporate Health Standard and Small Workplace Health Award.</p> <ul style="list-style-type: none"> • Enhance the role of libraries in helping citizens to improve their emotional and physical wellbeing by providing more joined up services, <p>Halo Leisure operates library facilities at the Ogmere Valley and Garw Valley Life Centres. These facilities have registered 418 new borrowers. The new Bridgend Library has opened and is the latest example of the co-location model.</p> <ul style="list-style-type: none"> • Reduce level of tobacco consumption <p>The multi-agency Tobacco Control Steering Group developed an action plan for partnership working across the County Borough.</p> <p>There are various awareness raising initiatives across the County Borough and Trading Standards inspects premises and enforces legislation concerning sales to those who are underage.</p> <ul style="list-style-type: none"> • Reduce harmful drinking <p>Inspections and enforcements against premises selling alcohol to those underage.</p> <p>Support for initiatives via Neighbourhood Networks and local partnership working.</p> <ul style="list-style-type: none"> • Working together to reduce the number of teenage pregnancies <p>The Youth Service worked with LSB partners to tackle the teenage conception issue via programmes such as the Llynfi Valley Project, the Empower to Choose Programme and the Healthy Schools Scheme. These</p>		

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					have resulted in a fall in the rate of teenage conceptions.		
<p>Bridgend County Borough is a great place to live, work and visit.</p> <p>People take pride in the county, their communities, the heritage and natural environment and our communities are clean and safe and have a good range of leisure, tourism and cultural activities.</p>	Working together to develop the local economy.	<p>Maintaining infrastructure:</p> <p>If there is further harsh weather, there may be an increase in the number of roads in poor condition, more repairs being required in the future and the Council might fail to meet its statutory obligations.</p>	<p>Failure to maintain infrastructure will result in the Council not meeting its statutory obligations and the % of roads that are in overall poor condition increasing.</p> <p>A poor quality highway network leads to increased third party liability claims, a loss of reputation, a possible adverse impact on economic activity and reduced quality of life for citizens.</p> <p>Further budgetary pressures could occur due to unpredictable weather patterns and the worsening condition of the infrastructure. This will lead to an increased requirement for emergency repairs.</p>	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>	<p>Additional maintenance has been undertaken in the past 5 years as a result of increased revenue budget and grants from WG. Funds have been targeted at Principal (A) roads. The Highways maintenance budget has increased by £800,000 since 2009 and further growth of £100,000 in 2013-14 resulted in investment in street furniture (lighting, traffic signals etc). However 2014-15 is the last scheduled year of the WG Local Government Borrowing Initiative (LGBI).</p> <p>The LGBI has provided funding of around £6.8m over the period 2012-15 for highway infrastructure improvements. The principal adopted for the programme of works was to provide good quality resurfacing which will be sustainable in the long term rather than quick overlay which requires higher maintenance in future years.</p> <p>The Council's Highways Asset Management Plan provides information to assist the Council in considering the highway asset risk and apportion funding from the Council's budget strategy and LGBI.</p>	Corporate Director Communities	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>
Corporate Governance	Working together to make the best use of our resources.	<p>Equal Pay Claims:</p> <p>The result of the Abdulla Group case involving former employees of Birmingham City Council means that there is a risk of further equal pay claims against the Council.</p> <p>The courts are reviewing rulings on male dominated claims which have been listed. To date the Council has refused to settle these as they are outside the scope of the Memorandum of Understanding. The court decision remains outstanding.</p>	<p>The ruling has created the possibility that employees who left the Council up to six years ago might claim under equal pay legislation. Previously, to make a claim, the person had to be either employed by the Council or have left its employment within the last six months.</p> <p>Claims for compensation can now be made through the Civil Courts rather than via an Employment Tribunal. This will increase Legal Costs.</p> <p>The estimated cost, if all male dominated listed claims were settled, is £1.5M.</p>	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>	<p>The Council is aware of the issues and is monitoring developments.</p> <p>Following the initial equal pay exercise, the Council is in a good position to be able to respond to any further claims in an appropriate manner.</p>	Corporate Director Resources	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>

Key Outcome	Corporate Improvement Priority	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
<p>People in Bridgend County Borough are healthier.</p> <p>People and their families are empowered and informed to live healthy and independent lives and our communities are stronger, cohesive and sustainable, with appropriate access to services for all</p>	Working with children and families to tackle problems early.	<p>The impact of homelessness:</p> <p>Homelessness may increase because of the current economic climate and austerity measures and welfare reform. This may result in a greater dependence on the Council to provide temporary accommodation for residents. At the same time the Supporting People Programme is going through significant change as a result of the national review.</p> <p>The risk may be exacerbated when the Housing Act is enacted in April 2015, placing a duty on the Council to 'take all reasonable steps' for a period of 56 days to prevent homelessness. There will be uncertainty about what this means until WG Guidance is issued and cases come before the courts.</p> <p>In addition the duty to 'take all reasonable steps' for any former prisoner who is potentially homeless from Parc Prison, regardless of local connection, may increase the use of temporary accommodation until a solution is found or a</p>	<p>Homelessness is often a culmination of several problems, such as debt, relationship difficulties, mental health issues and substance misuse. For many, homelessness leads to increased stress, depression, and isolation. It can lead to a need for other costly service interventions.</p> <p>The impact is greater on some groups e.g. 16/17 year olds and people with a chaotic housing history.</p> <p>The use of bed and breakfast accommodation results in high costs both in terms of finance for the Council and the wellbeing of individuals.</p> <p>Properties are standing empty and deteriorating because they cannot be sold.</p> <p>Changes to Housing Benefits might result in increased rent arrears and evictions leading to an increase in the number of homelessness cases. This would impact on the welfare of citizens, the Council's Housing Options Team, the homelessness budget and other welfare services.</p> <p>Unless resources can be reallocated within the Supporting People Programme there might be increased repeat homelessness. Fewer properties are being improved because the Housing Renewal Area programme is reducing. The WG grant has reduced from £1m to £600,000 per year.</p> <p>In 2010-11 there were 501 homelessness presentations. This reduced to 448 in 2011-12</p>	<p>Likelihood - 5</p> <p>Impact - 3</p> <p>Total - 15</p>	<p>The Council is taking a proactive prevention approach to the issue of homelessness by helping residents find solutions to their housing needs and getting to the root cause of why people become homeless.</p> <p>The Council, in conjunction with Registered Social Landlords, have implemented a Common Housing Register and Social Housing Allocations Policy. This will help ensure the best use of available social rented property.</p> <p>A Supporting People review is currently underway and work has commenced on commissioning the provision of structured, professional floating support to vulnerable groups which will help support tenancies and prevent homelessness and repeat homelessness.</p> <p>The Just Ask + (16-25) service has been operational since April 2012 providing advice to homeless young people and their parents.</p> <p>Following the national review of the Supporting People Programme, Regional Collaborative Committees have been set up to support greater collaborative working.</p> <p>Raising awareness of Housing Benefit changes via landlord forums, information leaflets, and letters to customers and open days.</p> <p>Three Communities First teams are delivering advice on financial inclusion.</p> <p>Working with partners to improve private sector housing conditions and bring empty homes back into use. This will be done via the Houses into Homes Scheme, Empty Homes Grants and the implementation of Phase 7 of the Caerau Housing Renewal Area.</p> <p>The increased risk of homeless presentations and their associated costs, caused by the geographical location of Parc Prison will be raised with the WLGA, Assembly Members and WG.</p> <p>The Council have approved the redistribution of expenditure for Supporting People Grant from Learning Disabilities to under-represented groups.</p>	Corporate Director Communities	<p>Likelihood - 5</p> <p>Impact - 3</p> <p>Total - 15</p>

Key Outcome	Corporate Improvement Priority	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
		homeless investigation is instigated.	and 346 in 2012-13. This slightly increased in 2013-14 to 369. This needs to be considered in conjunction with the number of prevention cases.				
Corporate Governance	Working together to make the best use of our resources.	<p>Collaboration with partners:</p> <p>If the Council does not undertake collaboration projects where they offer enhanced service quality, increased resilience or significant cost savings, it will not maximise cost effective, tangible, improvements to services.</p> <p>Budget reductions have the potential to affect collaboration where they result in restrictions of spend to single-agency priorities.</p> <p>There are potential risks associated with collaborative projects such as the Regulatory Services initiative, the Western Bay Adoption Service, Youth Offending Service and other areas such as the roll out of Universal Credit for new single claimants, the closure of 20+ work club and the end of funding to "Get Bridgend On Line".</p>	<p>In a period of stretched budgets, successful collaborative working is even more essential for the efficient and effective delivery of quality public services. If the Council fails to collaborate successfully some of the most vulnerable people in the community will not have their needs met. This would lead to a loss of reputation with the public and WG.</p> <p>As the Council moves towards multi-agency working, there is potential for service instability whilst transformation takes place.</p> <p>Reduction in other public sector partners' budgets may have an impact on their capacity for partnership working. If the collaborative Regulatory Services project is not adequately supported the Service may not be as effective as the proposals would suggest. Even with the innovative approach there will still be a need to make service savings, therefore if there are new statutory duties (ie under the Public Health Bill) being introduced, the Council may find it difficult to deliver them. There needs to be a period of change where performance may dip or will be affected as the Council moves towards the new operating model.</p>	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<p>The Council works in partnership with other councils, public sector and third sector bodies based upon different geographical and service footprints. There is evidence that partnership working and good collaborative arrangements permeate all the main risk areas. Corporate Directors understand the challenges of collaborative working and the importance of recognising different organisational cultures and approaches (e.g. towards data sharing).</p> <p>The Bridgend Local Service Board (LSB) is led by the Council and has a strong and positive record of facilitating collaborative working.</p> <p>The LSB "Bridgend County Together" partnership plan was published in April 2013 and sets out the priorities aimed at improving the lives of people in the County, Borough focussing on issues such as health, education, employment, the local economy, tourism, crime and the environment.</p> <p>The LSB is also working to mitigate some of the negative effects of Welfare Reform with Valleys to Coast, registered social landlords and other partners.</p> <p>The Welfare Reform Steering Group is currently working on refunding GBOL and financial inclusion support.</p> <p>BCBC partners with ABMU, Swansea and NPT Councils to deliver a model of integrated care across a range of services including care for older people, adults with disabilities and mental health provision.</p> <p>The Memorandum of Understanding with Vale of Glamorgan council facilitates collaboration in many areas. There is also the joint working agreement with the Vale of Glamorgan and Cardiff.</p> <p>The Central South Consortium will drive school improvement.</p> <p>The Data Centre collaboration project with Rhondda</p>	Assistant Chief Executive, Legal & Regulatory Service	<p>Likelihood - 3</p> <p>Impact - 4</p> <p>Total - 12</p>

Key Outcome	Corporate Improvement Priority	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
					<p>Cynon Taff council increases the resilience of service provision.</p> <p>Collaboration in the provision of Leisure Services reduces cost and will improve quality.</p> <p>The motor fleet depot project with South Wales Police will increase efficiency.</p> <p>There are partnership agreements to support the management of those collaborative projects.</p>		
<p>People in Bridgend County Borough are engaged and empowered to achieve their own potential.</p> <p>People are active citizens in society, equipped with the skills, qualifications and confidence needed to live and work, and that there are equal opportunities so people are supported and equally valued</p>	Working together to raise ambitions and drive up educational attainment.	<p>Educational attainment:</p> <p>If school standards and pupil attainment do not continue to improve there are significant risks to the emotional wellbeing of young people and their future employment prospects, the local economy and a range of council services as young people leave education ill-equipped for employment.</p>	<p>A possible increase in the number of young people not in education, employment and training (NEET).</p> <p>Greater deprivation as young people are unable to sustain a livelihood in the future.</p> <p>More young people with worse emotional health.</p> <p>More schools identified as requiring monitoring and intervention through inspection, with concern and eventual special status.</p> <p>Potential for a decline in KS attainment results, PISA scores and other accreditation.</p> <p>Less capacity for provision for pupils with learning difficulties.</p> <p>Potential for parents to complain and/or take cases to SEN Tribunal.</p> <p>Possible intervention by WG.</p> <p>Continued Estyn monitoring.</p>	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>	<p>The Central South Consortium (CSC) is going through a review to implement the Hill report recommendations. The implementation of the School Effectiveness Framework and in particular the work of System Leader will ensure more rigorous monitoring and challenge.</p> <p>Poor attendance leads to a serious loss of learning which is likely to affect achievement and life chances. An Attendance Strategy has been drafted and will be presented to Cabinet in January 2015. Fixed penalty notices have been available for Headteachers to use as a sanction since September 2014. This is supported by the CSC absence management toolkit, Callio.</p> <p>The post Estyn inspection action plan is being actively used to drive up standards in schools through better standards of challenge as has training for members in the use of data to support the challenge and scrutiny of Local Authority performance.</p> <p>A new Performance Management framework has been implemented across CSC for Headteachers.</p> <p>The new School Improvement Strategy will define outcomes for learners.</p> <p>The implementation of the Youth Engagement and Progression Framework is ensuring that an increasing number of 16 year olds remain in education.</p> <p>Implement an improvement plan with Band 4 Comprehensive Schools and the development of a 'good to great' programme as an integral part of the CSC School Improvement Strategy.</p>	Corporate Director Children	<p>Likelihood - 3</p> <p>Impact - 4</p> <p>Total - 12</p>

Key Outcome	Corporate Improvement Priority	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
					<p>“Team Around The School” continues to support schools which are under performing.</p> <p>Raise standards of literacy and numeracy through a structured and strategic programme including</p> <ul style="list-style-type: none"> • Identifying underperforming English and Maths Departments and support action to improve • Provide training for staff • Develop a whole school approach to basic skills • Utilise CSC pupil tracking model • CSC literacy and numeracy plans <p>Carry out Additional Learning Needs analysis and ensure the training and development programme is delivered to schools.</p> <p>On-going review of school funding formula.</p> <p>Federated schools guidance from WG is being considered.</p> <p>School Improvement Groups have been set up where a group of schools share best practice and learn from each other.</p>		

RESPONSE TO CORPORATE RESOURCES & IMPROVEMENT OVERVIEW & SCRUTINY COMMITTEE RECOMMENDATIONS

BUDGET CONSULTATION

Ref	Corporate Resources Overview and Scrutiny Recommendations	Response
CRI 1	<p>The CRI Overview and Scrutiny Committee recommend:</p> <ul style="list-style-type: none"> • That the principle of allowing Corporate Directors to retain planned underspends and overspends is maintained as an incentive for service areas to manage their budgets and deliver services effectively. 	<p>In line with the Council’s Financial Procedure Rules, a Chief Officer may be able to carry forward any underspend on his budget as an “earmarked” part of the Council’s revenue balances following consultation and agreement of the Chief Finance Officer. Likewise any overspend against budget may also be carried forward. This is currently contained in the Council’s overall Constitution and it is not proposed to be amended at this stage.</p>
CRI 2	<p>The CRI Overview and Scrutiny Committee recommend:</p> <ul style="list-style-type: none"> • That clear criteria is developed and applied to ensure that overspends and underspends are dealt with consistently and in line with the agreed principle as set out in Recommendation 1. Where the principle is not adhered to, there should be a clear rationale to support any changes. 	<p>Clear criteria are currently in place for Corporate Management Board to review directorate under and overspends. Subject to the Council not exceeding its overall budget, any planned under spends by directorates will be carried forward into next year to meet known funding pressures. Fortuitous under spends in budgets will be applied to offset over spends on other budgets.</p> <p>Corporate Management Board will also determine which, if any, overspends will be carried forward as the first call on the budget for 2015-16. This exercise will not be complete until the end of the financial year when the outturn position is known with a greater degree of certainty.</p>
CRI 3	<p>The CRI Overview and Scrutiny Committee recommend:</p>	<p>As part of the Performance Management</p>

RESPONSE TO CORPORATE RESOURCES & IMPROVEMENT OVERVIEW & SCRUTINY COMMITTEE RECOMMENDATIONS

BUDGET CONSULTATION

	<ul style="list-style-type: none"> That a detailed breakdown of Directorate underspends/overspends (including any agreed earmarked reserves) used to achieve a balanced budget be provided as part of the Scrutiny Budget Monitoring process. 	<p>Framework, Cabinet is provided with quarterly reports on the financial position of the Council. The reports provide a breakdown of the significant variances, both under and overspends, for each directorate. Where overspends have been funded from earmarked reserves, these are identified and reported to Cabinet.</p> <p>The MTFs report includes the Council's policy on reserves at Appendix G and outlines the main earmarked reserves currently established. Budget monitoring reports are presented to Scrutiny Committees also on a quarterly basis as part of their budget monitoring role.</p>
<p>CRI 4</p>	<p>The CRI Overview and Scrutiny Committee recommend:</p> <ul style="list-style-type: none"> That a brief outline of the financial pressures facing the authority and the types of decisions it is having to make, taking up no more than the equivalent of one side of A4, should be included as an insert with the annual Council Tax demand. The BREP considers this would be a cost effective way of reaching a wide range of residents. 	<p>Following changes to legislation under the Council Tax (Administration and Enforcement) (Amendment) (Wales) Regulations 2013, the Council no longer sends out additional information on the budget overview position with its Council Tax demands or Non Domestic Rates bills. However, it does include information on its website outlining where the Council's funding comes from and how it is spent. The explanatory notes that accompany the Council Tax demand notice make reference to the location on our website where the Budget Overview leaflet is located. We will review the type of information provided and</p>

RESPONSE TO CORPORATE RESOURCES & IMPROVEMENT OVERVIEW & SCRUTINY COMMITTEE RECOMMENDATIONS

BUDGET CONSULTATION

		seek to include more detail on the pressures facing the Council going forward. Further information will be provided in the County Bulletin, due to be published in April.
CRI 5	<p>The CRI Overview and Scrutiny Committee recommend:</p> <ul style="list-style-type: none"> • That the report format used to present the budget proposals to the Scrutiny Committees be retained for subsequent years. 	Agreed. The format for budget proposals will be retained for subsequent years.
CRI 6	<p>The CRI Overview and Scrutiny Committee recommend:</p> <ul style="list-style-type: none"> • That the section describing the impact of each budget proposal is more detailed. 	Noted. Cabinet will work with Directors to provide more detail on the impact of each budget proposal.
CRI 7	<p>The CRI Overview and Scrutiny Committee recommend:</p> <ul style="list-style-type: none"> • That future budget proposals incorporate a brief statement outlining why a particular item is identified as red, amber or green. 	Agreed. This will be included for all 2015-16 budget proposals that have been identified as being red or amber.
CRI 8	<p>The CRI Overview and Scrutiny Committee recommend:</p> <ul style="list-style-type: none"> • That the BREP and the Scrutiny Committees be presented with information on both budget savings and budget pressures for each directorate, in order to have a fuller understanding of the overall budget position within each area. 	The budget process is a continuous process and budget reduction proposals are usually considered and refined first, before any pressures are considered. This is to ensure that the Council is able to produce a balanced budget. Once all proposals for budget reduction and budget pressure proposals have been finalised they will be presented at directorate level.
CRI 9	<p>The CRI Overview and Scrutiny Committee recommend:</p> <ul style="list-style-type: none"> • That the overall budgets figures provided for the BREP and the Scrutiny Committees identified any “one off pressures” and protected 	Agreed. There are a number of budget pressures that are considered to be “one-off” and do not form part of the directorates recurrent budget. These should be identified

RESPONSE TO CORPORATE RESOURCES & IMPROVEMENT OVERVIEW & SCRUTINY COMMITTEE RECOMMENDATIONS

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	elements for comparison.	separately for clarity. Similarly, where the Welsh Government has made commitments to protect specific services, such as schools and social care, additional growth for these services should also be identified to enable the Council true comparisons on service growth. Provision for demographic growth e.g. increase in number of elderly people, should also be identified. This will enable a true comparison of budget growth across directorates to be made.
CRI 10	<p>The CRI Overview and Scrutiny Committee recommend:</p> <ul style="list-style-type: none"> • That the BREP continues to meet to consider and discuss long term issues relating to the delivery the MTFS from 2017 onwards. Its intention would be to support Cabinet and CMB in their consideration of which services would be provided and how future services were to be delivered. 	Agreed that there is a continued role for BREP, which will be subject to review of the Terms of Reference and the general remit of Scrutiny committees.

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO COUNCIL

25 FEBRUARY 2015

REPORT OF THE SECTION 151 OFFICER

2015-16 COUNCIL TAX

1. Purpose of this Report

- 1.1 The purpose of this report is to provide Council with details of the Council Tax requirement for the County Borough Council together with the requirements of the Police & Crime Commissioner for South Wales and Community/Town Councils.

2. Connections to Corporate Improvement Plan

- 2.1 There are no direct connections with the Corporate Improvement Plan but the Council, as the billing authority, is required to formally approve the Council Tax for its area.

3. Background

- 3.1 The final budget proposals have been placed before Council for approval and the Council has to calculate its budget requirement in accordance with section 32 of the Local Government Finance Act 1992 and set the level of Council Tax for 2015-16.
- 3.2 Section 33 of the Local Government Finance Act requires billing authorities to calculate the basic amount of council tax in a financial year. Section 34 of the Act further requires the billing authority to calculate the basic amount of council tax for dwellings in those parts of its area to which one or more special items relate such as a Community/Town Council precept requirement.

4. Current Situation / Proposal

- 4.1 Council are expected to approve the BCBC 2015-16 budget on the 25 February 2015, and the budget is shown in the following table :

	2015-16 Budget £000	
Service expenditure		
Education & Transformation	20,689	
Schools	85,086	
Adult Social Care	41,190	
Safeguarding	18,076	
Sport, Play and Active Wellbeing	2,790	
Communities	24,913	
Resources	14,672	
Legal and Regulatory Services	6,053	
		213,469
Corporate expenditure		
Council Tax Reduction Scheme	14,254	
Repairs and Maintenance	1,100	
Capital Financing Costs	10,315	
Pension Related Costs	1,190	
Insurance Premiums	1,637	
Other Corporate Budgets	3,308	
		31,804
Precepts/Levies	6,928	
		6,928
Total Net Revenue Expenditure		252,201

4.2 The average County Borough Council Tax is shown below:

	2014-15 £	2015-16 £
Total Expenditure	255,131,000	252,201,218
Less:		
Revenue Support Grant	150,943,439	148,001,598
NDR Distribution	43,919,218	40,407,767
Collected from Council Tax	60,268,343	63,791,853
<u>Council Tax Base - Band D equivalents</u>	50,566.20	51,071.48
County Borough Council Tax	1,191.87	1,249.07
Average Community Council	31.12	34.01
Police & Crime Commissioner for South Wales	190.34	199.86
Band D Property average council tax	1,413.33	1,482.94

4.3 The Police & Crime Commissioner for South Wales has notified the Council that their precept for the financial year ending 31 March 2016 will rise to £10,207,008 which equates to a Council Tax of £199.86 on a Band D property, a 5% increase. The 2015-16 precept was confirmed by the

South Wales Police and Crime Panel on 30 January 2015. The precept is subject to further consultation and in accordance with government regulations the Police & Crime Commissioner for South Wales must issue the precept by the 1 March. Should the issued precept change then an amended report will be presented to Council.

- 4.4 The Council, as the billing authority, is required to formally **approve** the Council Tax for its area. This must be set to meet the net budget requirement of the Council and its precepting authorities and is set out in the following table.

Authority	Requirement £	Net Tax Base	Council Tax £.p (Band D)
Bridgend County Borough Council <u>Local Precepts</u>	63,791,853	51,071.48	1,249.07
Brackla Community Council	135,000	4,120.32	32.76
Bridgend Town Council	294,300	5663.14	51.97
Cefn Cribbwr Community Council	19,500	518.44	37.61
Coity Higher Community Council	46,800	2,592.82	18.05
Cornelly Community Council	85,000	2,452.81	34.65
Coychurch Higher Community Council	10,000	327.67	30.52
Coychurch Lower Community Council	12,450	641.23	19.42
Garw Valley Community Council	66,000	2,192.82	30.10
Laleston Community Council	120,000	4,785.85	25.07
Llangynwyd Lower Community Council	7,000	168.70	41.49
Llangynwyd Middle Community Council	37,000	1,041.24	35.53
Maesteg Town Council	288,435	5,442.17	53.00
Merthyr Mawr Community Council	2,000	147.73	13.54
Newcastle Higher Community Council	41,000	1,598.98	25.64
Ogmore Vale Community Council	57,913	2,493.41	23.23
Pencoed Town Council	140,000	3,338.15	41.94
Porthcawl Town Council	233,050	7,779.94	29.96
Pyle Community Council	60,000	2,444.46	24.55
St Brides Minor Community Council	51,365	2,132.84	24.08
Ynysawdre Community Council	30,000	1,188.76	25.24
Borough Budget Requirement	65,528,666	51,071.48	1,283.08
Police & Crime Commissioner for South Wales	10,207,008	51,071.48	199.86
TOTAL	75,735,674		1,482.94

- 4.5 The Council is also required to **approve** the following Council Tax charges for BAND D properties for the chargeable financial year beginning 1 April for each of the community areas and these are shown in the table below. All calculations are for a Band D equivalent property.

Community Council	Bridgend CBC	Community Council	Police & Crime Commissioner for South Wales	Total
	£	£	£	£
Brackla Community Council	1,249.07	32.76	199.86	1,481.69
Bridgend Town Council	1,249.07	51.97	199.86	1,500.90
Cefn Cribbwr Community Council	1,249.07	37.61	199.86	1,486.54
Coity Higher Community Council	1,249.07	18.05	199.86	1,466.98
Cornelly Community Council	1,249.07	34.65	199.86	1,483.58
Coychurch Higher Community Council	1,249.07	30.52	199.86	1,479.45
Coychurch Lower Community Council	1,249.07	19.42	199.86	1,468.35
Garw Valley Community Council	1,249.07	30.10	199.86	1,479.03
Laleston Community Council	1,249.07	25.07	199.86	1,474.00
Llangynwyd Lower Community Council	1,249.07	41.49	199.86	1,490.42
Llangynwyd Middle Community Council	1,249.07	35.53	199.86	1,484.46
Maesteg Town Council	1,249.07	53.00	199.86	1,501.93
Merthyr Mawr Community Council	1,249.07	13.54	199.86	1,462.47
Newcastle Higher Community Council	1,249.07	25.64	199.86	1,474.57
Ogmore Vale Community Council	1,249.07	23.23	199.86	1,472.16
Pencoed Town Council	1,249.07	41.94	199.86	1,490.87
Porthcawl Town Council	1,249.07	29.96	199.86	1,478.89
Pyle Community Council	1,249.07	24.55	199.86	1,473.48
St Brides Minor Community Council	1,249.07	24.08	199.86	1,473.01
Ynysawdre Community Council	1,249.07	25.24	199.86	1,474.17

4.6 For sake of clarity, the resulting charges for each Band are reproduced in Appendix A.

5. Effect upon Policy Framework & Procedure Rules

5.1 The budget is set in accordance with the Budget Procedure Rules.

6. Equality Impact Assessments

6.1 The Council Tax is determined as part of the MTFs budgetary process. The MTFs is reported separately to Council and contains details of the Equality Impact Assessments which have been produced for all relevant spending adjustments which may impact on certain groups of citizens within the County Borough. Council Tax charges do not have a negative equality impact.

7. Financial Implications

7.1 These are contained within the report.

8. Recommendations

Members are recommended to:

- i) Approve the Council Tax for Bridgend County Borough Council of £1,249.07 for 2015-16, and the Council Tax for the area outlined in Paragraph 4.4.

- ii) Approve the Council Tax charges for Band D properties for 2015-16 for each of the community areas as outlined in Paragraph 4.5.

Ness Young CPFA

Section 151 Officer and Corporate Director-Resources

25 February 2015

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Background Documents:

Cabinet Report - Medium Term Financial Strategy 2015-16 to 2018-19 - 10 February 2015

Council Report - Medium Term Financial Strategy 2015-16 to 2018-19 -25 February 2015

Community	Band								
Council	A	B	C	D	E	F	G	H	I
Brackla Community Council	987.79	1,152.42	1,317.05	1,481.69	1,810.95	2,140.21	2,469.48	2,963.37	3,457.27
Bridgend Town Council	1,000.60	1,167.36	1,334.13	1,500.90	1,834.43	2,167.96	2,501.50	3,001.79	3,502.09
Cefn Cribbwr Community Council	991.02	1,156.19	1,321.36	1,486.54	1,816.88	2,147.22	2,477.56	2,973.07	3,468.59
Coity Higher Community Council	977.98	1,140.98	1,303.97	1,466.98	1,792.97	2,118.96	2,444.96	2,933.95	3,422.95
Cornelly Community Council	989.05	1,153.89	1,318.73	1,483.58	1,813.26	2,142.94	2,472.63	2,967.15	3,461.68
Coychurch Higher Community Council	986.30	1,150.68	1,315.06	1,479.45	1,808.21	2,136.97	2,465.75	2,958.89	3,452.04
Coychurch Lower Community Council	978.90	1,142.04	1,305.19	1,468.35	1,794.65	2,120.94	2,447.25	2,936.69	3,426.14
Garw Valley Community Council	986.02	1,150.35	1,314.69	1,479.03	1,807.70	2,136.37	2,465.05	2,958.05	3,451.06
Laleston Community Council	982.66	1,146.44	1,310.21	1,474.00	1,801.55	2,129.10	2,456.66	2,947.99	3,439.33
Llangynwyd Lower Community Council	993.61	1,159.21	1,324.81	1,490.42	1,821.62	2,152.82	2,484.03	2,980.83	3,477.64
Llangynwyd Middle Community Council	989.64	1,154.57	1,319.51	1,484.46	1,814.34	2,144.21	2,474.10	2,968.91	3,463.73
Maesteg Town Council	1,001.28	1,168.16	1,335.04	1,501.93	1,835.69	2,169.45	2,503.21	3,003.85	3,504.50
Merthyr Mawr Community Council	974.98	1,137.47	1,299.97	1,462.47	1,787.46	2,112.45	2,437.45	2,924.93	3,412.42
Newcastle Higher Community Council	983.04	1,146.88	1,310.72	1,474.57	1,802.25	2,129.93	2,457.61	2,949.13	3,440.66
Ogmore Vale Community Council	981.44	1,145.01	1,308.58	1,472.16	1,799.30	2,126.44	2,453.60	2,944.31	3,435.03
Pencoed Town Council	993.91	1,159.56	1,325.21	1,490.87	1,822.17	2,153.47	2,484.78	2,981.73	3,478.69
Porthcawl Town Council	985.92	1,150.24	1,314.56	1,478.89	1,807.53	2,136.17	2,464.81	2,957.77	3,450.74
Pyle Community Council	982.32	1,146.03	1,309.75	1,473.48	1,800.92	2,128.35	2,455.80	2,946.95	3,438.11
St Brides Minor Community Council	982.00	1,145.67	1,309.33	1,473.01	1,800.34	2,127.67	2,455.01	2,946.01	3,437.02
Ynysawdre Community Council	982.78	1,146.57	1,310.37	1,474.17	1,801.76	2,129.35	2,456.95	2,948.33	3,439.72