

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

Legal and Regulatory Services /  
**Gwasanaethau Cyfreithiol a Rheoleiddiol**  
Direct line / Deialu uniongyrchol: 01656 643148  
Ask for / Gofynnwch am: Mr Mark Anthony Galvin

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

**Date / Dyddiad:** Friday, 4 March 2016

Dear Councillor,

**COUNCIL**

A meeting of the Council will be held in the Council Chamber, Civic Offices Angel Street Bridgend CF31 4WB on **Thursday, 10 March 2016 at 3.00 pm.**

**AGENDA**

1. Apologies for absence  
To receive apologies for absence from Members.
2. Declarations of Interest  
To receive declarations of personal and prejudicial interest from Members/Officers in accordance with the Members' Code of Conduct adopted by Council from 1 September 2008.
3. Approval of Minutes 3 - 20  
To receive for approval the public minutes of a meeting of Council dated 17 February 2016
4. To receive announcements from:  
(i) Mayor (or person presiding)  
(ii) Members of the Cabinet  
(iii) Chief Executive
5. To receive the report of the Leader
6. Corporate Plan 2016-2020 21 - 44
7. Medium Term Financial Strategy 2016-17 to 2019-20 45 - 190
8. 2016-17 Council Tax 191 - 196
9. 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

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Text relay: Put 18001 before any of our phone numbers for the text relay service

Cyfnwidi testun: Rhwch 18001 o flaen unrhyw un o'n rhifau ffon ar gyfer y gwasanaeth trosglwyddo testun

presiding at the meeting is of the opinion should by reason of special circumstances be transacted at the meeting as a matter of urgency.

10. Exclusion of the Public

The minutes report relating to the following item are not for publication as they contain exempt information as defined in Paragraph 12 of Part 4 and Paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information)(Variation) (Wales) Order 2007.

If following the application of the public interest test the Council resolves pursuant to the Act to consider this item in private, the public will be excluded from the meeting during such consideration.

11. Approval of Exempt Minutes

197 - 198

To receive for approval the exempt minutes of the meeting of Council of 17 February 2016.

Yours faithfully

**P A Jolley**

Assistant Chief Executive Legal and Regulatory Services

**Distribution:**

Councillors:

S Aspey  
M Butcher  
N Clarke  
HJ David  
G Davies  
GW Davies MBE  
PA Davies  
E Dodd  
DK Edwards  
L Ellis  
N Farr  
EP Foley  
CA Green  
M Gregory  
EM Hughes  
CJ James  
P James  
RM James

Councillors

RD Jenkins  
PN John  
B Jones  
CL Jones  
M Jones  
RC Jones  
DRW Lewis  
JE Lewis  
JR McCarthy  
HE Morgan  
LC Morgan  
MEJ Nott OBE  
AD Owen  
DG Owen  
D Patel  
G Phillips  
DR Pugh  
CL Reeves

Councillors

M Reeves  
D Sage  
CE Smith  
JC Spanswick  
G Thomas  
M Thomas  
RL Thomas  
JH Tildesley MBE  
HJ Townsend  
E Venables  
KJ Watts  
C Westwood  
DBF White  
PJ White  
HM Williams  
R Williams  
M Winter  
RE Young

MINUTES OF A MEETING OF THE COUNCIL HELD IN COUNCIL CHAMBER, CIVIC OFFICES ANGEL STREET BRIDGEND CF31 4WB ON WEDNESDAY, 17 FEBRUARY 2016 AT 3.00 PM

Present

Councillor RE Young – Chairperson

S Aspey	M Butcher	N Clarke	HJ David
G Davies	GW Davies MBE	PA Davies	E Dodd
DK Edwards	L Ellis	N Farr	EP Foley
CA Green	M Gregory	EM Hughes	CJ James
P James	RD Jenkins	PN John	B Jones
CL Jones	M Jones	RC Jones	DRW Lewis
JE Lewis	JR McCarthy	HE Morgan	LC Morgan
MEJ Nott OBE	D Patel	G Phillips	DR Pugh
CL Reeves	M Reeves	D Sage	CE Smith
JC Spanswick	M Thomas	RL Thomas	JH Tildesley MBE
HJ Townsend	E Venables	KJ Watts	C Westwood
DBF White	PJ White	HM Williams	R Williams

Officers:

Susan Cooper	Corporate Director - Social Services & Wellbeing
Mark Galvin	Senior Democratic Services Officer - Committees
Andrew Jolley	Assistant Chief Executive Legal & Regulatory Services and Monitoring Officer
Gary Jones	Head of Democratic Services
Deborah McMillan	Corporate Director - Education & Transformation
Darren Mepham	Chief Executive
Mark Shephard	Corporate Director - Communities
Ness Young	Corporate Director - Resources & Section 151 Officer

576. APOLOGIES FOR ABSENCE

Apologies for absence were received from the following Members:-

Councillor M Winter  
Councillor E Venables  
Councillor RM James  
Councillor A Owen

577. DECLARATIONS OF INTEREST

The following declarations of interest were made by Members:-

Councillor L Ellis – Prejudicial interest in Agenda item 7, in that a family member was affected by the proposals in the report.

Councillor DBF White – Prejudicial interest in Agenda item 7 and 8, in that his wife works for BCBC.

**COUNCIL - WEDNESDAY, 17 FEBRUARY 2016**

Councillor JC Spanswick – Prejudicial interest in Agenda item 7 and 8 in that his wife works for BCBC

Councillor G Phillips – Prejudicial interest in Agenda item 7 and 8, in that his wife works for BCBC

Councillor PJ White – Prejudicial interest in Agenda item 7 and 8, in that his sister works for BCBC

Councillor B Jones – Prejudicial interest in Agenda item 7 and 8, in that his sister works for BCBC

Councillor MW Butcher – Prejudicial interest in Agenda item 7 and 8, in that she has a close relative working in BCBC

Councillor CA Green – Prejudicial interest in Agenda item 7 and 8, in that her sister works for BCBC

Councillor DR Pugh – Prejudicial interest in Agenda item 7 and 8, in that his daughter works for BCBC

Councillor C Jones – Prejudicial interest in Agenda item 10, in that he is a Trade Union Representative on the Central South Consortium.

All the above Members left the meeting whilst these items were being considered.

The following declarations of interest were made by Officers:-

D Mepham, S Cooper, D McMillan, M Shephard – Interest in Agenda item 7 and 8 as employees of the Authority affected by the Policies subject of the reports, and left the meeting whilst these items were being considered. N Young and PA Jolley declared an interest also in these items, but remained in the meeting to present the reports and/or respond to Members questions in their capacity of S151 Officer and Monitoring Officer, respectively. MA Galvin and G Jones also declared an interest in these items, but remained in the meeting to take the Minutes and provide support in respect of electronic back-up, respectively.

D Mepham, S Cooper, D McMillan, M Shephard, N Young, PA Jolley and MA Galvin – Interest in Agenda item 9 as they were directly affected by the Pay Policy of the Authority. These Officers left the meeting whilst this item was being discussed. The item was presented by the Cabinet Member Resources. G Jones declared a personal interest in this item but remained in the meeting to take the Minute and provide electronic back-up.

578. APPROVAL OF MINUTES

RESOLVED: That the Minutes of a meeting of Council dated 20 January 2016 be approved as a true and accurate record.

579. TO RECEIVE ANNOUNCEMENTS FROM:

Mayor

The Mayor welcomed those present to the meeting of Bridgend County Borough Council on 17 February 2015. As Members/Officers aware, an annual Holocaust Memorial is

held every year within the county borough. The Mayor had the great honour of being part of the event, and this year's theme was "Don't Stand By". It asked people to consider their personal responsibility, and not be a bystander to persecution and genocide. Listening to the life stories of individuals who chose not to stand by during the Holocaust was both moving and humbling he stated, and illustrated that there is always the capacity for good in the face of such evil. He was privileged to light the Holocaust Memorial Day candle, and fully supported this ongoing remembrance which demonstrates that we continue to value a free, tolerant and democratic society.

Litchard Primary School hosted 30 Chinese children who were visiting from the Beijing area recently, so the Mayor had taken the opportunity to invite them into the council to meet him and see for themselves how local government works. He felt that they fully enjoyed the visit, and he was also pleased to be able to attend their farewell presentation at the Sony Theatre in Bridgend College where he wished them a safe journey home.

The Mayor and his Consort were also delighted to host a school council at Betws Juniors after children aged between five and 11 expressed an interest in visiting the civic offices to find out more about his role as Mayor. They were an absolute joy, and we had a very lively question and answer session that Jeremy Paxman would have been proud of he added! The children were a real credit to their school throughout this event.

Porthcawl Comprehensive has a long established record of staging outstanding musical productions, and this year was no exception. His Consort and himself attended their "We Will Rock You" show at the Grand Pavilion and thoroughly enjoyed this celebration of the life and music of Freddie Mercury and Queen. The hard work and talent of pupils and teachers was evident, and he congratulated them all on another excellent show.

Finally he announced that, tickets were still available for his Charity Lunch at the Great House on Friday. The guest speaker will be Non Evans MBE, a former sports broadcaster and rugby, judo, wrestling and weightlifting international. He hoped Members could find time to attend this lunch.

#### Deputy Leader

The Deputy Leader announced, that when children at Afon y Felin Primary School in North Cornelly wrote to rugby legend Gareth Thomas to ask about how he became a Welsh sporting hero, he did not think they expected a personal visit, but that's exactly what happened. 'Alfie' spent several hours talking to the children and answering questions as part of a special project they were working on, and left them with the message that it takes hard work, commitment and resilience to accomplish a goal (or even a drop kick) in rugby terms. The event was a triple celebration for the school as in addition to moving from red to yellow in the school classification tables in just under a year, they also recently learned that attendance increased over the last academic year and is up to 94.9 per cent. The school had done a great deal of work to encourage improved attendance, including the production of a weekly school newspaper, working with our Educational Welfare and Family Engagement officers and encouraging pupils to compete for a class attendance trophy. He was sure that Members would join him in offering our congratulations.

Talking of school categorisation, Members would have no doubt noted that just over 40 per cent of our local schools received a top 'green' rating indicating that they are 'highly effective'. This was a significant rise from last year's figure of 24.6 per cent and confirmed that Bridgend County Borough has the highest percentage of 'green' schools in the Central South region. Our 'green' primary schools increased from 26.5 per cent to 41.7 per cent, while the increase for our secondary schools was up from 12.5 per cent to

33.3 per cent. While it is important not to view the school categorisation as any kind of ranking system, we are still never the less delighted with this year's results. Overall, we have 53 schools in the green and yellow categories with seven classed as being amber or red, so I think that Members would agree that the new categorisation process has demonstrated some very interesting results.

Estyn had carried out an inspection of Newton Primary School and while the inspectors found that the school is generally good, they have recommended that Bridgend County Borough Council monitors the school's progress over the next year as it carries out work on a small number of specific areas that require attention. BCBC were currently working with the governing body of the school on an action plan to address these issues, and he looked forward to being able to confirm to Members that progress has been made.

To share best practice, the Deputy Leader confirmed that BCBC would continue to provide support and advice to families. The next steps would also include regularly reminding all schools, including independent schools, of the protocol when families de-register, in addition to carefully monitoring and capturing de-registrations on the pupil database.

#### Cabinet Member Communities

The Cabinet Member Communities extended his thanks to staff and workers who were out in the thick of Storm Imogen recently making sure that roads remained open, premises weren't flooded and people could stay safe. This was a particularly bad storm, as it had brought down a number of trees at locations throughout the county borough and delayed refuse collections after part of the M4 was closed, preventing refuse lorries from getting to the waste transfer station at Crymlyn Burrows. The high winds also dislodged roofing tiles from seven different properties in Bridgend town centre and brought them crashing down into the pedestrianised area. Following a prompt response from South Wales Police, the council and the South Wales Fire and Rescue Service, this led to the town centre being effectively closed to the public until the following morning in the interests of public safety, something that he didn't think had ever been done before. Thankfully, no one was hurt and the town was able to re-open as normal the following day. Needless to say, staff worked around the clock and were absolutely fantastic, so he was sure that Members would join him in offering them our thanks and appreciation.

It was also that time of year again when green-fingered residents can start to register for the return of the garden waste collection which begins in April. The fortnightly collections will make it possible to recycle green waste including plants, flowers, weeds, grass, leaves and hedge clippings. The service will run during the main growing season up to the end of October, and residents can sign up to the service for a one-off payment of £27 per household with a discounted rate of £23 for pensioners. Once payment is confirmed, households will be supplied with two reusable sacks for their green waste which will be collected every two weeks on the same day as their black bags. All of the green waste collected in Bridgend County Borough is taken to local firm Cowbridge Compost where it is turned into a fertilizer.

Around 2,400 homes signed up for the scheme last year, which was 20 per cent more than in 2014. He hoped Members will help encourage constituents to take part in the scheme, as it helps cut down on the amount of recyclable materials that have to be disposed of as landfill. Garden waste can also be taken to household recycling centres located at Tythegston, Brynmenyn Industrial Estate and the Heol Ty Gwyn Industrial Estate in Maesteg.

Cabinet Member Adult Social Care and Health and Wellbeing

The Cabinet Member Adult Social Care and Health and Wellbeing, confirmed that Members will be aware that the Social Services and Well-Being (Wales) Act is a new law that aims to give people more of a say in the care and support they receive.

He was sure that this was going to be of interest to people across all of our communities, so Members may like to help spread the word about a new FAQ document produced by the Welsh Government that explains what the new Act will mean for local people.

In general terms it aims to enable people to make decisions about their care in partnership with professionals, provide easier access to information and advice about what is available, give carers an equal right to be assessed for support to those that they care for, and ensure that more people are entitled to direct payments.

A new assessment process for care and support will be based on what matters to you as an individual which will consider personal strengths and what support is available to you from your family, friends and others in the community.

The assessment will be simpler and can be carried out by one person on behalf of a range of organisations.

There will also be more services to prevent problems getting worse, so the right help is available when it is needed.

When it comes into force on 1 April 2016, the Act also aims to create stronger powers for keeping people safe from abuse or neglect.

The FAQ document is available to view either at the Welsh Government website or via the front page of the council's own website, and Members may find it useful to familiarise themselves with it as well as letting constituents know that it is available.

Cabinet Member Children's Social Services and Equalities

The Cabinet Member Children's Social Services and Equalities, stated that Members may be aware of the Invisible Walls project at Parc Prison which is doing excellent work with prisoners and their families. Delivered by the council alongside G4S, Barnado's, Gwalia and the Welsh Centre for Crime and Social Justice, the project aimed to reduce re-offending and intergenerational offending by strengthening family ties. As such family intervention workers at both the prison and in the local community provide offenders who are 12 months away from the end of a sentence with access to parenting programmes, advocacy services, family group conferencing, volunteering programmes and more. They also work with them for six months after release. The project received some official recognition recently after Parc Prison received the Investors In Families Award from Andrew Selous MP at the House of Lords. David Wright, the Family Support Services Manager for the Central Hub, was in attendance and the award was presented in recognition of work undertaken with prisoners and their families, with the Invisible Walls project playing a major role in this success.

She congratulated Mr Wright and everyone who is involved in the Invisible Walls project. It is undertaking important work and is helping to raise aspirations and improve lives throughout our local communities.

She also wished to mention that Bridgend Youth Council was organising its second youth democracy conference for 15<sup>th</sup> April here at the Civic Offices.

The conference aims to help educate young people about the meaning of democracy and the 'who's, why's and what's' of Bridgend County Borough Council. Year nine and

ten pupils from local schools will be invited to attend and she was sure that the event is going to prove every bit as successful as last year's.

#### Cabinet Member Resources

The Cabinet Member Resources felt that Members would be pleased to hear that arrangements are being made for the official opening of an all-new £2.4million health and wellbeing centre in the borough next month. Based at Celtic Court in Tremains Road, the centre has been designed and built by the council's Built Environment team to offer support for local residents who are experiencing issues with substance misuse. The opening will mark the culmination of a nine month project that has used Welsh Government funding to transform Celtic Court into a purpose-built base for a wide range of support services offered by the council's third sector partners. The centre will also offer bespoke modern healthcare provision. The official of the new facility is planned for 11 March and more news on this project would be available very soon.

The next pre-Council presentation has been provisionally scheduled as a briefing on the Welsh Language Standards. The new requirements are going to have a significant impact on how the council provides services in future, and it is important that all members are fully aware of the implications. This will be confirmed and put into Members calendars shortly. Members may also wish to note that the presentation prior to April's meeting of Council will be on the subject of digital transformation.

As regards regional events, the joint training with Swansea and Neath Port Talbot by Disability Wales will take place next Tuesday 23 February starting at 10am in Committee rooms one, two and three. This was a one off session delivering a training programme on behalf of Welsh Government to support understanding of the requirements of the Equality Act 2010, the Wales Specific Equality Duties and the UN Convention on the Rights of Disabled People and how they can be used to underpin a human rights based approach to service delivery. Places were limited, so it would be appreciated if Members could confirm their attendance by accepting or otherwise the appointment in order that the Democratic Services Section could track numbers.

In terms of Member Development sessions, an update session on the Social Services and Wellbeing Act will be scheduled for March, and an information session on carbon reduction for April. Dates and times were in the process of being agreed.

A number of elected members were experiencing difficulties streaming the recent webcasts and this may be due to laptops running an old version of internet explorer. If Members had not already done so, he asked if they could you take their laptop into Member Services, so that they could check for updates and resolve this issue. Members would need to log onto their machine and take into consideration that if some time has elapsed between updates, it may take a while for the downloads to complete.

The works to improve the disabled access in the Civic Suite were continuing and have to date been very unobtrusive with minimal disruption, however, he thanked Members and Officers you for their patience during this period.

#### Cabinet Member Regeneration and Economic Development

The Cabinet Member Regeneration and Economic Development advised that a new cycling-friendly café in Porthcawl was on the road to success with the help of a 'Kick-start' grant from Bridgend County Borough Council and UK Steel Enterprise. The Broom Wagon café on Station Hill opened only a few months ago with £1,000 grant-funding. Designed as a family-friendly stop that can cater for people making the most of the local



cycle network, it has already attracted a wide range of clientele from both the local community and visitors to the seaside town. He felt this was a great example of why the Kick-start grant was put in place. It had given start-up or new businesses a helping hand to develop products and services, and as a keen cyclist himself, he thought this new business offers a fantastic feature in the newly regenerated Station Hill area. Anyone who would like to find out more about opportunities for starting up a new business in the area is advised to visit the Business Zone website or contact the council's economic development team for expert advice.

He also advised Members that the demolition works at the site of the former Rhiw multi-storey car park have been completed ahead of schedule.

A small ceremony is being organised to formally mark the start of construction on the all-new car park and apartments, and some very visible progress would be seen in this respect over the coming months.

In addition to establishing a community of people living within the town centre who will help support trade, when it is completed, the new car park will incorporate a number of features including customer lifts, dedicated parking for drivers with children, disabled parking bays, a ground-level pedestrian crossing to give easy access to the nearby market and town centre shops, flexible parking payment options, modern security measures including CCTV coverage and improved lighting, new safety standards designed in partnership with South Wales Police and much more. All 248 spaces at the new car park will be aimed at shoppers and visitors, while residents of the 28 apartments will have separate parking, and there will be provision for up to 54 cycles as well, so this will be a very modern facility that will serve the town well.

#### Chief Executive Announcements

The Chief Executive announced that he wished to keep Members abreast with latest developments in the efforts to establish the Capital Region City Deal that could bring in excess of one billion pounds worth of investment to the region over the next 10 to 15 years.

Significant progress has been made in recent months, with both the Welsh Government and UK Government making public statements of their intention to each commit 580 million pounds of additional funding to an investment fund for the region.

In the next few weeks, a Proposal or Offer Document will be finalised and presented to all ten council Leaders for approval.

This will set out a strategic statement, the proposed funding composition of the Deal, the proposed governance structure for the local authority partners and a series of asks and offers. Before the document is finalised, challenge sessions are due to be held with both the Welsh Government and UK Government to test the robustness and deliverability of our outline proposals.

Subject to these sessions and agreement of the proposals document by all parties, a formal announcement may be made in the week commencing 7 March, with the signing of a City Deal in principle taking place quickly thereafter.

Signing the deal proposal document would not commit BCBC to any expenditure. Over the next six to 18 months the full Business Case would then be developed and this will lead to greater clarity over the anticipated costs and benefits for Bridgend County Borough.

Further reports will then be brought to Members, as appropriate, to set out the financial implications and how these would be met.

The Leader had already mentioned that we are adding a new YouTube channel to our social media activities.

He wished to advise Members that he would be participating in a social media debate next week, where he would be answering questions and gathering opinions on how we should measure the Council's delivery against its corporate priorities.

As Members were aware, we've developed three new priorities to help improve lives across the County Borough while dealing with significant financial savings. They are of course supporting a successful economy, helping people to be more self-reliant, and a smarter use of resources.

We found as part of last year's 'Shaping Bridgend's Future' consultation that there was widespread support for the priorities, so we now want residents to put forward ideas of their own on how the council should measure its success in achieving these three aims.

As Members would also know, some performance indicators that we are measured by can be a bit esoteric, counter intuitive or not immediately accessible or meaningful to people outside of the workings of councils. So it may be that people can come up with some useful measures for us. It will also serve to raise more awareness of the corporate plan.

For the budget consultation, our Facebook event was viewed 49,811 times while for Twitter the figure was 79,861. The recent waste event drew a Facebook audience of 8,446 and on Twitter it was 15,977, so we know that this is an effective way to communicate with our residents.

As part of this he confirmed that he would be talking to Facebook for a live Q&A on Tuesday 23 February between 6pm and 7:30pm.

He hoped Members would encourage their constituents to come and take part, and that they also advise them, that they can express their views by completing a short online survey which can be found on the consultation page of the Council's corporate website.

#### 580. LEADER'S REPORT

The Leader reported that he was sure Members would be aware of the increasingly important role that social media is playing in how people choose to contact and interact with local councils. Bridgend County Borough Council already has well-used Facebook and Twitter pages in place, and with more than 10,000 followers they have proven to be especially useful when we are consulting over things like the budget or the recent proposals for changing how we handle waste in future. This was bolstered recently with the addition of a brand new YouTube channel where the authority can share videos about council and community news as well as information on local events. The channel already features a library of short films and these range from an early look at plans to bring the Jennings Building back into public use to footage taken at last month's annual Holocaust Memorial Day event.

The channel is expected to strengthen the council's growing social media presence and provide residents with a fresh perspective on the latest events and developments, so the Leader urged Members to take a look at this, and to let others know that it is available.

Social media also played an important role in the recent consultation on waste. This finished on 8<sup>th</sup> of February and attracted a total of 2,795 completed feedback forms which was a higher than usual response. A lot of publicity work was undertaken around

the consultation, including media coverage, radio broadcasting and social media promotion. A Facebook and Twitter debate was held which attracted more than 100 questions and 15,000 views. The feedback was currently being analysed so that a report could be produced. More news would be available on this soon.

Finally, Bridgend County Borough, Neath Port Talbot and Swansea councils joined with ABMU Health Board recently to launch the 'Time To Change Wales' pledge and he had been pleased to lend his support. The pledge demonstrated that each organisation recognised the importance of supporting both employees and people who are struggling with mental health issues, and was accompanied by detailed action plans which outlined what practical steps was being taken to promote mental health and well-being for example, by offering counselling services for staff or courses and events designed to reduce stress. Mental health issues touch the lives of thousands of people across Bridgend County Borough. If Members would like to find out more, the time to change Wales website is well worth a visit he concluded.

581. WALES AUDIT OFFICE - CORPORATE ASSESSMENT REPORT ON BRIDGEND COUNTY BOROUGH COUNCIL, JANUARY 2016

The Chief Executive presented a report, in order to make an introduction on the Auditor's General report, attached at Appendix 1 to the covering report.

He advised that this Corporate Assessment report was very positive and put the Council in a strong position compared to other councils in Wales. It had been commented on in a positive light by other neighbouring authorities. He added however, that there were areas within the report comprising the Appendix that could be improved upon in the future, and the Council were presently looking at ways to secure improvement in these areas.

Mr Barry, Wales Audit Office, referred Members to Appendix 1 and confirmed that the Wales Audit Office had since 2013 become involved in producing corporate assessments of local authorities, where in particular, issues such as good governance and performance being attained within local government were examined.

He advised that page 23 of the report highlighted the key messages and findings arising from the assessment, and he was pleased to inform Members that the Council was well placed to secure improvements that were required in the future, and that there were good systems and ways of working adopted within the Authority that could be built upon in the future. He was fairly confident of this, given that BCBC had a good track record and had shown both in the past and currently, that it had innovative ways of working. He also felt that BCBC were focusing on the right areas, and had plans in place or pending, to secure the further improvements that were required.

He concluded by stating that the Welsh Audit Office would do a follow-up assessment, in order to ensure that progress was being made against those areas within the report where it was considered that further progress could be made.

A Member referred to page 45 and paragraph 66 of the report, where it highlighted that the Authority could possibly be more proactive in its number of staff apprenticeships.

The Corporate Director Resources advised that the Corporate Management Board had been actively discussing just today its Workforce Strategy going forward in the future, and in line with this, how these fitted into key areas such as its Corporate Priorities, including succession planning. She advised that the Authority currently had 12 apprentice positions, and whilst it was looking to expand this number, it could only

manoeuvre within existing budget and there was obviously financial restraints attached to the MTFs. She added that the Council were looking at initiatives such as the SEWSCAP framework for the 21<sup>st</sup> Century School Programme, as well as looking at partnerships with other organisations to introduce apprenticeships, funded from the Council's Capital Programme.

A Member referred to page 43 of the report and paragraph 58 where SOCITM had assessed the Council's website in 2014 as 1 star out of a possible maximum of 4 stars, and she asked if any improvement had been made since the carrying out of this assessment.

The Corporate Director Resources explained that this assessment was undertaken annually, and whilst she thought that this rating had not yet been improved upon in 2015-16, she expected the website to be considerably improved as part of the Council's Transformation Programme by the end of 2016-17.

A Member considered that the Authority should look to better develop key areas such as those relating to Human Resources (HR) and ICT to ensure 'best practice' is achieved in these areas, as they provided some of the more key functions of the Council, particularly in readiness for Local Government Reorganisation.

The representative from the Wales Audit Office confirmed that a considerable number of Welsh local authorities were not performing to full capacity in these work areas, largely due to local government cuts which had resulted in reduced workforces. These were also fairly specialist areas, and therefore, there was also a problem with recruitment and retention of employees in HR and ICT, which compounded the problem.

A Member noted from page 23 of the report, that though the Local Service Board (LSB) had been in-being since 2009, there was scope for more progress to be made by this Board in terms of its development.

The Chief Executive confirmed that steps were in place to form a Public Service Board, where development plans in respect of further utilising the LSB would be examined and subsequently progressed. He added that both the LSB and the PSB had broad and long term ambitions, and that within the longer term future, further work would be progressed and evidenced by these bodies. The representative from the Wales Audit Office added that they would work with the Council to develop the role of collaborations such as the LSB, and to evaluate its future achievements and outcomes.

RESOLVED: That Council noted the Corporate Assessment Report produced by the Wales Audit Office.

582. FLEXIBLE RETIREMENT POLICY AND EARLY RETIREMENT ILL HEALTH RETIREMENT AND REDUNDANCY POLICY

The Corporate Director Resources submitted a report, detailing a small number of proposed changes to the Flexible Retirement, Ill Health Retirement and Redundancy Policy, and recommended the adoption of the revised policies, included within the suggested attached documents shown at Appendices 1 and 2 of the report, respectively. She explained that some amendments were required to the above, in order to reflect certain changes in respect of pension regulations. These changes were reflected in paragraphs 4.2 of the report.

The Corporate Director Resources confirmed that Trade Unions had been consulted on the proposed amended policies, and whilst GMB and Unite had confirmed their agreement to the changes, Unison had not to date replied on these.

She concluded her submission by advising that there were no financial implications as a result of the changes that had been made.

A Member referred to page 70 of the report and paragraph 12.7 entitled 'Re-engagement of employees made redundant', whereby in instances of termination under Scheme B, C and D employees will be prevented from being re-engaged until the expiration of a period equivalent to the discretionary element of the redundancy payment. He asked if employees made redundant were made aware of this provision when facing redundancy.

The Corporate Director Resources confirmed that they were.

The Member asked a follow-up question namely, if employees left the Authority without pension or redundancy entitlements, was there any discretion for them to return to the Authority in a consultancy role.

The Corporate Director Resources advised that the Authority would not usually agree with employees returning in a consultancy role, in terms of most different job positions within the Council.

RESOLVED: That Cabinet approved the revised Flexible Retirement and Early Retirement, Ill Health Retirement and Redundancy Policy as appended to the report.

583. DISCRETIONS WITHIN THE LOCAL GOVERNMENT PENSION SCHEME

The Corporate Director Resources submitted a report, detailing a number of discretions within the Local Government Pension Scheme (LGPS), which have resulted in a draft policy statement being compiled, setting out the general position of the Council in respect to each one, which required Council approval prior to implementation.

The report gave some background information, which included confirmation that the Local Government Pension Scheme contains many areas where the employer, or the Administering Authority, can or must exercise a discretion. Some of these were already covered by existing policies, however, the Council is required to document the position on the remaining mandatory discretions together with any optional discretions it wishes to include. She pointed out to Members, that attached at Appendix A to the report was the draft Discretions Policy, and should this be approved by Council, the effective date of the change(s) will be one month following the publication of the policy statement.

She added that where a discretion has not already been exercised, consideration had to be given to each mandatory and optional discretion and a recommendation put in the form of the policy statement.

The Corporate Director Resources confirmed that Trade Union colleagues had been consulted on the policy, and whilst GMB and Unite had confirmed their agreement to the proposals, Unison had not yet replied.

She advised that the decision to award additional pension benefits in only very exceptional circumstances was taken with financial considerations in mind, and that additional pension awards created further strain on the Pension Fund.

She added that the decision not to extend the twelve month period for incoming transfers to the LGPS takes into account the potential increased cost to the Pension Fund of career progression and longevity factors to a final salary scheme.

She culminated her submission by further adding that the decision to review cases where forfeiture of pension benefits in some form is possibly appropriate, is to ensure that the Council has the option to make good any financial losses caused by the member.

A Member referred to page 78 of the report and paragraph 3.5, where reference was made to the fact that if a member was convicted of a relevant offence, his former employing authority may apply to the Secretary of State who may issue a forfeiture certificate. She asked what Secretary of State this was.

The Corporate Director Resources confirmed that this was the Local Government Secretary of State in Whitehall.

**RESOLVED:** That Council approved the Policy Statement on Discretions in the Local Government Pension Scheme, as detailed in the report.

584. PAY POLICY STATEMENT 2016/17

The Cabinet Member Resources presented a report, recommending that Council were being asked to consider the content of the report on the Authority's Pay Policy Statement for the financial year 2016/17.

He advised that Councillors were accustomed to this report being provided annually since 2012, and also receiving interim updates when necessary and this may be so this year, as at the time of writing the report, national negotiations were continuing, for example, Chief Executives, JNC, NJC and Youth and Community Workers.

He highlighted for Council the significant changes since it last received a report on the Pay Policy Statement, ie that:-

- A nationally negotiated pay rise has not yet been agreed for NJC Officers with Unison and Unite rejecting the current offer whilst GMB have accepted it.
- However, in order that the Council is compliant with the introduction of the National Minimum Wage, national pay negotiations have led to an agreement for a temporary uplift to the NJC spinal column points 6,7 and 8, pending the conclusion of the pay negotiations. Details were provided at 4.3 of the report.
- A recent Welsh Government amendment to the Local Authorities (Standing Orders) (Wales) Regulations 2006, effective from 1 July 2014 has introduced a new requirement.

"Welsh Government recommends that Council should be offered the opportunity to vote before severance packages of £100,00 and above are approved for staff leaving the organisation. However, Members must be aware of the statutory or contractual entitlements due to an employee and the consequences of non-approval by Council which may allow an employee to claim damages for breach of contract."

He recommended that Council accepted the report and the content of the Pay Policy Statement

- RESOLVED:**
- (1) That Council approved the updated Pay Policy Statement as attached at Appendix A to the report.
  - (2) That Council also approved the proposals outlined in Paragraph 4.3 and 4.6 of the report.

585. **CONSULTATION ON THE LOCAL GOVERNMENT (WALES) DRAFT BILL**

The Assistant Chief Executive Legal and Regulatory Services and Monitoring Officer, submitted a report that provided Members with information to enable a response to be drafted for the consultation on the Local Government (Wales) Draft Bill.

In terms of background information, he confirmed that the Minister's introduction to the draft Bill was attached at Appendix A to the report, and that responses to the consultation could be made on the form provided for Members at Appendix B to the report. He had provided Members with a briefing in advance of the meeting (in the form of a Presentation) on the implications of the draft Bill, prior to the consideration of the report, as well as tabling proposed draft responses from Members as a result of that briefing.

The Assistant Chief Executive Legal and Regulatory Services and Monitoring Officer, stated that Members would note that the contents of the report provided a broad overview of the draft Bill, rather than an in-depth view. He added that there were questions asked within the consultation on matters that were not contained within the draft Bill, and the report advised on those matters.

He confirmed that the remainder of the report provided an overview of the draft Bill, and reminded Council that the consultation questions were outlined in Appendix A to the report.

He then advised that the draft Bill covered the following areas, and these specific areas were both covered and elaborated upon in the report:-

- Part 1 – Local Government areas and County Councils
- Part 2 – General Power of Competence
- Part 3 – Dealing with promoting access to Local Government
- Part 4 – Dealing with the functions of County Councils and Members
- Part 5 – Providing for the improvement of governance
- Part 6 – Providing for the review of Community Council arrangements
- Part 7 – Dealing with workforce matters
- Part 8 – The interpretation section

A Member referred to Part 7 of the Bill, in relation to workforce matters and the setting up of a Public Services Staff Commission and recruitment and retention of staff issues, and questioned clarification of the role of the Commission and its legislative position. He questioned whether this was an example of micro management.

The Leader referred to a response made in respect of the type of question raised by the Member as outlined above as part of the consultation as follows, (ie under Part 7 of the draft Bill), as follows:-

“The WLGA has previously supported the establishment of a Public Service Staff Commission (PSSC) to specifically assist with the development of guidance to help Councils manage their workforces as part of any local government re-organisation.

Section 178 does repeal the role of the PSSC in 2021 to reflect that the PSSC is specifically to assist with local government reorganisation planned for 2020.

The WLGA would not wish to see a statutory PSSC set up if there is no local government re-organisation. Therefore the WLGA would wish to see that that the establishment of the statutory PSSC and its role is predicated on and explicitly linked to local government re-organisation. There would need to be clarity and a renewed agreement on the matter of any continuation of a non-statutory PSSC if no local government re-organisation should take place.”

A Member also felt that power in terms of the governance of bodies such as the Central South Consortium for Education, should as part of the Bill proposals be the responsibility of BCBC as local authority, as powers regarding schools and proposals for their improvement should lie with the local authority, rather than directly through the arm of an outside organisation as part of a collaboration agreement. He felt that this should be considered in conjunction with Local Government Re-organisation proposals (LGR), and moved a motion to this effect which was duly seconded.

Members then proceeded to have an electronic vote on this amendment, which fell by 31 votes to 9, with 1 abstention.

The Assistant Chief Executive Legal and Regulatory Services and Monitoring Officer advised that any individual views expressed by Members, regarding the consultation on the Local Government (Wales) Draft Bill, could be sent directly to Welsh Government for their consideration.

The Assistant Chief Executive Legal and Regulatory Services and Monitoring Officer then responded to a number of questions raised by Members, following which it was

**RESOLVED:** That Council determined its response to the consultation as outlined in the report and the paper tabled at the meeting, together with the recommended amendments suggested to the points made in respect of the tabled paper.

586. **DEBATE ON THE IMPACT AND CAUSES OF REDUNDANCIES WITHIN THE STEEL INDUSTRY**

The Assistant Chief Executive Legal and Regulatory Services and Monitoring Officer submitted a report, to inform the debate on the impact and causes of recent announcements of redundancies within the steel industry. The report also provided information on what are thought to be the main causes of the present situation within the domestic steel industry, for example:

- Energy costs
- Business rates
- Strength of Sterling
- Cheap imports particularly from China
- Over-supply

The report gave some background information, then gave a resume of each of the above problems, and how they were impacting in a detrimental way on the steel industry.

The remainder of the report, outlined responses received in relation to the impact of the problems on the Steel Industry, including from the Business Minister (Westminster) and Welsh Government.



The report finally advised that the Leader on behalf of the Authority issued a press conference on 22 January this year, calling for swift action on the national steel crisis, and he had also written to the Prime Minister and the First Minister in the Welsh Assembly.

Members debated the report, following which the following motion was made, which was duly seconded and carried unanimously:-

“That Council notes with deep concern the recent announcements by Tata Steel of the loss of jobs across South Wales and across the UK steel industry.

The Council urges Tata Steel the trade unions, Welsh and UK Government and the European Union to work together to help build a sustainable future for the steel industry in Wales and the UK.

The Council believes that all levels of Government should support the UK steel industry, not only as a source of tens of thousands of jobs, but also given its role as a foundation industry of key strategic importance to the wider and local economy.

The Council recognises that a sharp slowdown in the Chinese economy has sapped domestic demand, and that Chinese source steel is sold on the world market at low prices. Equally, the cost of energy and European rules on carbon emissions makes the UK a challenging climate in which to produce steel.

The Council are concerned that the impact on the steel industry if China was to be granted Market Economy Status, would result in the European Union, would be unable to impose tariffs on goods from China, if it was found that they had been dumped at below market prices and this would result in the increase in Chinese imports of steel into the European Union.

The Council, therefore, resolves to support the ‘Charter for Sustainable British Steel’ as promoted by the ‘UK Steel’ organisation. The Council also supports the proposals of UK Steel and Community regarding the EU Emissions Trading System proposals, which call for the steel sector to be helped to decarbonise in a way that ensures its future and the many thousands of valuable jobs it provides.”

This motion was supplemented as follows, and Members agreed unanimously to this being added to the above motion:-

“That BCBC contact local MEP’s, in order to utilise trade defence instruments available, so as to prohibit the dumping of Chinese steel below cost price in the UK”

**RESOLVED:** That Council debated the issue and proposed the above Notice of Motion (as supplemented) as a response to Central and Welsh Government on the Steel Industry crisis.

**587. TO RECEIVE THE FOLLOWING QUESTION FOR THE LEADER/MEMBERS OF THE EXECUTIVE**

**Question from Councillor RC Jones for the Deputy Leader:**

‘How many parents in BCBC have registered to home school their children and how many children are currently being home schooled? What action is the Authority taking to support parents who choose to educate their children at home?’

## **Response from the Deputy Leader to Councillor RC Jones**

### **Background**

“Current data shows that Bridgend County Borough Council has 91 pupils known to be home educated. It should be noted that this database is fluid and can change daily, as some pupils return to school or move and others de register. Also, we may not be aware of all families whose children are home educated as there is no requirement in law to inform the Local Authority if the children have not been educated through the state system.

Data from the last 3 years shows that Elective Home Education figures are rising. In July 2013, 34 pupils were known to the Local Authority compared with 76 pupils in July 2015. This is due to our robust attempts to ensure EHE children do engage with us and our significant efforts to engage with every family who elects to home educate.

Since 2013, a partnership has been established with parent representatives of the Bridgend Elective Home Education community which has proved to be successful. Due to this partnership the Local Council is in a better position to understand elective home education, share good practice and develop a working relationship built on trust.

Since 2013 we have also worked closely with other Local Authorities to establish a Professional Learning Community. Currently, the consortium elective home education link workers meet termly to discuss trends in data; policy matters; current issues; cross border de registrations and to share ideas. This is an excellent opportunity to share experiences and best practice.

Within the Welsh Government’s Consultation Summary of Responses: Registering and Monitoring Home-based Education (2013), Bridgend Local Authority was recognised as working effectively with it’s home educating community and suggested that this example of good practice should be emulated by other authorities across Wales.

In 2015, the Elective Home Education Policy was revised to reflect the need to ‘develop effective relationships’ as highlighted in the WG circular No 47/2006 (Inclusion and Pupil Support). Cabinet approved the updated policy in April 2015.

A teacher is employed by Inclusion Services as an Elective Home Education Link worker to work with families that decide to electively home educate. The Link worker contacts families to ensure they feel supported whilst home educating and to ensure that children do receive an education.

Links with other agencies such as health, inclusion, early help and Safeguarding are established and maintained in order to increase awareness of the law, Welsh Government Guidance and also to ensure wherever possible to full range of needs of these children are met.

### **Current Law**

Parents are not legally required to register with the Local Authority; it is a legal choice to educate your child at home. It is the schools not the parent’s responsibility to inform the Local Authority of a de registration and we work closely with our school through the fair access panel to ensure that all our schools advise us when there is a decision to home educate.

Parents can refuse to meet with the Local Authority and can opt to just provide a report outlining the education provided to their child.

The Welsh Government guidelines suggest that the Local Authority make contact with parents on an annual basis.

### **Considerations**

Parents might not be choosing to home educate for the right reasons, e.g., in some cases opt to home educate, sometimes because of behaviour issues in school, occasionally because of a difference of opinion between school and parents or for a multitude of different reasons. The young people can then become disengaged and not in education employment or training (NEET) despite being recorded as Elective Home Education.

A few home educated pupils have difficulty attending mainstream school and have been de registered whilst undergoing a diagnosis for example for Autistic Spectrum Disorder and we work intensively with those parents to try and reassure them that we can meet their children's educational and support needs.

### **Next Steps**

Continue to maintain a database of those elective home educated children and young people known to the Local Authority and link with the Central Pupil Database to ensure all de registrations are captured.

On-going work to develop a systematic, confidential but accessible Information Technology system of recording contact and other related matters.

Ensure that all schools, including independent schools are reminded of the protocol and procedure when families de-register.

Continue to provide support and advice to Bridgend families when home educating, or thinking about home education in order to continue to develop a trusting relationship built on mutual respect.

### **Supplementary question from Councillor RC Jones for the Deputy Leader**

"In engaging with the parents of Children who are being home educated, does this authority positively encourage participation in sports activities as part of the home education process?"

### **Response from the Deputy Leader to Councillor RC Jones**

'The Authority does advocate support between education and physical activity for children and parents are encouraged to undertake this as part of the home education process. He added that he would provide further details to Members regarding this outside of the meeting'

### **Supplementary question from Councillor DBF White to the Deputy Leader**

"The Member referred to the point made in the first response above, namely, that parents can refuse to meet with the Local Authority and can opt to just provide a report outlining the education provided to their child. He asked if this report was voluntary or mandatory"

### **Response from the Deputy Leader to Councillor DBF White**

'The report was mandatory'

**Supplementary question from Councillor CA Green to the Deputy Leader**

"Do the Education Authority examine the reasons why parents elect to educate their children at home, as opposed to sending them to school to be educated and is information to this effect collated and recorded"

**Response from the Deputy Leader to Councillor CA Green**

'This data is both retained and analysed, and the Education Authority give as much support and guidance as they can to parents who choose to educate their children at home. He would arrange for this data to be sent to all Members'

588. URGENT ITEMS

None

589. EXCLUSION OF THE PUBLIC

RESOLVED: The report relating to the following item was not for publication as it contains exempt information as defined in Paragraph 12 of Part 4 and Paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007.

Following the application of the public interest test, Council resolved pursuant to the Act to consider this item in private, and excluded from the meeting the press and public during such consideration.

Minute No

Summary of Item

Application for VER

590. APPLICATION FOR VER

The meeting closed at 6.10 pm

## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO COUNCIL

10 MARCH 2016

### REPORT OF THE CHIEF EXECUTIVE

#### CORPORATE PLAN 2016-2020

##### 1. PURPOSE OF REPORT

- 1.1 To seek Council approval of the Council's Corporate Plan 2016-2020 (attached as Appendix A).

##### 2. CONNECTION TO CORPORATE IMPROVEMENT PLAN / OTHER PRIORITIES

- 2.1 The report presents the Council's Corporate Plan which sets out the Council's priorities for 2016-2020.

##### 3. BACKGROUND

- 3.1 The Council's current Corporate Plan covers 2013-2017.
- 3.2 In light of the unprecedented financial challenges facing the authority, Cabinet and the Corporate Management Board (CMB) identified the need to revise and more tightly focus the Council's priorities to design and shape a sustainable and significantly smaller authority.
- 3.3 At its meeting on 17 June 2015, Council approved the following revised priorities for consultation:
1. Supporting a successful economy – taking steps to make the county a good place to do business and ensure that our schools are focused on raising the skills, qualifications and ambitions of all people in the county.
  2. Helping people to be more self-reliant – taking early steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services.
  3. Smarter use of resources – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible; and supporting the development of resources throughout the community that can help deliver its vision.

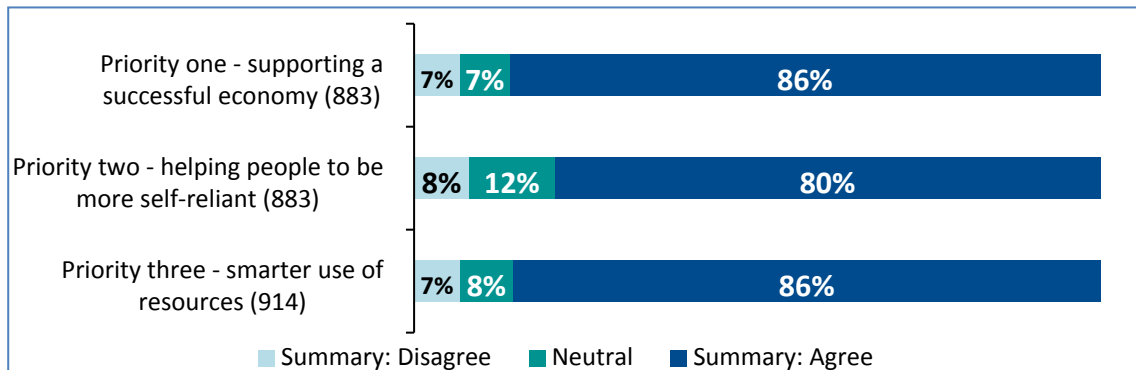
##### 4. CURRENT SITUATION / PROPOSAL

###### *Consultation*

- 4.1 A public consultation on the Council's corporate priorities and proposed budget reductions to 2019-2020 was undertaken over an eight week period from 28 September 2015 and 22 November 2015. The consultation received 1,819 responses from a

combination of the consultation survey, 15 engagement events held across the county borough, social media interactions and by using the authority’s Citizens’ Panel. The response rate (13 per 1000) is considered in statistical terms to be a valid sample size.

4.2 Respondents to the consultation were asked to identify to what extent they agreed or disagreed that the council should focus on the three priorities. The results showed a strong agreement with the chosen priorities as set out below.



4.3 Whilst the three priorities received strong support, 71 per cent, (525) of respondents to the public consultation believed there were important factors not included in the corporate priorities consultation. The most common areas believed missing, as cited by the 254 respondents who provided quantitative responses, are:

- Streamline the council; workforce and processes (39 people);
- Public transport, highways and infrastructure improvements (27 people); and
- Support local businesses and offer free parking (23 people).

4.4 A similar consultation exercise was also undertaken with employees and results mirrored those from members of the public with each priority receiving over 80% agreement.

4.5 As part of the consultation process, the Corporate Resources and Improvement Overview and Scrutiny Committee considered and provided feedback on the draft Corporate Plan on 9 February 2016.

4.6 A survey, including a Twitter debate led by the Chief Executive, on success indicators linked to the corporate priorities was undertaken between Tuesday 16 and Thursday 25 February 2016. The purpose of the survey was to seek citizens’ views on how the Council measures success. The survey was made available online, at local libraries and also in alternative formats upon request. The Twitter debate attracted 586 participants. A total of 37 suggestions or ideas were generated from the survey.

4.7 The feedback from all consultation exercises was considered in the development of this Plan and suggestions, wherever appropriate or applicable, have been accepted.

4.8 Cabinet Members were actively involved in the development of this Plan.

### ***The Corporate Plan***

- 4.9 The attached Corporate Plan 2016-2020 has been developed to deliver on the revised corporate priorities (also called improvement priorities under the Local Government (Wales) Measure, 2009). The Plan identifies programmes and projects to carry out these priorities and sets out the commitments for 2016-2017.
- 4.10 The Plan is supported by the Medium Term Financial Strategy, with the Council's overall revenue and capital budgets forming an integral part of it. The Medium Term Financial Strategy has been guided by the Council's priorities in the Corporate Plan and will enable the delivery of those priorities.
- 4.11 The development of the Plan was guided by the concept of "One Council" and other principles that had been agreed with members at the outset of the corporate planning process. These principles are:
- Wherever possible the Council will support communities and people to create their own solutions and reduce dependency on the Council.
  - The Council will focus diminishing resources on communities and individuals with the greatest need.
  - The Council will use good information from service users and communities to inform its decisions.
  - The Council will encourage and develop capacity amongst the third sector to identify and respond to local need.
  - The Council will not let uncertainty over the future of public services prevent meaningful and pragmatic collaboration with other public sector bodies.
  - The Council will work as one Council and discourage different parts of the organisation from developing multiple processes or unnecessarily different approaches.
  - The Council will transform the organisation and many of its services and in so doing will deliver financial savings as well as improvements.
- 4.12 In its Annual Improvement Report (AIR) and Corporate Assessment Report, the Wales Audit Office made a number of proposals for improvement. Those related to the Council's corporate planning were considered and addressed. Those proposals are:
- Establish the vision of the Council for 2020 that will support a strategic approach to service delivery and guide service planning;
  - Review 'measures of success' to ensure they enable an evaluation of intended performance ; and
  - Ensure Council commitments are expressed in a way that enables the Council to establish a clear picture of the intended improvement/impact.
- 4.13 Other factors that had been taken into account while the draft Corporate Plan was prepared include:
- The Well-being of Future Generations (Wales) Act 2015 and the public duty the Act places on public bodies (i.e. the sustainable development principle and the 7 national goals;

- The Social Services and Well-being(Wales) Act 2014; and
- The Local Government Reform Bill.

4.14 A number of success measures are identified for each priority, some of which are new measures for 2016-2017, reflecting the focus of the new Corporate Plan. Wherever possible, indicative targets were set for 2016-2017 for these new measures.

4.15 This plan is supported by the the Council's MTFs. The two documents are aligned to each other, enabling the reader to make explicit links between the Council's priorities and the resources directed to support them.

4.16 In line with the requirements of the Local Government (Wales) Measure 2009, the Plan must be published by 31 March 2016. Once approved, the Plan will replace the current Corporate Plan and will be reviewed and refreshed annually. The delivery of the plan will be monitored through the Council's Performance Management Framework.

## **5. EFFECT UPON POLICY FRAMEWORK & PROCEDURE RULES**

5.1 The Council's Corporate Plan forms part of the Policy Framework.

## **6. EQUALITY IMPACT ASSESSMENT**

6.1 The Corporate Plan sets out the Council's priorities and strategic direction for the next four years. The changed priorities will inevitably have an impact on a range of services the Council is providing. In developing the Plan, consideration has been given to the potential impact on protected groups within the community and on how to avoid a disproportionate impact on people within these groups. Separate EIAs will be undertaken when proposals for carrying out the plan are developed and implemented.

## **7. FINANCIAL IMPLICATIONS**

7.1 None in this report.

## **8. RECOMMENDATION**

8.1 That Council approve and adopt the Corporate Plan 2016-2020.

**Darren Mepham**  
**Chief Executive**

**Contact Officer:** Yuan F Shen  
 Telephone: 01656- 643224; email: [yuan.shen@bridgend.gov.uk](mailto:yuan.shen@bridgend.gov.uk)

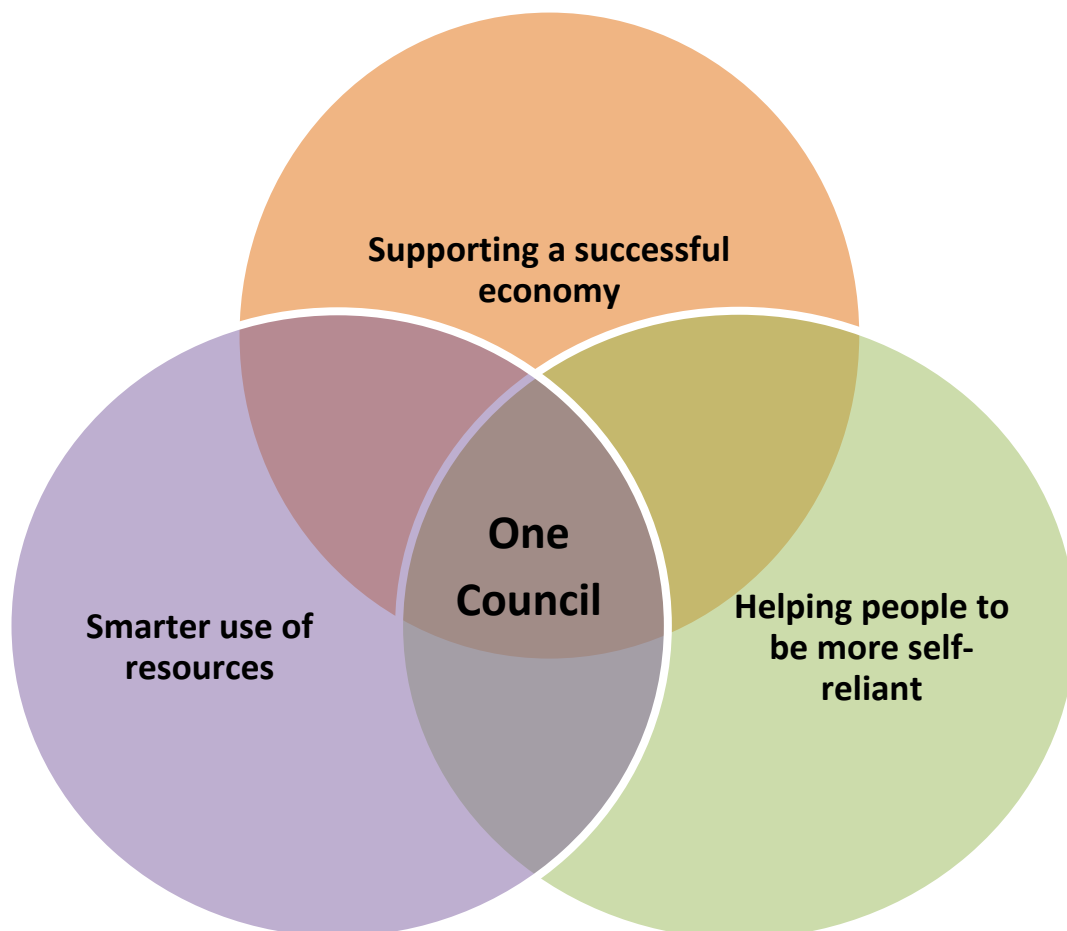
**Background Documents - None**



# Corporate Plan 2016 - 2020



## Our Priorities



**Bridgend County Borough Council  
Working Together to Improve Lives**

## Introduction

This Council is uniquely placed to bring its own services together with the work of other agencies, communities, families and individuals for the benefit of the people of the County. This is nothing new.

However, the world is changing fast, hence this document - our new Corporate Plan. It sets out how the Council is to change and what its focus will be over the next four years.

We recognise that we will have to make significant changes to the way we think and operate in order to meet the significant challenges ahead of our communities – not least the increasing demands made on many of our services, against the background of a shrinking budget.

To make sure that the areas we focus on are the right ones, we recently consulted our citizens on our proposed priorities and budget reductions. By using a range of methods, the consultation received 1,819 responses (1.3% of the population) which is considered in statistical terms to be a valid sample size. More than 80% of respondents agreed that we had chosen the right priorities to bring about the necessary changes. Respondents also provided a range of other suggestions which have been considered in the development of the Corporate Plan.

The future shape of local government in Wales is still uncertain, but we will keep our focus on what our citizens in Bridgend need.

**We have a clear and simple vision for this Council, that is, always to act as ‘One Council working together to improve lives’.**

This means that we will become a smaller, more flexible and innovative authority that works with partners and local communities to create a future in which residents have access to a more responsive and tailored service. It will also mean that residents take greater responsibility for making that happen, both for their own sake and for that of the community as a whole.

**Our Values** have not changed. These represent what the Council stands for and influence how we work:

- **Fair** - taking into account everyone's needs and situation
- **Ambitious** - always trying to improve what we do and aiming for excellence
- **Citizen-focused** - remembering that we are here to serve our local communities
- **Efficient** - delivering services that are value for money

In developing this new Corporate Plan we have identified **Our Principles**. These have been developed to help us steer the Council to become the sort of organisation that it needs to be in order to meet new challenges:

- Wherever possible the Council will support communities and people to create their own solutions and reduce dependency on the Council.
- The Council will focus diminishing resources on communities and individuals with the greatest need.
- The Council will use good information from service users and communities to inform its decisions.
- The Council will encourage and develop capacity amongst the third sector to identify and respond to local need.
- The Council will not let uncertainty over the future of public services prevent meaningful and pragmatic collaboration with other public sector bodies.

- The Council will work as one Council and discourage different parts of the organisation from developing multiple processes or unnecessarily different approaches.
- The Council will transform the organisation and many of its services and in so doing will deliver financial budget reductions as well as improvements.

These principles highlight the importance of other organisations in delivering services to meet local needs. The Council has a track record of working with the third sector, the not-for-profit sector and the private sector, each of which already provides some services for the Council. In our recent survey, ‘Shaping Bridgend’s Future’, more than three quarters of respondents agreed that some Council services should be provided by organisations other than the Council. We will continue to build on this approach throughout the lifetime of this plan.

These principles, together with the Council’s values, support the principle of sustainable development defined by the Well-being of Future Generations (Wales) Act 2015. Sustainable development is about improving the way in which we can achieve our economic, social, environmental and cultural well-being by focusing on the long term, prevention, integration collaboration and involvement. It will underpin everything we do and help us make the county borough a good place for people to live, work, study and visit.

The actions set out in this corporate plan will contribute to the seven national well-being goals, also defined by the Welsh Government in the Well-being of Future Generations (Wales) Act 2015. But we have specifically identified three outcomes that will be our focus over the coming four years. These outcomes are intended to improve the quality of life of people in the county while significantly changing the nature of the Council:

<b>Supporting a successful economy</b>	<b>Helping people to become more self-reliant</b>	<b>Smarter use of resources</b>
A successful, sustainable and inclusive economy that will be supported by a skilful, ambitious workforce.	Individuals and families that will be more independent and less reliant on traditional Council services.	A Council that has lean, robust processes and a skilful workforce. A supported third/community sector with the opportunity to take on services that meet citizens’ needs.

### **Medium Term Financial Strategy**

In 2016-17 Bridgend County Borough Council will have a gross revenue budget of around £390 million and a capital programme of approximately £162 million (over the next ten years) to support our core business and the corporate priorities set out in this plan. Around £67 million of our budget comes from Council Tax. The rest comes from Government grants and other income. Over the next four years we expect our funding from Welsh Government to shrink. We will need to deal with the shortfall through budget reductions and increases in Council Tax and other income to minimise the impact on core services and our priorities. This plan includes examples of how we will use our funding to support our priorities. It also provides an outline of our spending plan, shown in an appendix. Our detailed Medium Term Financial Strategy can be found at [www.bridgend.gov.uk](http://www.bridgend.gov.uk).

### **Safeguarding**

The Council takes the safeguarding of vulnerable adults and children very seriously. Our social care services of course address safeguarding as core business but we also ensure that safeguarding considerations influence all services and we take a lead role with partners in the county. This plan includes the development of a Multi-Agency Safeguarding Hub as a significant step forward and further detail on other safeguarding measures is highlighted in directorate business plans.

## Other important services

The Corporate Plan focuses on key areas that we want to change. However, we have many other core and statutory services that will continue to receive our attention. This includes our work as a planning authority, maintaining highways and public transport, refuse collection, street cleaning, revenues and benefits, public protection, and sports, arts and libraries through our partners HALO and Awen. This is not an exhaustive list. More information about our plans for these and other services can be found in the more detailed business plans that can be found here <hyperlink>.

Improving educational attainment remains very important to us. In this plan ongoing improvement in this area forms part of a wider objective in raising skills and attainment more generally. This is an important part that we can play in supporting a successful economy. In this Corporate Plan we particularly highlight our commitment to close the gap in educational attainment between pupils eligible for free school meals and those who are not. The directorate business plan will set out further detail of how we will achieve improvements to which we are committed.

## How we will deliver this plan

- Our Council's Transformation Programme. We have embarked on a programme of key changes to services that will help realise this plan.
- Strong financial management. This plan is supported by our Medium Term Financial Strategy to ensure that we make the most of our shrinking resources. We have to make more than £36 million of budget reductions by 2020. An illustration of where our money comes from, and how we spend it, is included at the end of this plan.
- Strong performance management. We manage our performance closely and monitor progress regularly so that we can allocate our resources effectively and deliver the best possible services for our citizens.
- Business planning and service planning. The priorities in this plan are delivered through actions and measures detailed in each directorate/service plan and individual staff performance plans.

We will report on progress through our Annual Report. Our previous annual reports are available on [www.bridgend.gov.uk](http://www.bridgend.gov.uk).

This plan will be reviewed and refreshed annually.

## Your comments

We continue to welcome your comments on this plan. Your feedback will be taken into consideration in the course of the annual review and is always welcome. You can give it through our website: [www.bridgend.gov.uk](http://www.bridgend.gov.uk); through Twitter: @BridgendCBC; via email to [improvement@bridgend.gov.uk](mailto:improvement@bridgend.gov.uk); or in writing to Corporate Performance Team, Bridgend County Borough Council, Civic Offices, Angel Street, Bridgend CF31 4WB.



Councillor Mel Nott OBE  
Leader of the Council



Darren Mephram  
Chief Executive

## Priority One - Supporting a successful economy

This means we will take steps to make the county a good place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions of all people in the county.

### Why is this important?

If we have a strong economy, local people will have more opportunities to secure a job, develop a career and improve their family income and circumstances. Lower levels of poverty can boost health and wellbeing and create more resilient communities that need fewer services. We want our town centres and businesses to generate wealth, provide jobs, attract investment, improve skills and encourage visitors. When consulted, 86% of citizens agreed that it was important to focus on supporting a successful economy.

There are signs that Bridgend's economy is improving. Employment rates for people aged between 16 and 64 years have continued to rise, from 69.8% in 2012-13 to 69.9% in 2013-14 and to 70.1% in 2014-15. The number of VAT registered businesses also increased, from 4,000 in 2013 to 4,090 in 2014 and to 4,440 in 2015. The percentage of children living in households where no one is working fell from 20.1% in 2013 to 17.3% in 2014. However, we need to improve further to meet the Wales average of 14.6%. We need to ensure that our citizens benefit further from an improving and sustainable economy.

### Our aims are:

- To help local people develop skills and take advantage of opportunities to succeed and to extend that success to every community in the County Borough;
- To create conditions for growth and enterprise; and
- To create successful town centres.

### Our key projects and programmes that will help us to achieve these aims over the life of this corporate plan are:

**City Deal** – Working with neighbouring South East Wales Councils, we are seeking a 'City Deal' from the UK and Welsh Government which could result in around £1 billion investment in major capital projects in the Cardiff City Region over the next 10-15 years.

**Strategic Review of Post 16 Education and Training** - A strategic review to evaluate education provision and curriculum delivery with Bridgend College to ensure that there are clear options available to provide the best possible opportunities for learners in Bridgend.

**A Good to Great School Strategy** – ensuring our many good schools become excellent schools.

**Successful Economy Programme** - key regeneration and local development schemes including:

- the Vibrant and Viable scheme with external funding of £9.6 million, which is redeveloping the Rhiw Car Park in Bridgend and creating a community living in the heart of the town centre by converting vacant space over shops into accommodation
- Regeneration of Porthcawl including funding of £0.28 million for the Porthcawl Rest Bay Waterside Cycle Path and £0.89 million for Porthcawl Townscape Heritage Initiative (2015-16 to 2018-19) to regenerate heritage buildings.
- Llynfi Sites Reclamation funding of £2.5 million.

## What we will do in 2016-17:

- Implement projects with public sector bodies and local businesses to establish employer skill needs and influence local provision;
- Work with the regional Learning, Skills and Innovation Partnership (LSKIP) and also through the Council's 21st Century Schools Programme and other BCBC-led projects to develop employment opportunities (including apprenticeships and traineeships) and a skills plan that can be delivered locally with our partners, including the college, other training providers and local businesses;
- Work with individuals and families who are unemployed or economically inactive, face barriers to work or are at risk of poverty by providing employment mentoring, training and other support to improve their job opportunities;
- Implement the LEAD (more able and talented) project with partners to develop a programme to support young people with leadership potential to succeed;
- Work with schools to close the gap in educational attainments between pupils entitled to free school meals and those who are not and improve outcomes for vulnerable groups;
- Continue to work with schools develop a range of options for young people who are more able and talented than their peers;
- Co-ordinate and implement the Youth Engagement and Progression Framework to reduce the number of young people not in education, employment or training (NEET);
- Work to ensure that children and young people who reach age 16 are in further education, training or employment until at least age 24 in line with the Youth Guarantee;
- Work with all 'Pathways to Success' schools to maximise opportunities for learners to develop and improve;
- Deliver the Strategic Review into the rationalisation of curriculum and schools estates;
- Develop and deliver the Porthcawl Resort Investment Focus Programme to grow the value of tourism in the economy and increase employment and business opportunities;
- Contribute to the development of the business plan for the Cardiff Capital Region City Deal, with the aim of bringing increased investment and economic control into the local area;
- Work with Bridgend Business Forum to review business support in the context of the City Deal and establish a development strategy;
- Develop a local Low Carbon Transition Strategy as part of Energy Technologies Institute (ETI) programme to establish local heating projects and explore collaborative opportunities for energy programmes on a regional basis;
- Invest in our town centres to enhance existing facilities and provide new facilities including schemes in Porthcawl Harbourside, Maesteg and Bridgend;
- Support the development of a Business Improvement District in Bridgend Town Centre to help local traders pursue initiatives and projects important to them; and
- Increase the amount of residential accommodation available by working with partners to bring empty properties back into use.

## Who will help us?

- Housing Associations and Private Landlords;
- Bridgend Business Forum;
- Bridgend College and training providers;
- Careers Wales; and
- Job Centre Plus.

## Our spending on this priority includes:

- Houses to Homes grant £0.6 million;
- Bridges into Work project £0.5 million; and
- Inspire to Work project £0.35 million.

## How will we know we are successful?

**Aim - Help local people develop skills and take advantage of opportunities to succeed and to extend that success to every community in the County Borough**

Measure	Actual 2013-14	Actual 2014-15	Wales Average 2014-15	Target 2015-16	Target 2016-17
The number of participants we expect to work with under Communities for Work, BESP and Bridges to Work	<i>Not applicable. New indicator identified for 2016-17</i>				776
The number of apprenticeships and traineeships a) arising from the 21st Century schools programme and other BCBC-led projects and b) taken up by people who live in Bridgend	<i>Not applicable. New indicator identified for 2016-17</i>				Establish baseline*
The number of participants successfully completing community LEAD projects	<i>Not applicable. New indicator identified for 2016-17</i>				12

\* Target to be established as the projects are developed.

## Education Measures

**(Figures for educational achievement relate to the previous academic year and actual results have been included where indicated)**

Measure	Actual 2013-14	Actual 2014-15	Wales Average 2014-15	Target 2015-16	Target 2016-17
The percentage of Year 11 leavers from schools in the Authority identified as not being in education, employment or training in the Careers Wales Annual Destination Survey Statistics	3.7% (67 leavers)	3.6% (60 leavers)	3.1%	3.5%	3.4%
The percentage of schools meeting Learning & Skills Measure at Key Stage 4 & Post 16	<i>Not applicable. New indicator identified for 2016-17</i>			100%	100%
Average wider points score for learners aged 17	806	777	799.7	not set for 15/16	810
The percentage of pupils at A level achieving Level 3 threshold	96.6%	97.6%	97.0%	96.03%	98.6%
The percentage of pupils achieving 3 A*-A grades at A level	7.1%	5.3%	7.9%	not set for 15/16	7.5%



Measure	Actual 2013-14	Actual 2014-15	Wales Average 2014-15	Target 2015-16	Target 2016-17
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	52.3%	54.8%	55.5%	59.7% (Actual)	61.1%
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)	31.7%	36.30%	Local measure	24%	23.8%
Average external qualifications point score for 16 year old Looked After Children in any local authority maintained learning setting	202 (34 children)	262 (41 children)	276	217 (Based on 23 children)	217*

\*Static target reflects our knowledge of that year's cohort.

#### Aim - Create conditions for growth and enterprise

Measure	Actual 2013-14	Actual 2014-15	Wales Average 2014-15	Target 2015-16	Target 2016-17
The number of VAT/PAYE registered businesses in the borough	4,090	4,440	n/a	Increase	Increase
The number of construction schemes for which the local authority has negotiated community benefits	<i>Not applicable. New indicator identified for 2016-17</i>				Establish baseline
The percentage of working age population that is in employment	69.6%	70.4%	70.3%	Increase	Increase

#### Aim - Create successful town centres

Measure	Actual 2013-14	Actual 2014-15	Wales Average 2014-15	Target 2015-16	Target 2016-17
Total annual expenditure by tourists	£289m	£306.62m	n/a	Increase	Maintain*
The number of visitors to town centres (footfall for Bridgend , Porthcawl )	5,565,023 3,135,193	5,354,363 3,975,792	Local indicator	5,354,363 3,975,792	Increase



Measure	Actual 2013-14	Actual 2014-15	Wales Average 2014-15	Target 2015-16	Target 2016-17
The number of vacant premises in town centres	Bridgend 65 Maesteg 19 Porthcawl 17	Bridgend 55 Maesteg 19 Porthcawl 17	Local indicator	Bridgend 55 Maesteg 19 Porthcawl 17	Bridgend 55 Maesteg 19 Porthcawl 17*
The number of residential units in Bridgend town centre, that have been (a) consented (b) completed	<i>Not applicable. New indicator identified for 2016-17</i>			Baseline figure	(a) 8 (b) 28
Financial value of externally funded town centre regeneration projects underway/in development	<i>Not applicable. New indicator identified for 2016-17</i>			£18.2m	£23m

\*It will be challenging to maintain the same target for 2016-17 and it is not entirely under our control.

The targets for 2016-17 are provisional and may change in the light of actual results for 2015-16.

## Priority Two - Helping people to be more self-reliant

This means we will take early steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services.

### Why is this important?

Providing information, advice and assistance at an early stage can help people and their families stay together and remain independent within their communities. We know that children benefit from a secure supportive family environment and that most people are happier if they can stay independent and in their own homes for as long as possible. Such support can make it less likely that their situation will deteriorate and that they will become dependent on Council services.

This approach underpins the Social Services and Wellbeing (Wales) Act 2014, which comes into force in April 2016. Such an approach is important not only for those requiring social care support but also those requiring a whole range of other Council services. We are committed to providing good information, advice and assistance to the residents of Bridgend so that they are better equipped to manage situations themselves and the Council services can concentrate on those in greatest need. Eighty per cent of respondents to our survey said that we should focus on helping people to become more self-reliant and that we should prioritise services for older people, disabled people and children.

By building on our track record of working with the third sector, the not-for-profit and private sector, we can support communities to develop their own approaches to local issues and meet people's needs within the community.

### Our aims are:

- To give people more choice and control over what support they receive by providing early access to advice and information;
- To reduce demand by investing in targeted early help and intervention programmes;
- To support carers in maintaining their roles; and
- To support the third sector, town and community councils and community groups to meet local needs.

### Our key projects and programmes that will help us achieve these aims over the life of this corporate plan are:

#### Remodelling Social Care:

- This is a large programme which includes recommissioning adult home care, developing extra care and information and advice services for people and their carers.
- Working with partners we are creating a Multi-Agency Safeguarding Hub as a single point of contact for all safeguarding concerns.
- We are looking at our existing models of residential care for children and young people and respite care for children with disabilities in order to make them more targeted and more effective.

**Community Asset Transfer** - transferring assets to communities to manage while making the most of the assets we retain.

### **What we will do in 2016-17:**

- Further develop local community coordination to enable communities to be more self-reliant;
- Develop appropriate mechanisms to enable the Council to provide good information, advice and assistance to the public;
- Involve service users, carers and communities in developing and commissioning services;
- Develop a multi-agency safeguarding hub to provide effective multi-agency response to safeguarding issues;
- Review and consider new models of service delivery for respite and residential care to ensure a flexible support and service to people when they need it;
- Develop an appropriate service model for children in transition from childhood to adulthood, including children with disabilities and children leaving care;
- Ensure appropriate services are available to children at risk from child sexual exploitation;
- Take reasonable steps to help prevent homelessness, through early intervention, and cooperation from the household;
- Provide support to families through the Families First programme to help reduce child poverty;
- Work with partners to ensure early identification of children and families in need of support;
- Work with partners and schools to support carers by providing the right information, advice and assistance where relevant;
- Develop capacity of the third sector by finding new ways of working together; and
- Enable community groups and the third sector to have more voice and control over community assets.

### **Who will help us?**

- ABMU Health Board;
- Third Sector partners;
- Western Bay Partners;
- South Wales Police;
- Safeguarding G Plus;
- Schools;
- Registered Social Landlords;
- Bridgend Carers Centre; and
- People in receipt of services and their carers and families.

### **Our spending on this priority includes:**

- Learning disabilities supported living model £369,000; and
- Families First Programme of £1.8 million.

## How will we know we are successful?

### Aim - Reduce demand by investing in targeted early help and intervention programmes

Measure	Actual 2013-14	Actual 2014-15	Wales Average 2014-15	Target 2015-16	Target 2016-17
The number of appropriate contacts to Multi-Agency Safeguarding Hub	<i>Not applicable. New indicator identified for 2016-17</i>				Establish baseline*
The percentage of final duty homelessness acceptances as a proportion of all homelessness presentation	44.56%	32.43%	35.80%	23.60%	17.18%
The percentage of children supported to remain living within their family	<i>Not applicable. New indicator identified for 2016-17</i>				65%
The average length of time older people (aged 65 or over) are supported in residential care homes	<i>Not applicable. New indicator identified for 2016-17</i>				1055
The average age of adults entering residential care homes	<i>Not applicable. New indicator identified for 2016-17</i>				84yrs
The percentage of looked after children on 31 March who have had three or more placements during the year	9.0%	11.8%	9.0%	12%	12%**
The percentage of children in Flying Start areas reached, exceeding or within one age band of their development milestones at age 3 years)	72%	77%	81%	82%	82%***

\*New measures for the Social Services and Wellbeing Act will need a baseline before a target can be set. We will review targets as the year progresses.

\*\*Static target reflects our knowledge of the current looked after children and the challenges in placing older children.

\*\*\*2016-17 target remains the same as the expansion will not take effect until late in the year and therefore the additional three year old children will not have been able to benefit.

### Aim - Give people more choice and control over what support they receive by providing early access to advice and information

Measure	Actual 2013-14	Actual 2014-15	Wales Average 2014-15	Target 2015-16	Target 2016-17
The number of a) adults and b) children who received advice and assistance from the information, advice and assistance service during the year	<i>Not applicable. New indicator identified for 2016-17</i>				Establish baseline*

Measure	Actual 2013-14	Actual 2014-15	Wales Average 2014-15	Target 2015-16	Target 2016-17
The percentage of people reporting that they felt involved in any decisions made about their care and support	<i>Not applicable. New indicator identified for 2016-17</i>				70%
The number of people reporting that they have received the right information and advice when they needed it	<i>Not applicable. New indicator identified for 2016-17</i>				Establish baseline
The number of people who are satisfied with the care and support they received	<i>Not applicable. New indicator identified for 2016-17</i>				Establish baseline
The percentage of adults who completed a period of reablement and six months later have: a) a reduced package of care and support or b) no package of care and support	<i>Not applicable. New indicator identified for 2016-17</i>				Establish baseline*

\*New measures for the Social Services and Wellbeing Act will need a baseline before a target can be set. We will review targets as the year progresses.

### Aim - Support carers in maintaining their roles

Measure	Actual 2013-14	Actual 2014-15	Wales Average 2014-15	Target 2015-16	Target 2016-17
The number of people supported through a disabled facilities grant to help them remain independent	176	150	Local indicator	193	Tbc*
The number of assessments of need for support for carers undertaken during the year i) of those, the number that lead to a support plan	<i>Not applicable. New indicator identified for 2016-17</i>				35

\*Target to be established

### Aim - Support the third sector, town and community councils and community groups to meet local needs

Measure	Actual 2013-14	Actual 2014-15	Wales Average 2014-15	Target 2015-16	Target 2016-17
The number of community groups using packages of support to manage transferred assets	<i>Not applicable. New indicator identified for 2016-17</i>				Establish baseline*

Measure	Actual 2013-14	Actual 2014-15	Wales Average 2014-15	Target 2015-16	Target 2016-17
The number of adults who received a service provided through a social enterprise, cooperative, user-led service or third sector organisation during the year	<i>Not applicable. New indicator identified for 2016-17</i>				Establish baseline
Third Sector Strategy	<i>Not applicable. New indicator identified for 2016-17</i>				In place
Town and Community Council Charter	<i>Not applicable. New indicator identified for 2016-17</i>				In place

\* We are still identifying what assets may be transferred so too early to set a target for support.

The targets for 2016-17 are provisional and may change in the light of actual results for 2015-16.

This year sees the introduction of new measures for the new Social Services and Wellbeing (Wales) Act 2014 and the introduction of the new Welsh Community Care Information System. We have set targets where possible; however for some we will need to establish a baseline before a target can be set. We will review targets as the year progresses.

## Priority Three - Smarter use of resources

This means we will ensure that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

### Why is this important?

Over the next four years the Council will have to cut the budget by more than £35 million. This year as in previous years, we are committed to finding at least 50% of this figure by making smarter use of resources, and thus to minimise its impact on services. As austerity continues it becomes harder each year to make further budget reductions, but we continue to seek ways of working that will save us money, primarily by making smarter use of our buildings, our people and our spending.

In our public consultation we found that 76% (825 respondents) agreed they were happy for some council services to be provided by other organisations. The provision of services online was the most popular budget reduction measure in the consultation. We also asked for other suggestions of how the council could save money in the future. Of the responses received the most popular suggestion, with 225 respondents, was to streamline the Council, our workforce, offices and processes. We will do these things, and more besides, to ensure that the Council is making smarter use of its resources.

### Our aims are:

- To achieve the budget reductions identified in the Medium Term Financial Strategy;
- To improve the efficiency of and access to services by redesigning our systems and processes;
- To make the most of our physical assets, including school buildings;
- To develop the culture and skills required to meet the needs of a changing organisation; and
- To make the most of our spend on goods and services.

### Our key projects and programmes that will help us to achieve this aim over the life of this corporate plan are:

**Digital Transformation Programme** – changing the way we operate to enable customers to access information, advice and services on line.

**Rationalising the Council's estate** – disposing of assets, transferring assets to communities to manage while making the most of the assets we retain.

**Schools' Modernisation Programme** – investing in a sustainable education system in school buildings that reduces cost and their carbon footprint.

**Procurement Programme** – pursuing new opportunities and practices to maximise the benefit we get when we buy goods and services.

**Commercialisation Programme** – identifying the opportunities for generating additional income to support and protect core services.

## What we will do in 2016-17:

- Implement the planned budget reductions identified in the 2016-17 budget;
- Identify and take forward at least three new income generation initiatives.
- Develop a range of automated and online services that are easy for citizens to use;
- Move most common internal processes to automatic to reduce transaction costs and streamline processes;
- Improve our understanding of citizens views by developing and promoting mechanisms that increase responses to consultations;
- Review legal and regulatory software and systems to streamline business processes;
- Implement the next phase of the remodelled Shared Regulatory Service;
- Review assets and services and enable the successful transfer of those most suitable to community groups and organisations;
- Support managers to lead staff through organisational change;
- Provide the learning and development opportunities for staff to meet future service needs;
- Provide new and improved schools through delivering the agreed actions under the schools' modernisation programme;
- Rationalise further the Council's administrative estate to ensure the Council operates from one core office by March 2017;
- Deliver the enhanced asset disposal programme to achieve £4 million capital receipts by March 2017;
- Make the Waterton site available to market for housing development as part of the Parc Afon Ewenni scheme;
- Implement energy and carbon reduction measures and promote good practice in all our public buildings to help them reduce their carbon footprint and achieve 3% carbon reduction; and
- Restructure the procurement process and monitor our corporate contracts register to ensure best value is achieved through e procurement and the contracts framework.

## Who will help us?

- Employees;
- Schools;
- Contractors; and
- Trade Unions.

## Our spending and savings on this priority include:

- Schools Modernisation Programme £31.9 million capital (2016-20);
- Rationalising the administrative estate to save £290,000 per annum;
- £4 million income from asset disposal 2016-17;
- Re-modelling the Shared Regulatory Service to save £181,000 in 2016-17; and
- Total of £7.495 million forecast recurrent savings in 2016-17.



## How will we know we are successful?

### Aim - To achieve the budget reductions identified in the Medium Term Financial Strategy

Measure	Actual 2013-14	Actual 2014-15	Wales Average 2014-15	Target 2015-16	Target 2016-17
Percentage of budget reductions achieved	95.3%	92.5%	n/a	100%	100%
The number of new income generating initiatives in place and income generated	9 new initiatives over the 3 year period, generating some £1.511m over the 3 year period.				3 new initiatives

### Aim -To improve the efficiency of and access to services by redesigning our systems and processes

Measure	Actual 2013-14	Actual 2014-15	Wales Average 2014-15	Target 2015-16	Target 2016-17
Number of services that are available to the public online	<i>Not applicable. New indicator for 2016-17</i>				6
Percentage of Council Tax customers accessing on line service through 'my account'	0%	0%	n/a	0%	30%
The number of interactions from citizens on the corporate social media accounts (Facebook and Twitter)	Data not collected		n/a	Establish baseline	10% increase on previous year

### Aim - To make the most of our physical assets, including school buildings

Measure	Actual 2013-14	Actual 2014-15	Wales Average 2014-15	Target 2015-16	Target 2016-17
School modernisation Programme expenditure profile met	£0.797 m	£5.677 m	n/a	£7.112m	£7.510m
Reduction in operational assets running costs	£34,277	£89,290	n/a	£400,000	£195,000
Ratio of staff to desk in Civic Office	Data not available		n/a	6:5	3:2
Realisation of capital receipts target	£193k	£4.2m	n/a	£6m	£4m
Percentage reduction in carbon emissions on previous year	6%	11%	n/a	3%	3%*

Measure	Actual 2013-14	Actual 2014-15	Wales Average 2014-15	Target 2015-16	Target 2016-17
Average Display Energy Certificate (DEC) energy performance operational rating for buildings over 1000m <sup>2</sup>	89.48	84.21	86.5	85.72	85.72**
The number of Council owned assets transferred to the community for running	<i>Not applicable. New indicator for 2016-17</i>				5

\* Static target set by Welsh Government.

\*\* Target to be set following outturn of 2015-16.

### Aim - Develop the culture and skills required to meet the needs of a changing organisation

Measure	Actual 2013-14	Actual 2014-15	Wales Average 2014-15	Target 2015-16	Target 2016-17
The number of working days/shifts per full-time equivalent (FTE) local authority employee lost due to sickness absence	9.8	10.83	9.9	8.5	8.5*
Percentage of employees completing e-learning modules	Data not collected in these years		n/a	24%	40%
The number of managers receiving training to improve their people management skills (including absence management)	n/a	n/a	n/a	New indicator (235 completed)	200
The number of employees receiving training to improve Welsh language skills	n/a	n/a	n/a	New indicator (173 completed)	150

\*Static target for 2016-17 will still be challenging from our knowledge of part year returns for 2015-16.

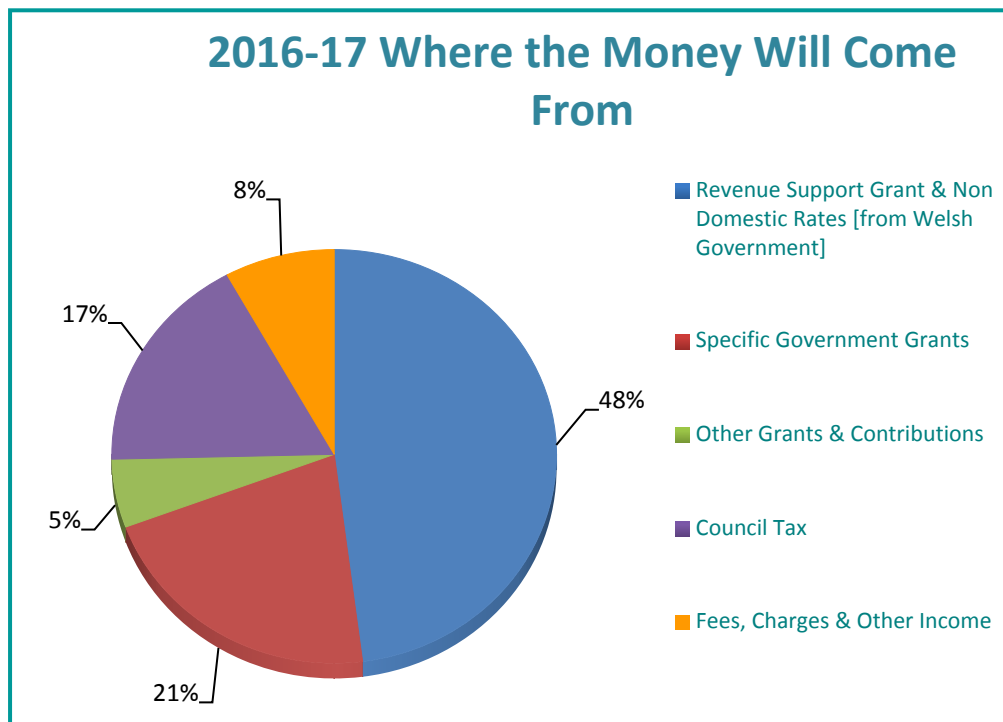
### Aim - To make the most of our spend on goods and services

Measure	Actual 2013-14	Actual 2014-15	Wales Average 2014-15	Target 2015-16	Target 2016-17
Percentage of tenders above EU threshold compliant with the Public Contract Regulations 2015 that are compliant	<i>Not applicable. New indicator for 2016-17</i>				100%

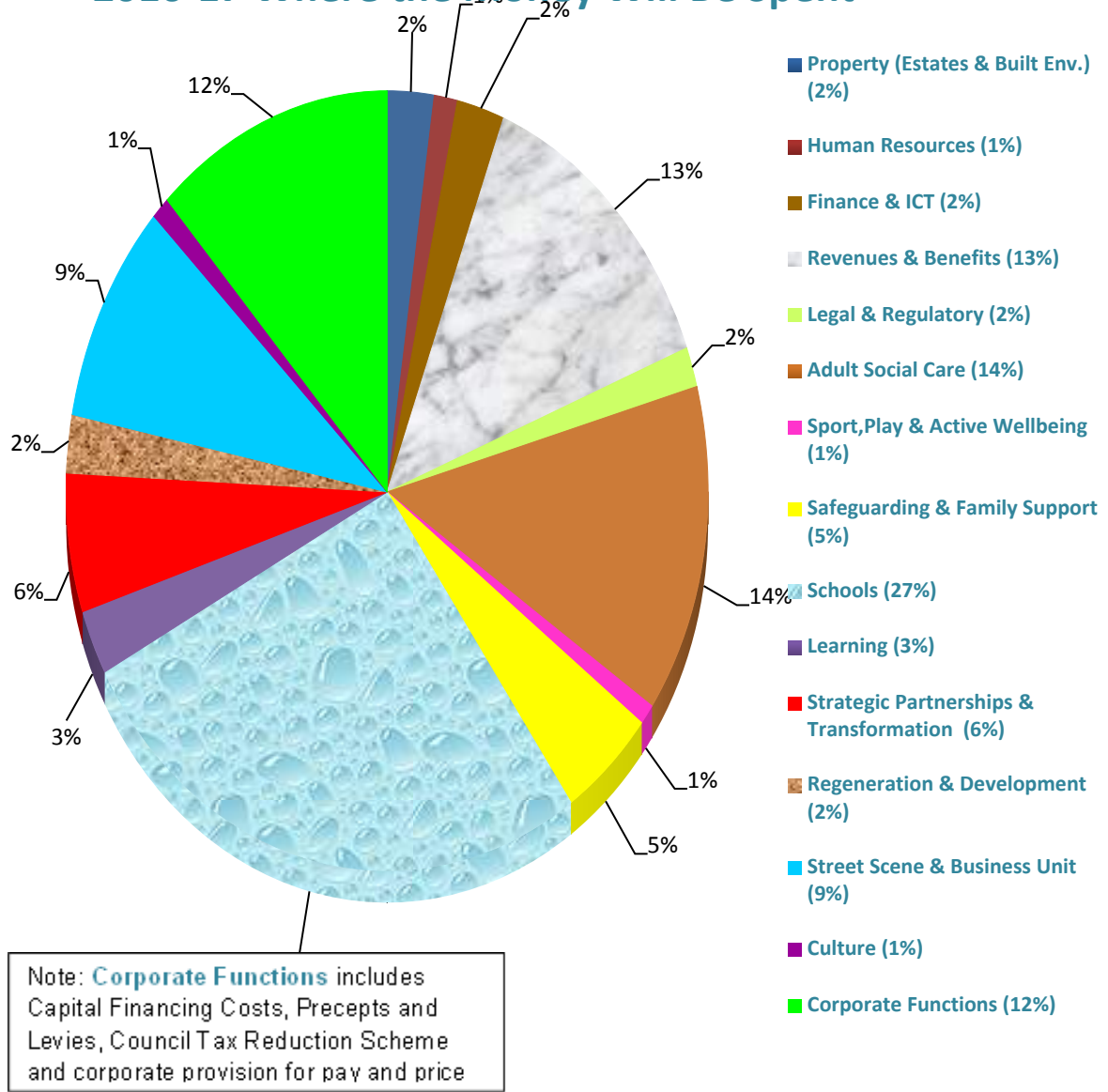
The targets for 2016-17 are provisional and may change in the light of actual results for 2015-16.

**Appendix – An outline of our income and spending**

**GROSS REVENUE BUDGET AS AT 18.2.2016**



## 2016-17 Where the Money Will Be Spent



## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO COUNCIL

10 MARCH 2016

#### REPORT OF THE SECTION 151 OFFICER

#### MEDIUM TERM FINANCIAL STRATEGY 2016-17 to 2019-20

##### 1. Purpose

- 1.1 The purpose of this report is to present Council with the Medium Term Financial Strategy 2016-17 to 2019-20, which includes a financial forecast for 2016-20, a detailed revenue budget for 2016-17 and a Capital Programme for 2016-17 to 2025-26.

##### 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 2016-17.

##### 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. Continuing austerity and demands on public services will require the Council to operate differently in the coming years and against that background three new corporate priorities have been developed for 2016-2020:
- Supporting a successful economy
  - Helping people be more self-reliant
  - Smarter use of resources
- 3.2 The Council's Corporate Plan is being presented to Council alongside the MTFS and the two documents are aligned to each other, enabling the reader to make explicit links between the Council's priorities and the resources directed to support them.
- 3.3 The Council's MTFS is set within the context of UK economic and public expenditure plans, Welsh Government priorities and legislative programme. It articulates how the Council plans to use its resources (revenue and capital) to support the achievement of its corporate priorities as well as the management of its statutory and core duties, known pressures and risks. The MTFS 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, risks or unforeseen demands from year to year without impacting unduly on services or council tax payers.

### 3.4 The MTFS includes:-

- The principles that will govern the strategy and a four year financial forecast, comprising detailed proposals for 2016-17 and outline proposals for 2017-18 to 2019-20.
- The Capital Programme for 2016-17 to 2025-26, linked to priority areas for capital investment and Capital Financing Strategy.
- The Treasury Management Strategy 2016-17 and Corporate Risk Register.

### **The Financial Context**

3.5 In his 2015 Autumn Statement, the Chancellor of the Exchequer reported a £27 billion improvement in the UK's public finances, and set out spending plans designed to move the UK government's expected borrowing from £73.5 billion in 2015-16 to a forecast £10.1 billion surplus by 2019-20. However, his subsequent speech on 7 January 2016 here in Wales sounded a much more cautious note – highlighting the risks and headwinds of global instability, volatile commodity prices and referencing the “stop-start recoveries” experienced by other economies in the western world in recent years.

3.6 Against that background the UK Government Settlement to the Welsh Government for 2016-17 is a cash increase of 0.85%. There is no settlement at this point for future years.

### **Welsh Government Final Local Government Settlement**

3.7 In the provisional Local Government Settlement Councils across Wales received an average -1.4% reduction in Aggregate External Finance (AEF) for 2016-17 (after allowing for transfers into and out of the Settlement). Bridgend's reduction was -1.2% (£2.301 million), but this figure includes a requirement to protect school budgets equivalent to 1% above the change in the Welsh Government's Revenue Budget (£1.578 million or 1.85%) as well as notional additional funding for social services pressures.

3.8 On 11 February 2016, officers received an updated provisional settlement figure (based on latest data) which provides only an additional £7,000 for 2016-17 (revised reduction £2.294 million). The Final Local Government Settlement was published on 2 March 2016, and will be voted upon on 9 March 2016, the day before Bridgend Council meets to agree its own budget. As such this report and the figures contained herein are subject to approval of the final settlement by the Assembly. Any changes will be reported verbally to Council on 10 March.

### **Settlement Implications for 2017-2020**

3.9 The Minister has given no indication of the future allocations for 2017-18 onwards, but in view of current economic and fiscal projections and in the absence of other information the MTFS sets out a most likely scenario predicated on an assumption that AEF will reduce by -3.2% for 2017-18, 2018-19 and 2019-20. Based on these assumptions the total recurrent reductions required from 2016-17 to 2019-20 amount to £35.531 million.

## **Grant Transfers into the 2016-17 Revenue Settlement**

- 3.10 The full picture on specific grants is not yet clear, but the draft settlement includes information on a number of changes to the level of grants at an all Wales level which impact on the Council's resources. Specifically:
- The Outcome Agreement Grant funding of £1.4 million has been transferred into the Revenue Support Grant (RSG).
  - A reduction in the Single Environment Grant across Wales. The actual reduction to Bridgend is 4.4% or £127,000.
  - A reduction in the Families First grant of 16.7% across Wales. The actual reduction to Bridgend is 11.7%, or £223,000.

## **Regional Collaboration Fund / Intermediate Care Fund**

- 3.11 The Regional Collaboration Fund ends on 31 March 2016, but the Intermediate Care Fund will increase from £20 million in 2015-16 to £50 million across Wales for 2016-17. This Fund has been allocated by the Welsh Government to the NHS, but it is provided to support greater integration with local authorities.

## **Council Tax**

- 3.12 In line with his advice to councils in recent years, the Minister's announcement on the provisional settlement encouraged councils "to take account of all income streams", reminding councils that the RSG was not the only source of funding and reiterated that Welsh Government offers considerable flexibility to authorities in Wales which is not available to their counterparts in England. The proposals for 2016-17 are based on a Council Tax increase of 3.9% based on an appropriate balance between service provision and the financial burden of any rise on households.

## **Welsh Government Capital Settlement**

- 3.13 In February 2015, Council approved a Capital Programme for 2015-16 to 2024-25, based on the assumption that annual Welsh Government capital funding would be flat lined from 2015-16 onwards. Council subsequently approved revised capital programmes during the year, reflecting funding changes to some schemes, slippage, additional external funding approvals and changes to expenditure profiles. The final Local Government Capital Settlement for 2016-17 provides this Council with £6.296 million capital funding for 2016-17, which is only £8,000 more than 2015-16. No indications have been given for 2017-18 or beyond.

## **Current Year (2015-16) Financial Performance**

- 3.14 The in-year financial position as at 31 December 2015 is shown in Table 1 below

**Table 1 – Comparison of budget against projected outturn at 31 December 2015**

Directorate/Divisions	Revised Budget	Projected Outturn	Projected Over / (Under) Spend	Projected Over / (Under) Spend
	2015-16 £'000	2015-16 £'000	Qtr 3 2015-16 £'000	Qtr 2 2015-16 £'000
<b>Directorate</b>				
Education and Transformation	105,835	105,735	(100)	(221)
Social Services and Wellbeing	60,987	60,885	(102)	(7)
Communities	25,210	25,344	134	104
Resources	14,438	14,273	(165)	(333)
Legal & Regulatory Services	6,089	5,720	(369)	(114)
<b>Total Directorate Budgets</b>	<b>212,559</b>	<b>211,957</b>	<b>(602)</b>	<b>(571)</b>
<b>Council Wide Budgets</b>				
Capital Financing	10,372	10,372	0	0
Precepts and Levies	6,912	6,912	0	0
Repairs and Maintenance	1,100	1,000	(100)	0
Council Tax Reduction Scheme	13,869	13,500	(369)	(385)
Insurance Costs	1,634	1,634	0	0
Other Corporate Budgets	5,755	5,661	(94)	(390)
<b>Total Council Wide Budgets</b>	<b>39,642</b>	<b>39,079</b>	<b>(563)</b>	<b>(775)</b>
<b>Total</b>	<b>252,201</b>	<b>251,036</b>	<b>(1,165)</b>	<b>(1,346)</b>

3.15 The overall projected position as at 31 December 2015 is a net under spend of £1.165 million, comprising £602,000 net under spend on Directorates and £563,000 under spend on corporate budgets. At this point in the financial year £1.230 million of budget reduction proposals had a **RED** RAG status meaning that they will not be achieved in the current financial year, while £1.481 million were categorised as **AMBER** meaning they will only be delivered in part. This represents a risk for the Council in 2016-17 and Directors are looking to progress these proposals or to identify the alternatives in their place. The delivery of these proposals will continue to be monitored in 2016-17.

#### **4. Current Situation**

##### **MTFS 2016-17 to 2019-20**

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 2016-17 to 2019-20 has been led by Cabinet and Corporate Management Board (CMB) and has taken into account the views of



auditors, overview and scrutiny committees and issues arising in 2015-16, underpinned by the ongoing aim to embed a culture of medium term financial planning closely aligned with corporate planning. 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 Plan, the ICT Strategy, the Treasury Management Strategy, the Asset Management Plan and the Council's Transformation Programme.

### **Scrutiny and Challenge**

- 4.3 As stated in paragraph 4.2, Cabinet and CMB continue to seek to embed a culture of medium term financial planning within the Council. Against that background, further efforts have been made this year to secure greater involvement of stakeholders in the development of the MTFs and the Corporate Plan. "Shaping Bridgend's Future" an eight week consultation was undertaken during October and November 2015 and included an online survey, community engagement workshops, social media debates, community engagement stands and a meeting with third sector organisations. Members had the opportunity to take part in a budget workshop similar to the public engagement events. The results have been presented in a separate Cabinet report and are therefore not detailed here. 1.3% of the population (1,819 responses) responded to the consultation with positive support for the majority of proposals put forward. The response rate (13 per 1000) is considered in statistical terms to be a valid sample size and is a 311% increase on the response rate last year which is welcomed.
- 4.4 80% of respondents agreed with the three proposed priorities, although 71% believed something was missing, citing most commonly the themes of streamlining the Council, public transport and infrastructure and local business support. The majority of respondents agreed with the idea of protecting some services over others, but equally around two thirds felt that schools, an area which has received Welsh Government protection in recent years, should be expected to make efficiency savings too. 11 of the 12 budget reduction proposals put forward received majority support, with the weakest support for reductions in highway maintenance, which received 48%. A full list is given below in Table 2 below.
- 4.5 In addition to the public consultation, Cabinet and CMB have been working with the Budget Research and Evaluation Plan over the last six months to facilitate the budget planning process. The Draft budget report approved by Cabinet in January has also been scrutinised by the Council's Overview and Scrutiny Committees resulting in a report from the Corporate Resources and Improvement (CRI) Committee. Cabinet has considered the CRI Committee's recommendations and a response to these is provided in Schedule A.

**Table 2 – Budget Reduction Proposals consultation response**

Rank	Proposal	Introduce or increase proposed budget reduction (%)	Introduce Smaller budget reduction (%)	Cut elsewhere (%)
1	Online services	87	9	5
2	Lifeguard services	83	14	3
3	Regeneration	82	13	5
4	Looked after children	73	18	9
5	Complex homecare	72	19	9
6	Holiday support for people with a learning disability	69	24	7
7	Nursery service	66	24	10
8	Subsidised bus routes	61	30	9
9	Parks and playing fields	59	29	12
10	Street cleaning	57	27	16
11	Respite care	54	33	13
12	Highway maintenance	48	37	15

- 4.6 Cabinet and CMB have reflected on the responses received from the public consultation and the CRI Committee and has made a number of changes to its budget reduction proposals as a result. In particular the budget reduction proposal for highways maintenance has been reduced by £0.5 million from the £1.207 million consulted on. Similarly the proposal to cut subsidised bus routes by £229,000 has been reduced to just £15,000 in 2016-17. In addition the proposed budget reduction to voluntary sector bodies of £33,000 has been reduced to £15,000 in 2016-17.

### **MTFS Principles**

- 4.7 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 2016-2020 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 and reach 2.7% of Gross Revenue Expenditure by 2019-20.
  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 and a MTFS Budget Reduction Contingency will be maintained
  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.
- 4.8 Principle 12 has been expanded in response to the significant financial challenges the Council expects to face over coming years to allow the council to manage inescapable problems with delivery of particular savings when they arise until a solution can be found.

### **MTFS Resource Envelope**

- 4.9 The MTFS planning assumptions for 2017-20 are based on an annual reduction in AEF of -3.2% and an assumed increase in council tax of 3.9% for 2017-18, 4.2% for 2018-19 and 4.5% for 2019-20, recognising the ongoing uncertainty around our funding in future years. The 2016-17 AEF figure is -1.2% based on the published Final Settlement, subject to approval by the Assembly, as outlined in paragraph 3.8 above. Over and above this however, future years' assumptions are all subject to change, not least due to continuing economic uncertainty as evidenced in paragraph 3.5 above. Furthermore, pay and prices and budget pressures will

continue to be influenced by 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 delivery of 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 3.

**Table 3 – MTFS Scenarios: % Change in AEF**

	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
	<b>% Change</b>	<b>% Change</b>	<b>% Change</b>	<b>% Change</b>
Best Scenario		-1.5%	-1.5%	-1.5%
<b>Most Likely Scenario</b>	<b>-1.2%</b>	<b>-3.2%</b>	<b>-3.2%</b>	<b>-3.2%</b>
Worst Scenario		-4.5%	-4.5%	-4.5%

### **Managing within the MTFS Resource Envelope**

4.10 The MTFS assumes that Directorates will absorb within existing budgets any non-contractual inflationary pressures up to the prevailing CPI rate (currently 0.3%). However, there are a number of foreseen pressures that the Council will have to manage over the MTFS period. The exact amounts needed to fund them may not be known so assumptions are made in the MTFS for:

- Projected demographic changes;
- Inflationary uplifts to support specific contractual commitments;
- Inflation for energy costs based on notification of known increases and projected forward pricing;
- Known impact of national policies and legislation not accompanied by commensurate funding e.g. Welfare Reform Bill; Social Services and Wellbeing Act; school budgets' protection; Living Wage; and auto enrolment;
- Increases in employer pension contributions;
- The removal of the National Insurance Contribution rebate as a result of the introduction of the single tier state pension in April 2016; and
- Minimum increases in fees and charges of the statutory minimum or CPI (at prevailing rate, currently +0.3%) plus 1%.

4.11 For 2016-17, the MTFS includes an additional £6.451 million for the above known pressures plus £1.4 million for the transfer in of the Outcome Agreement Grant. In addition, each year consideration is given to any inescapable unforeseen Directorate pressures that cannot be accommodated within existing budgets. £2.316 million of inescapable pressures have emerged during 2015-16 and are explained in more detail in paragraph 4.30 below. In total, the Council has unavoidable pressures of £10.167 million in 2016-17.

## MTFS Budget Reduction Requirement

- 4.12 Table 4 below shows how much the Council needs to find from within existing budgets to help meet the inescapable pressures it is facing over the next four years, based on the AEF assumptions in Table 3 and assumed Council Tax increases of 3.9% in 2016-17 and 2017-18 and then 4.2% in 2018-19 and 4.5% in 2019-20.

**Table 4 – Budget reduction scenarios**

	2016-17	2017-18	2018-19	2019-20	Total
	Actual	Required Reductions			
	£000	£000	£000	£000	£000
<b>Best Scenario</b>	7,477	6,002	6,509	5,979	<b>25,967</b>
<b>Most Likely Scenario</b>	7,477	9,190	9,697	9,167	<b>35,531</b>
<b>Worst Scenario</b>	7,477	11,628	12,135	11,605	<b>42,845</b>

- 4.13 The figures for 2017-18 are £1 million lower than in the Draft Budget which is due to changes to the inescapable budget pressures for 2016-17, explained in paragraph 4.31 below.
- 4.14 Cabinet and CMB are working together to develop plans to meet the most likely scenario above. In the event of the worst case materialising in any year, the budget shortfall would have to be met from the Council Fund and or a further increase in Council Tax while additional budget reduction plans could be developed. Should the best case scenario arise then Cabinet and CMB would look to reduce the impact on services as well as Council Tax.
- 4.15 Table 5 shows current progress on identifying budget reduction proposals.

**Table 5 – Risk Status of Budget Reduction Proposals 2016-17 to 2019-20**

Year	<b>GREEN:</b> Proposal developed and deliverable	<b>AMBER:</b> Proposal in development but includes delivery risk	Budget reductions Identified So far	<b>RED:</b> proposals not yet developed	Total Required
	£000	£000	£000	£000	£000
2016-17	3,451	4,026	7,477	0	7,477
2017-18	617	5,003	5,620	3,570	9,190
2018-19	0	2,619	2,619	7,078	9,697
2019-20	0	1,283	1,283	7,884	9,167
<b>Total</b>	<b>4,068</b>	<b>12,931</b>	<b>16,999</b>	<b>18,532</b>	<b>35,531</b>
% of total required	11.4%	36.4%	47.8%	52.2%	100%

**RED** Proposals not yet developed or under consideration  
**AMBER** Proposal in development, but includes delivery risk  
**GREEN** Proposal developed and deliverable

4.16 The 2016-17 proposals have been amended since the Draft Budget report to reflect the £18,000 reduction to the cut in the third sector funding proposal (CS1). A number of proposals for 2016-17 onwards require further information and analysis and so are not included separately at this point in time. In line with the risk categories above such proposals will be identified in future reports when they achieve an **AMBER** or **GREEN** RAG status. Proposals currently under consideration include:

- Digital transformation of council services;
- Income generation opportunities;
- Further reductions in employee numbers;
- Reconfiguration of post 16 education provision;
- Working with partners to protect community facilities; and
- Review of nursery education provision.

4.17 Cabinet and CMB have given a commitment to try and find at least 50% of the budget reductions through smarter use of resources rather than by cutting the quality or level of services. This gets harder each year to achieve, but as Table 6 shows the plans set out in this report will deliver 66% of the required budget reductions through efficiency measures, such as:

- Retendering learner transport contracts
- A safe reduction in the number of Looked after children
- Income generation from other public sector bodies
- Development of online services
- Staffing restructures

**Table 6 – Budget Reduction Proposals 2016-17 to 2019-20**

	2016-17	2017-18	2018-19	2019-20	Total	%
	£'000	£'000	£'000	£'000	£'000	
<b>Smarter Best Use of Resources</b>	4,371	4,400	1,454	916	11,141	66
<b>Managed Service Reductions</b>	735	504	335	0	1,574	9
<b>Collaboration &amp; Service Transformation</b>	1,221	319	163	200	1,903	11
<b>Policy Changes</b>	1,150	397	667	167	2,381	14
<b>Total Identified as at 1 March 2016</b>	<b>7,477</b>	<b>5,620</b>	<b>2,619</b>	<b>1,283</b>	<b>16,999</b>	

4.18 Table 6 categorises each proposal for the reader and shows that 34% of the budget reductions identified so far will come from policy changes, collaboration, service transformation or as a last resort managed service reductions. Proposals in these categories are subject to consultation and Equality Impact Assessments and include changes to Youth Offending Service; remodelling adult social care; savings from the regulatory services collaboration; changes to the eligibility criteria for adult social care; changes to children's respite care; and increasing planning application fees.

4.19 Delivering £35.5 million of budget reductions will result in a smaller Council because around two thirds of the Council's net revenue budget is required to meet the pay costs of its employees. Efforts continue to manage the inevitable workforce reduction by holding vacancies, redeployment, early retirements and voluntary



redundancies (VER), but some compulsory redundancies will continue to be necessary. Over the MTFS period, the Council will need to ensure there are sufficient funds in the corporate redundancy budget and service reconfiguration earmarked reserve to meet VER costs.

### Corporate Risk Assessment

- 4.20 The Council's Risk Assessment identifies the key corporate risks and mitigating actions and is attached as Schedule B. These risks have been taken into account in the preparation of the MTFS and where there are identifiable financial implications these have been provided for either within the budget or earmarked reserves. Where the financial risks are not clear, such as the costs associated with Local Government Reorganisation, the risk is covered by the Council Fund.

### 2016-17 Net Budget Requirement

- 4.21 The net budget requirement is the amount of budget the Council requires to fulfil its functions. It is calculated using the previous year's budget as the baseline, adding any inescapable budget pressures and subtracting any budget reduction proposals. Appendix A shows the 2016-17 budget requirement and provides indicative figures for the subsequent three years based on the most likely scenario.
- 4.22 The financing of the net budget comes from the Welsh Government settlement and Council Tax income. Table 7 summarises the 2016-17 budget requirement and how it will be financed.

**Table 7 – Net Budget Requirement**

	<b>2016-17</b>
	<b>£000</b>
2015-16 Net Budget (Table 1)	252,201
2016-17 Pressures (Para 4.11)	10,167
2016-17 Budget Reductions (Table 5)	(7,477)
<b>2016-17 Net Budget Requirement</b>	<b>254,891</b>
<i>Financed by:</i>	
2015-16 Net Budget (Table 1)	252,201
Less Net Reduction in AEF (£2.294 million (para 3.8) less £1.4 million OA Grant (para 3.10))	(894)
Council tax increase of 3.9% (para 3.12) plus change in tax base	3,584
<b>2016-17 Net Funding Total</b>	<b>254,891</b>

### 2016-17 Revenue Budget

- 4.23 Table 8 presents the detailed net revenue budget for 2016-17. This includes specific grants transferring into the settlement as outlined in paragraph 3.10.

**Table 8 – Revenue Budget 2016-17**

	Revised Budget 2015-16 £000	Specific Grant Transfers from WG £000	Inter-Directorate Transfers £000	School Protection £000	NI & Pension Changes £000	Pay / Prices / Demographics £000	Inescapable Budget Pressures £000	Budget Reduction Proposals £000	Revenue Budget 2016-17 £000
<b>Service Directorate Budgets:</b>									
<b>Education &amp; Transformation</b>									
Education & Transformation	20,548				270	29	223	-910	20,160
Schools	85,287			1,578	0	0			86,865
	<b>105,835</b>	<b>0</b>		<b>1,578</b>	<b>270</b>	<b>29</b>	<b>223</b>	<b>-910</b>	<b>107,025</b>
<b>Social Services &amp; Wellbeing</b>									
Adult Social Care	40,173		-157		429	717	81	-1,837	39,406
Safeguarding	18,068				143	32		-557	17,686
Sport, Play and Active Wellbeing	2,746				16	0		-296	2,466
	<b>60,987</b>	<b>0</b>	<b>-157</b>	<b>0</b>	<b>588</b>	<b>749</b>	<b>81</b>	<b>-2,690</b>	<b>59,558</b>
<b>Communities</b>									
Resources	25,077		256		290	67	197	-1,336	24,551
Legal & Regulatory Services	14,436		-106		291	36	363	-1,205	13,815
	6,090				93	0		-398	5,785
<b>Total Directorate Budgets</b>	<b>212,425</b>	<b>0</b>	<b>-7</b>	<b>1,578</b>	<b>1,532</b>	<b>881</b>	<b>864</b>	<b>-6,539</b>	<b>210,734</b>
<b>Corporate Budgets:</b>									
Capital Financing	10,372		56					-300	10,128
Levies	6,912					12	58	-23	6,959
Repairs and Maintenance	1,100							-200	900
CTR Scheme	14,254					350		-300	14,304
Sleep Ins	800								800
Pension Related Costs	1,190				68				1,258
Insurance Premiums	1,634		-3			28		-100	1,559
Other Corporate Budgets	3,514	1,400	-46	-1,578		3,580	1,394	-15	8,249
<b>Total Corporate Budgets</b>	<b>39,776</b>	<b>1,400</b>	<b>7</b>	<b>-1,578</b>	<b>68</b>	<b>3,970</b>	<b>1,452</b>	<b>-938</b>	<b>44,157</b>
<b>Net Budget Requirement</b>	<b>252,201</b>	<b>1,400</b>	<b>0</b>	<b>0</b>	<b>1,600</b>	<b>4,851</b>	<b>2,316</b>	<b>-7,477</b>	<b>254,891</b>

4.24 The net budget will be funded by:

**Table 9 – Net Budget Funding**

	£	%
Revenue Support Grant	145,232,718	56.98
Non Domestic Rates	42,282,679	16.59
Council Tax Income	67,375,793	26.43
<b>Total</b>	<b>254,891,190</b>	<b>100%</b>

### Council Tax Implications

4.25 The implications in terms of the Council Tax increase (excluding Police & Crime Commissioner for South Wales and Community Council precepts) are shown in Table 10.

**Table 10 – Council Tax Increase 2016-17**

2015-16 Average Band D	£1,249.07
2016-17 Average Band D	£1,297.78
% Increase	3.9%
Weekly Increase	£0.94



## **Pay, Prices and Demographics**

- 4.26 At this point in time, a national pay settlement has not been agreed, but the Employers are offering a total of 2.4% over two years. The 2016-17 budget assumes this is accepted and the appropriate amount has therefore been retained centrally to meet this cost, which will be allocated to Directorate budgets once known.
- 4.27 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 an estimated increase in employer pension contributions from 1 April 2016.
- 4.28 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, unexpected increases in energy costs or adjustments which may be required to meet contractual increases where the index is set after the Council's budget is approved.

## **Delegated Schools' Budget**

- 4.29 The Delegated Schools' Budget has been completely protected from the reductions that other Directorates have had to find. The 2016-17 budget provides an additional £1.578 million to the schools' budget to meet the Welsh Government's 1% protection commitment.

## **Unavoidable Pressures**

- 4.30 The final schedule of unavoidable pressures is attached at Appendix B and presents a number of recurrent and one off pressures, totalling £2.316 million. The January Draft Budget report explained that budget pressures identified at that time were subject to change before the Final Budget. The main changes are:
- the removal of the pressure relating to the provision of social care in the Parc Prison as Welsh Government grant has been agreed.
  - A reduction in the funding requirement for implementation of the Welsh Language Standards, which reflects the forecast cost of implementing the majority of the standards due to take effect in 2016-17. The pressure does not take into account the financial implications of a number of standards for which the Council is preparing an appeal on the basis that they are unreasonable or disproportionate. The financial implications of these are significant and unaffordable and should the appeal be unsuccessful the Council would have to meet the costs in the short term from a combination of corporate contingency (normally reserved for emergencies such as extreme weather events) or the Council Fund until recurrent funding could be identified either from budget reductions elsewhere or Council Tax increases.
  - A new pressure of £1 million (one-off funding) to finance part of the capital grant required to deliver the provision of two Extra Care Housing schemes.
- 4.31 In total for 2016-17, the recurring pressures total £1.235 million. The one-off pressures total £1.081 million and funding for these will be retained in corporate budgets and allocated to services as and when they are needed during 2016-17.

The recurrent budget associated with the one off pressures has been included in the 2017-18 allowance for budget pressures, which has reduced the level of budget reductions required in that year by £1 million.

### **Budget Reductions**

- 4.32 Budget reduction proposals totalling £7.477 million have been identified from service and corporate budgets to achieve a balanced budget. These are detailed in Appendix C.

### **Corporate Budgets**

- 4.33 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.
- 4.34 For 2016-17, the Welsh Government has included the Outcome Agreement Grant (£1.4 million in 2015-16) within the RSG and as such it will no longer be included in corporate budgets.

### **Fees and Charges**

- 4.35 As a minimum, income from fees and charges will be increased by at least CPI (at the prevailing rate, currently 0.3%) plus 1%, subject to rounding, or in line with statutory requirements. Schedules of fees and charges will be reported separately, as usual, under Delegated Powers. New charges or charges that have been included in the 2016-17 budget and are above the general increase are shown in Appendix D.
- 4.36 A corporate income generation policy has been developed during the year which is included in Appendix E for approval. The policy aims to set a consistent approach across council services and outline key principles to be applied. As a key principle, where a decision has been taken to charge for a service, the Council will aim for full cost recovery, except where there is a conscious decision which is consistent with council priorities, recognising that the service would then be subsidised by council tax payers.

### **MTFS Support for Corporate Priorities**

- 4.37 Appendix F details the Directorate Base Budgets for 2016-17. The MTFS supports the delivery of the Council's corporate priorities and Table 11 below summarises Directorate budgets which will be used to support these and core services and statutory functions. A more detailed analysis is shown in Appendix G. Because the Council's priorities for 2016-20 are different to those in the past a comparison with previous years would not be valid.

**Table 11 – 2016-17 Budget by Corporate Improvement Priority**

<b>Budget 2016-17 Corporate Improvement Priorities</b>			
<b>Directorate</b>	<b>Corporate Improvement Priorities</b>	<b>Core Services &amp; Statutory Functions</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Education & Transformation	9,521	10,639	20,160
Schools	36,170	50,695	86,865
Adult Social Care	27,146	12,260	39,406
Safeguarding & Family Support	17,686	0	17,686
Sport, Play & Active Wellbeing	239	2,227	2,466
Communities	4,445	20,106	24,551
Resources	469	13,346	13,815
Legal & Regulatory Services	0	5,785	5,785
Corporate Budgets	138	44,019	44,157
<b>NET BUDGET REQUIREMENT</b>	<b>95,814</b>	<b>159,077</b>	<b>254,891</b>

### **Council Reserves**

- 4.38 The Council's Reserves and Balances Protocol attached at Appendix H sets out the principles used to assess the adequacy of reserves, the rationale for establishing reserves and the arrangements for monitoring reserves. For the last three years, the Council has maintained its Council Fund at a minimum of £7 million and at 31 March 2015 it was £7.45 million, which is 2.3% of Gross Revenue Expenditure (GRE) compared to a Welsh average of 2.7% for the same period. If the Council Fund was used to cover GRE, it would last 8.3 days compared to a Welsh average of 10 days. Against that background and in the face of continued uncertainty regarding the economy, public finances and Local Government Reorganisation, it is recommended that the Council seeks to increase its Council Fund up to the Welsh average of 2.7% of GRE (£8.801 million based on 2014-15) by the end of the MTFS period. This will be monitored and will depend upon financial performance during future periods and the need to cover against specific risks as they arise through the earmarked reserves process.
- 4.39 In accordance with the Protocol, a review of the Council's financial risks, pressures and reserves was undertaken at period 6 and period 9 in 2015-16. Appendix I sets out the forecast movement (as at 1 March 2016) in the Council's Earmarked Reserves and the Council Fund by the end of 2015-16 and 2016-17. At this point the forecast movement to 31 March 2016 is an overall reduction in usable reserves of £1.956 million on the assumption of:
- Full drawdown of £1.044 million of the Treasury Management Reserve to refinance existing loans by paying off premiums;
  - A net reduction in the capital contribution reserve of £1.275 million (taking account of a £2.5 million transfer out to the Major Claims Reserve for potential capital contractual claims) and a transfer in from Other Corporate Budgets of £1.425 million to support the Council's Capital programme;
  - The drawdown of £379,000 from the Change Management fund in respect of a number of projects including the creation of the Awen Trust;

- Forecast draw down of £604,000 from the Directorate Issues Reserve; £77,000 to be carried forward into 2016-17 for the Deprivation of Liberty assessment costs; and an unwinding of the £809,000 balance at year end;
- The reclassification of £0.5 million between the Insurance Earmarked Reserve and the Insurance Provision; and
- The net addition of around £1.277 million from forecast accrued Council Tax income at year end into the Service Reconfiguration Reserve after draw downs during the year. This will help to meet the investment requirements associated with Transformation Programmes such as digital transformation and Extra Care provision.

4.40 An assessment is currently being undertaken on the business case for making a contribution to the Pension Fund to meet outstanding superannuation liabilities as a means of reducing pressure on the Council's revenue budget in the future. No allowance has been made for this in the movement of reserves forecast in Table 12 or Appendix I as this is subject to further advice.

4.41 In line with the Protocol, a further review will be undertaken at the end of the current financial year and transfers made at this point taking account of the overall financial position of the Council including the final out-turn, actual accrued Council Tax income, earmarked reserve levels, the Council Fund level and any new pressures or risks that need to be provided for. At this time Directors will be invited to submit earmarked reserve requests to meet any specific unfunded pressures that they expect to arise in 2016-17 and these will be considered in the context of Directorate outturn positions as well as that of the Council as a whole. In advance of that process the forecast movement in reserves for 2016-17 assumes:

- An overall reduction in usable reserves of £6.61 million during 2016-17;
- The full drawdown of the Car Parking Strategy, Waste Management Contract and Welfare Reform Reserves;
- The drawdown of the Capital Programme Contribution Reserve, Capital Feasibility Reserve and Asset Management Reserve in line with the current Capital Programme expenditure profile;
- The drawdown of the Change Fund reserve in line with amounts allocated for the 2016-17 financial year; and
- A forecast addition of £1.2 million to the Service Reconfiguration Reserve and a drawdown of £1.5 million in respect of Extra Care in 2016-17.

**Table 12 – Summary of Usable Earmarked Reserves**

Opening Balance 1 April 2015 £'000	Reserve	Movement 2015-16 £'000	Closing Balance 31 March 2016 £'000	Movement 2016-17 £'000	Closing Balance 31 March 2017 £'000
7,450	Council Fund Balance	-	7,450*	-	7,450*
35,334	Total Earmarked Reserves	(1,956)	33,378	(6,610)	26,768
<b>42,784</b>	<b>Total Usable Reserves</b>	<b>(1,956)</b>	<b>40,828</b>	<b>(6,610)</b>	<b>34,218</b>

\* Increases up to 2.7% of GRE are not included in forecast as they will be dependent upon affordability following year-end reviews of reserves, revenue outturn and pressures

## **Capital Programme and Capital Financing Strategy**

4.42 This section of the report deals with the proposed Capital Programme for 2016-17 to 2025-26, which forms part of, but extends beyond the MTFS. It also covers the Council's capital financing strategy. Both have been developed in line with the MTFS principles and reflect the Welsh Government capital settlement for 2016-17. The Programme has been revised since the draft budget report to Cabinet on 12 January to take into account proposed new capital schemes following a review of the Council's capital investment requirements.

### **Capital Programme 2016-17 to 2025-26**

- 4.43 Appendix J sets out the proposed Capital Programme for the period 2016-17 to 2025-26. The Welsh Government final capital settlement for 2016-17 provides General Capital Funding (GCF) for the Council of £6.296 million in 2016-17, of which £3.914 million is un-hypothecated supported borrowing and the remainder £2.382 million is General Capital Grant. No indicative allocations have been provided for 2017-18, so for now it is assumed that this level of funding will remain constant for years after 2016-17, but this will be indicative only.
- 4.44 The Programme was last revised in October 2015. Since then a review has been underway to identify the Council's capital investment requirements for 2016-2025, compared to available capital, against the following four criteria:
- Link to proposed new corporate priorities;
  - Level of risk associated with investing (in terms of impact on service delivery, ability to meet MTFS budget reductions, and prevention of building failure and closure);
  - Budgetary provision for any additional revenue costs arising from the scheme;
  - Payback period (where appropriate).
- 4.45 Following a rigorous appraisal process and a review of the amount of funding available, the schemes set out in Table 13 are proposed to be included within the Capital Programme for 2016-17 onwards. A number of schemes are subject to Cabinet approval of business cases and/or confirmation of external funding and will only proceed once these agreements are secured.

**Table 13 – Proposed New Capital Schemes**

<b>Project Title</b>	<b>Scheme Outline</b>	<b>Total Scheme Cost £'000</b>	<b>Estimated BCBC Funding Required £'000</b>	<b>Other Funding Sources</b>
Refurbishment of the Caretaker's Lodge and Heron House, Heronsbridge School	To enable 52 week residential provision in-county for children with disabilities, to reduce the number of children placed out of county.	286	286	N/A
Town Beach Revetment Sea Defence, Porthcawl	Construction of pre-cast Concrete Terraced Revetment to replace the deteriorating coastal defences along the Esplanade Road seafront.	3,552	714	Welsh Government Grant
Modernisation and mobilisation of the homecare workforce	To replace current manual systems, to introduce a new e-homecare system, with iCall installed.	72	72	N/A
Maesteg Comprehensive School Highways	Improvements to meet Health and Safety Executive requirements.	500	300	BCBC Specific Reserve
Maesteg Town Hall	This will involve providing additional facilities within the Town Hall and co-locating library provision. This project will be managed by Awen Cultural Trust.	3,845	500	ERDF / Lottery
Relocation of Household Waste Recycling Centre	To develop a new HWRC at Village Farm Industrial Estate in Pyle in line with WRAP best practice guidance for improving performances at HWRCs.	1,328	1,328	N/A
DDA Works at Civic Offices	To address accessibility and staff welfare issues and concerns.	120	120	N/A
Health and Safety Improvements around Schools	To improve traffic and transport safety in and around school premises.	500	500	N/A
Bridge Strengthening A4061 Ogmoredale Valley	To strengthen the bridge to enable it to withstand abnormal load traffic.	2,450	2,450	N/A
Smart System and Heat Programme	The council will work with the ETI to develop plans to heat homes and businesses using cutting-edge technology.	76,000	250	WG, EU, Private Sector
Provision of two Extra Care facilities in the Valleys Gateway and Maesteg	£2.5 million capital grant to be awarded to preferred Registered Social Landlord (RSL) partner towards facility construction costs; plus £0.5 million for contingency and to meet any associated infrastructure costs.	8,000	3,000	Balance to be funded by preferred RSL partner

4.46 Subsequent to further funding becoming available, additional projects may be added to the capital programme during the next financial year. However, this will be subject to retaining a contingency amount of capital receipts to meet any unforeseen risks.



4.47 The Capital Programme also contains a number of fixed annual allocations that are met from the total general capital funding for the Council. These annual allocations have been reviewed as part of the capital planning process and it is proposed that they remain at current levels for 2016-17, as follows:

- Highways and Transportation Capitalised Repairs – given the backlog of repairs and maintenance of highways it is recommended that this annual allocation be maintained at the current level;
- Disabled Facilities Grants and Housing Renewal Schemes – Cabinet agreed in September 2015 to amend the Private Sector Housing Renewal and Disabled Adaptations Policy, which this funding supports, to amend two existing grants (Empty Homes Grant and Assistance to RSLs), and to include a new grant – the Home Security Grant to assist people suffering from domestic abuse. It is proposed to keep these allocations at existing levels;

There has been slippage against this budget in recent years, due to delays in Occupational Therapy referrals, so the service is cautious not to reduce this budget in case it cannot meet the cost of referrals;

- Strategic Regeneration Fund (SRF) allocations are committed to projects up to 2020-21 to provide matched funding for the Welsh Government's Structural Funding Programme 2014-20. As outlined in the report to Council in July 2014 this provides flexibility in the Capital Programme to enable the Council to take advantage of and maximise external funding opportunities, mitigate funding shortfalls which can occur between grant bid and offers stages and provide some contingency for additional spending pressures on regeneration projects.
- Minor works – The Capital Programme currently includes an allocation of £1.1 million 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. There is also a £600,000 revenue budget available to meet revenue repairs and maintenance. The revenue budget is being reduced by £150,000 as part of the MTFs following rationalisation of administrative assets, so it is proposed to maintain the capital allocation at this level. The Corporate Property Group is responsible for allocating this funding to projects during the 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. In October 2015, Council agreed to increase the funding in the Capital Programme to £100,000 to support Community Asset Transfer (CAT).

4.48 In addition, it is recommended that two additional fixed annual allocations be included to meet the on-going costs of Bridgelink / Telecare equipment replacement, and street lighting / bridge infrastructure replacement, covering street lighting column replacement, bridge erosion and scour protection. This brings the total commitment to 80.53% of the 2016-17 General Capital Funding, as shown in Table 14:

**Table 14 – Current Annual Allocations of Capital Funding**

	2015-16 £'000	% of 2016-17 GCF
Highways Capitalised Repairs	200	3.18%
Transportation Capitalised Repairs	250	3.97%
Disabled Facilities Grant	2,350	37.33%
Housing Renewal Schemes	100	1.59%
Special Regeneration Funding	540	8.58%
Minor Works	1,100	17.47%
Community Projects	100	1.59%
Bridgelink / Telecare replacement	30	0.48%
Street lighting / Bridge infrastructure replacement	400	6.35%
<b>Total</b>	<b>5,070</b>	<b>80.53%</b>

- 4.49 In February 2014 Council confirmed its commitment to contribute £1 million per year from core capital funding (£5 million total across the life of the 21<sup>st</sup> Century Schools Programme), as part of the local authority matched funding contribution for the Programme. This leaves a balance of general capital funding of £226,000.

#### **Capital Programme link to the Corporate Priorities**

- 4.50 Table 15 outlines how the Council is using its capital programme to support the new corporate priorities.

**Table 15 – Capital Programme by Improvement Priority**

Improvement Priority	Revised 2015-16 £000	2016-17 £000	2017-18 £000	2018-19 to 2025-26 £000	Total £000
1. Supporting a Successful Economy	6,730	15,293	4,429	5,446	31,898
2. Helping People to be more Self-Reliant	3,566	6,432	2,380	19,040	31,418
3. Making Smarter Use of Resources	18,768	20,178	23,138	18,299	80,383
Addressing Statutory Risks / OBAU	2,625	1,650	1,750	14,050	20,075
<b>TOTAL</b>	<b>31,689</b>	<b>43,553</b>	<b>31,697</b>	<b>56,835</b>	<b>163,774</b>

#### **Supporting a Successful Economy**

- 4.51 The proposed capital programme includes a number of projects which will help to support a successful economy by, for example, investing in the three main towns in the County Borough through infrastructure investment, regeneration and town



centre developments. This also involves investing in replacement bridges and shoring up our sea defences, which are considered important elements for improving economic conditions through the provision of road links to towns and industrial estates.

- 4.52 The Smart System and Heat Programme aims to work with local authorities across the UK to develop innovative smart solutions to generating and distributing heat at a local level. The total programme cost is in the region of £76 million, with funding being sought from a number of sources, including Welsh Government, European funding and funding from private sector suppliers. The contribution of £250,000 is included in the capital programme as a contribution to the overall programme subject to a clear direction being agreed on the funding mechanism for the whole scheme, managing any treasury management implications and identifying an appropriate use for Bridgend's contribution.
- 4.53 The proposed programme includes a scheme to develop a cultural hub in Maesteg Town Hall. The plan is to bring together cultural facilities, to improve footfall within the Town Centre and manage the backlog of repairs and maintenance required in the Grade II listed building. This facility is currently managed by Awen Cultural Trust, and they will work with the Council to secure significant external funding to support this project.
- 4.54 The Porthcawl sea defence revetment works draws on 75% Welsh Government funding towards a total scheme costs of £3.552 million. The seafront provides an important contribution to employment and the economy of Porthcawl. The renewal of sea defences will give renewed confidence to stakeholders to continue to visit and invest in the area, reduce the whole life maintenance costs of the existing structure and protect utilities, commercial and residential property. The design stage will be carried out in 2016-17.

#### **Supporting Vulnerable People to Remain Independent**

- 4.55 The largest project in relation to priority two is the proposed capital grant funding to support the creation of two Extra Care schemes in the County Borough. Once operational, these will provide an alternative for service users who have the potential to remain independent and therefore reduce the need for more traditional models of care such as residential care. The Extra Care investment is in the form of a capital grant to the successful housing association partner for the two schemes. In previous years, developments across Wales have previously benefitted from Welsh Government support in the form of Social Housing Grant. However this funding stream has ended and consequently council has undertaken a competitive process to determine the level of Council investment required. The funding will be secured against the continued provision of facilities.
- 4.56 Funding is included for increased mobile ICT provision for the homecare workforce which will enable greater efficiency and safety in the workforce.
- 4.57 £2.35 million of annual capital funding is allocated to Disabled Facility Grants which form a recurrent investment in helping people to be more self-reliant and remain in their own homes.

## Smarter Use of Resources

- 4.58 The Schools' Modernisation and Investment Programme forms a cornerstone of the corporate priority making smarter use of resources. 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 £22.475 million of the total costs (currently estimated at £45.510 million) for Band A priority projects, through a combination of capital grant and the Local Government Borrowing Initiative, with the balance met from Council resources. Council has agreed that this would be met from core funding allocations of £5 million, anticipated S106 funding of £5.288 million and projected receipts from the sale of schools and other sites, and other contributions, of £12.747 million.
- 4.59 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.
- 4.60 In the meantime, the following projects are 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:

**Table 16 – 21<sup>st</sup> Century School Programme – Band A**

<b>Project</b>	<b>Current Status</b>
Coety / Parc Derwen Primary School	Construction complete – school opened 2 <sup>nd</sup> November 2015 as per the statutory notice. In defects period.
Special Education Needs Provision	Construction completed – school opened 15 <sup>th</sup> June 2015 as per the statutory notice. The Bridge Alternative Provision and education support services have transferred into the campus.
Garw Valley South Primary Provision	Revised OBC approved, awaiting Ministerial confirmation. Planning permission sought. Cabinet approval sought to appropriate the land. Progressing procurement option.
Pencoed Primary School	Design commenced. Consultation regarding relocating the school commencing shortly. School opening date revised to April 2018. SOC submitted to WG.
Brynmenyn Primary Provision	OBC approved by WG. Currently out to tender for the design and build of the school. Tender return date Friday 25th March.
Mynydd Cynffig Primary School	Primary school opened on a split site on 1 <sup>st</sup> September 2015 as per the statutory notice. Revised SOP submitted to WG for their consideration.
Héronsbridge Special School	Exploring opportunities for additional capacity to meet needs of children with ASD.

- 4.61 The revised programme also includes a scheme to rationalise assets at Heronsbridge School to enable residential provision for children with disabilities on a 52 week a year basis, to enable children to stay within Bridgend rather than being placed in establishments far from the family home. This will enable revenue savings to be made and will ensure more efficient use of the assets available.
- 4.62 Other schemes included within the programme are focused on maximising the use of ICT and other assets to provide a better quality of service at the same or reduced cost, and to contribute towards Welsh Government recycling targets. Other projects address health and safety and DDA requirements in and around Council buildings.

### **Capital Financing Strategy**

- 4.63 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**

- 4.64 The Council estimates that around £21 million could be generated as part of the enhanced disposals programme, with circa £9.3 million already delivered (anticipated to reach £10 million by the end of 2015-16) and circa £11 million of capital receipts to be generated over the next three years 2016-17 to 2018-19, of which £4 million is expected to be realised in 2016-17. Of the £21 million, £8.8 million relates to school buildings and land vacated through the 21st Century Schools Programme, to be used as match funding for the programme. It includes receipts anticipated from the sale of 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.

### **Prudential Borrowing**

- 4.65 Prudential Borrowing totalling £41.5 million was approved by Council on 25 February 2015, which included £5.6 million of Local Government Borrowing Initiative (LGBI) funding towards the costs of the 21<sup>st</sup> Century Schools Programme.
- 4.66 Total prudential borrowing taken out by the end of 2016-17 is estimated to be £41.745 million, which takes into account additional fleet purchases and LGBI funding for street lighting, highways and the 21<sup>st</sup> Century Schools Programme, of which approximately £32 million is still outstanding.

## **Treasury Management Strategy 2016-17**

- 4.67 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 2016-17, and the Treasury Management and Prudential Indicators for the period 2016-17 to 2019-20. These are included in the Treasury Management Strategy 2016-17, 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 L). EIAs have been completed for individual 2016-17 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 2016-17 to 2019-20 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 the uncertainty of Welsh Government funding, the increasing difficulty in the delivery of planned budget reductions as well as the identification of further proposals and the financial uncertainties surrounding the implementation of local government re-organisation. Therefore, it is imperative that the Council Fund balance is managed in accordance with the MTFs Principle 8 in paragraph 4.7 above 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 2016-17 and beyond.

## 8. **RECOMMENDATIONS**

- 8.1 Council is asked to approve the MTFs 2016-17 to 2019-20 including the 2016-17 revenue budget, the Capital Programme 2016-17 to 2025-26 and the Treasury Management Strategy 2016-17. In particular it is asked to approve the following specific elements:

- The MTFs 2016-17 to 2019-20
- The Net Budget Requirement of £254,891,190 in 2016-17.
- A Band D Council Tax for Bridgend County Borough Council of £1,297.78 for 2016-17 (Table 10).
- The 2016-17 budgets as allocated in accordance with Table 8 in paragraph 4.23.
- The Capital Programme 2016-17 to 2025-26 (Appendix J).
- The Treasury Management Strategy 2016-17 and Treasury Management and Prudential Indicators 2016-17 to 2019-20 (Appendix K).
- The Corporate Income Generation and Charging Policy (Appendix E)

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March 2016

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Background Papers:  
Final Local Government Revenue and Capital Settlements 2016-17  
Cabinet Report – MTFs 2016-17 to 2019-20 1 March 2016  
Provisional Local Government Revenue and Capital Settlements 2016-17  
Cabinet Report – MTFs 2016-17 to 2019-20 - 14 July 2015

<b>4 Year Budget Forecasts 2016-17 to 2019-20</b>				
	<b>Budget 2016-17</b>	<b>Indicative Budget 2017-18</b>	<b>Indicative Budget 2018-19</b>	<b>Indicative Budget 2019-20</b>
<b>Service Budgets</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Education & Transformation	20,160	19,793	18,103	16,015
Schools	86,865	86,023	85,189	84,363
Social Services & Wellbeing Communities	59,558	56,579	52,678	50,729
Resources	24,551	22,625	22,014	20,545
Legal and Regulatory Services	13,815	12,359	11,024	9,682
	5,785	5,121	4,977	4,399
<b>Total Directorate Budgets</b>	<b>210,734</b>	<b>202,500</b>	<b>193,985</b>	<b>185,733</b>
<b>Corporate/ Other Budgets</b>				
Council Tax Reduction (CTR) Scheme	14,304	14,504	15,204	15,904
Repairs and Maintenance	900	900	900	900
Levies	6,959	6,959	6,959	6,959
Capital Financing	10,128	9,978	9,978	9,978
Pension Related Costs	1,258	1,608	1,808	1,808
Insurance Premiums	1,559	1,459	1,359	1,359
Sleep Ins	800	800	800	800
Corporate Budgets	2,359	2,303	2,247	2,191
Inflationary/Other Pressures	5,890	10,866	15,784	21,069
	44,157	49,377	55,039	60,968
<b>Net Budget Requirement</b>	<b>254,891</b>	<b>251,877</b>	<b>249,024</b>	<b>246,701</b>

**Assumptions:**

1. Projected demographic changes.
2. Known impact of national policies and legislation not accompanied by commensurate funding e.g. Welfare Reform Bill, Social Services & Wellbeing Act; Living Wage and auto enrolment.
3. Inflationary uplifts to support specific contractual commitments.
4. Removal of the national Insurance Contribution rebate as a result of the introduction of the single tier state pension in April 2016.
5. Provision for inflationary uplifts to support specific contractual commitments and a provisional pay award which is an increase to the wage bill of 2.4% over 2 years (2016-2018).
6. A projected increase of 0.3% in 2016-17, 0.2% in 2017-18 and a further 0.2% in 2018-19 in employers' pension contributions resulting from the triennial Actuarial Valuation. There are additional increases in employers' contributions for teachers' pensions of 2.3% (part year effect).
7. Fees and Charges will increase by the statutory minimum or CPI (at prevailing rate, currently 0.3%) plus 1%.
8. Services will absorb within budgets non contractual inflationary pressures of up to the prevailing CPI rate.



Directorate	Proposed Improvement Priority	Service Area	Description of pressure	Recurrent Pressure	One Off Pressure (allocated in-year)
				£000s	£000s
Education	Helping people to be self-reliant	Integrated Working	To mitigate the reduction in the Families First grant from Welsh Government	223	
Wellbeing	Helping people to be self-reliant	Adult Social Care	The Social Services and Wellbeing Act will place a responsibility on Local Authorities to arrange for advocacy services to be made available to people with needs for care and support, whether or not those needs are being met by a local authority. There is currently a very low level of advocacy services in Bridgend which is located in the voluntary sector. There is a clear need for a specifically commissioned advocacy service with a focussed remit to meet the requirements of the Act.	50	
Wellbeing	Smarter use of resources	Adult Social Care	To provide recurrent funding for a carers development officer role for which grant funding has ended. The Social Services and Wellbeing Act places local authorities duty of care for Carers on an equal footing with the cared-for.	31	
Wellbeing	Helping people to be self-reliant	Extra Care	To provide a one-off revenue contribution to capital funding as part of the overall commitment to the new Extra Care facilities to be developed in the County Borough.		1,000
Communities	Core services & statutory functions	Public Transport	To mitigate the reduction in a specific grant from Welsh Government. The obligation on Local Authorities to administer passes has not diminished however the support from Welsh Government has dropped from £3 to £1 per pass.	70	
Communities	Supporting a successful economy	Waste	To mitigate the reduction in the Single Environment grant from Welsh Government, which provides financial support for waste collection and recycling activities.	127	
Resources	Smarter use of resources	Homelessness	A new Emmaus facility for the homeless has opened in the county borough. As the accommodation is classed as exempt, the full rental cost must be met by the authority whereas only the level agreed by the rent officer can be recovered from the Department for Work and Pensions (DWP), leaving a shortfall	143	
Resources	Smarter use of resources	Benefits	In line with other local authorities, there has been an increase in the financial value of overpayments in housing benefits, regardless of reason/fault, as both the overpayment rate has increased and the level of housing benefit has risen with rents. A proportion of overpayments cannot be reclaimed from DWP	220	
Corporate	Core services & statutory functions	Fire Service Precept	Increase in precept by 0.92% to meet additional pressures faced by the service.	58	
Corporate	Core services & statutory functions	Welsh Language	To meet the costs of implementation of the Welsh Language Standards. Failure to comply with the standards will result in a fine of £5,000 for each standard not adhered to.	313	81
<b>Total Budget Pressures</b>				<b>1,235</b>	<b>1,081</b>

**Budget Reduction Proposals 2016-17 to 2019-20**

Page Ref.	Links to Population Outcome	Proposed Improvement Priority 2016-20	Categories	Budget Reduction Proposal	Impact	Budget 2015-16 £'000	Total Budget Reduction 2016-2020 as % of 2015-16 Budget	2015-16 Budget Reductions £000	Indicative 2016-17 £000	Indicative 2017-18 £000	Indicative 2018-19 £000	Indicative 2019-20 £000
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**PROPOSED IMPROVEMENT PRIORITY**

- IP1 - Supporting a successful economy
- IP2 - Helping people to be self-reliant
- IP3 - Smarter use of resources
- NONPTY - Core services & statutory functions

**CATEGORIES**

- BUR - Making Best Use of Resources
- MSR - Managed Service Reductions
- CST - Collaboration and Transformation
- PC - Policy Changes

**RAG STATUS KEY**

- RED - Proposals not yet developed or under consideration
- AMBER - Proposal in development but includes delivery risk
- GREEN - Proposal developed and deliverable

**EDUCATION & TRANSFORMATION**

**CENTRAL EDUCATION & TRANSFORMATION**

CH1	Wise	IP1	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 and this could lead to legal challenge. Currently children's complex needs are met out of county and therefore bringing these in-house will bring them closer to home but they may need additional support which in turn may have a financial impact on a case by case basis.	1,513	13%		200			
CH2	Healthy	IP2	CST	Youth Offending Service Collaboration	Posts which have become vacant have not been replaced and there are a number of posts which BCBC now do not hold ( e.g. information officer post which is shared with NPT ). The YOT is combined with Swansea and NPT and the reduction needs to be agreed with them.	419	23%		95			
CH3	Corporate Business	IP3	BUR	Retender Learner Transport contracts	Lower cost contracts may result in reduced quality of service as well as an increase in the number and complexity of complaints regarding the service.	4,310	2%	400	100			
CH4	Corporate Business	IP3	MSR	Rationalise Special Education Needs transport	Children with special educational needs may see changes to their current modes of transport and they will have to share transport when they have had dedicated transport in the past. This will inevitably lead to complaints from parents and could result in successful challenge.	4,310	3%	100	150			
CH5	Corporate Business	IP3	PC	Review of Learner Transport Policy regarding statutory distances for free travel	The number of children receiving free transport will reduce, this could affect the choice of schools parents make which may skew our current pupil projection numbers leading to an imbalance in numbers. It could also lead to a reduction in the number of parents and children choosing Welsh medium or faith provision. This could negatively affect the WESP and also the PIs in relation to Welsh medium education.	4,310	5%			67	67	67
CH9	Wise	IP3	BUR	School transport route efficiencies	Minimal impact. More efficient routes to be identified.	4,310	9%	200	200	200		



Budget Reduction Proposals 2016-17 to 2019-20

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73												
CH15	Healthy & Wise	IP3	BUR	Staff Restructure - Inclusion and Additional Learning Needs	Potential redundancies and reduction in the staffing resources available. There will be inevitable delays in children receiving an assessment of their needs and then a further delay in services being available to meet those needs. This may negatively affect some children's ability to learn and may result in children with additional needs not meeting their full potential.	3,202	3%		100			
CH36	Wise	IP3	BUR	Saving on premises budget due to amalgamation of SEN services	Minimal impact. Amalgamation of services has led to savings on premises budgets.	66	45%		30			
CH38	Wise	IP3	BUR	Efficiency review of Catering Service	Efficiencies have been identified year on year within this service and the service will be unable to continue to make such efficiencies year on year without compromising on quality.	663	15%			100		
CH40	Corporate Business	IP3	BUR	Reduction in cost of Central South Consortium arising from efficiencies generated from transfer of additional services.	Additional services will be provided to all member authorities by the Central South Consortium, generating efficiency savings through collaboration. The danger of this approach is the LA will lose the remnants of the locally retained services.	676	5%		35			
				<b>Total Education and Transformation central</b>					<b>910</b>	<b>367</b>	<b>67</b>	<b>67</b>
<b>SCHOOLS</b>												
SCH1	Wise	IP3	BUR	Agreement in principle: Cabinet have agreed that schools should be expected to find 1% efficiency savings.	The details of these efficiencies and the potential impact on each individual school has been detailed in a separate document. It is however clear that even a 1% budget reduction has the potential to make some schools unviable, will result in many schools going even further into a deficit position and will result in some teacher redundancies.	85,086	3%			842	834	826
				<b>Total Schools</b>					<b>0</b>	<b>842</b>	<b>834</b>	<b>826</b>
N/A			N/A	Proposals under consideration or not yet developed within Education & Transformation Directorate							1,623	2,021
				<b>Total Education &amp; Transformation Directorate</b>					<b>910</b>	<b>1,209</b>	<b>2,524</b>	<b>2,914</b>

Budget Reduction Proposals 2016-17 to 2019-20

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SOCIAL SERVICES & WELLBEING

Theme 1 - Remodel Service Delivery

ASC1	Healthy & Wise	IP2	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	1,895	13%	307	250			
ASC2	Healthy & Wise	IP2	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.	3,280	1%	220	40			
ASC3	Healthy & Wise	IP2	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	This saving proposal is based on the adoption of a whole system transformation to the assessment framework with a view to improve the well-being outcomes for people who need care and support and reduce the numbers of people requiring long term support. This has and will transform the way we respond to people contacting social care services; it will be a balance between offering people high quality advice and information to assist them to resolve their problems by maximising the use of community resources, developing solutions that don't require complex assessment or the formal provision of care and therefore reducing the level of individuals that require long term managed care. The savings represent a 6% reduction in commissioned care packages	21,459	4%	1,399	662	150		
ASC7	Healthy & Wise	IP2	CST	Reprovision and remodelling of Shared Lives	The saving will reduce dependence on residential placements to a Shared Lives setting for all adults. There will always be a need for residential placements which places pressure on this saving however work is currently progressing with the new provider to identify individuals that would benefit from this type of service model	968	10%	135	50	50		

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Budget Reduction Proposals 2016-17 to 2019-20

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75	ASC9	Healthy & Wise	IP3	CST	Review CHC-eligible cases to secure appropriate contribution to packages of care	This is managed as one of the work streams under the Changing the Culture Project Board overseen by the Remodelling Adult Services Board. Where CHC applications are being made the progress is tracked and the financial impact recorded. All applications are monitored and where necessary engagements with the Health Board are overseen by Senior Management. These savings have been based on between 7 to 12 individual being eligible for CHC funding.	21,459	1%	70	118			
	ASC17	Healthy & Wise	IP2	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. Figures are based on a 13% reduction in current levels of demand and spending.	5,777	13%		414	335		
	ASC18	Healthy & Wise	IP2	PC	Development of Extra Care Housing	Development of Extra Care as an alternative to Residential Care, to meet the future needs of Bridgend Residents	2,017	33%		160	500		
	ASC19	Healthy & Wise	IP3	CST	Develop a Delivery Model for the Bridgend Resource Centre	Development of an income stream for the service via 'selling' 4 weekly placements to other public sector organisations and reviewing the management arrangements of the centre. A working group has been established and project management arrangements are being developed.	1,306	8%		108			
	ASC21	Healthy & Wise	IP3	MSR	Transfer Family Care Service to the Community Hubs	A transfer plan will be produced during 2015/16	237	89%		210			
	CH25	Healthy & Wise	IP2	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'	9,862	9%		357	520		
	ASC27	Healthy & Wise	IP3	PC	Redesign respite and emergency services, including a review of transition services	Redesign respite and emergency services across Adults and Children Services						100	100
	<b>Theme 1 - Remodel Service Delivery - sub-total</b>									<b>1,795</b>	<b>1,294</b>	<b>935</b>	<b>100</b>
	<b>Theme 2 - Service Efficiencies</b>												
	ASC6	Healthy & Wise	IP3	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.	2,550	3%	215	76			
ASC12	Healthy & Wise	IP3	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	1,062	15%	35	36	120			

Budget Reduction Proposals 2016-17 to 2019-20

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76 ASC15	Healthy & Wise	IP3	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.	724	2%	37	18			
ASC23	Healthy & Wise	IP3	BUR	Changes in Workforce	Work will commence in October 2015 to plan a new structure for the Social Services and Wellbeing Directorate. This will involve bringing services together across Adults, Children and Sport, Play and Active Wellbeing. Implementation planned for 2016-17. There will also be potential changes to the workforce as a result of the SS&WB Act however it is too early to anticipate the extent of this hence the red RAG status for 17/18 and 18/19.	Cross service budget			100			
CH22	Healthy & Wise	IP2	PC	Remodelling of Children's Respite Care	Remodelling children respite services in Bridgend, a review of current provision is underway in line with partners.	430	47%		200			
HL 2	Healthy	IP3	BUR	Review Healthy Living Partnership Contract	Decisions would be needed following presentation of options and consideration of financial penalties and capital claw-back.	2,140	24%		181	188	140	
HL3	Healthy	IP3	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	2,140	4%	247	80			
HL5	Healthy	IP3	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			
HL4	Healthy	IP3	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.	151	15%		23			
<b>Theme 2 - Service Efficiencies - sub-total</b>									<b>726</b>	<b>308</b>	<b>140</b>	<b>0</b>
<b>Theme 3 - Income Generation</b>												
ASC10	Healthy & Wise	IP3	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	78%	15	15	73		
ASC20	Healthy & Wise	IP3	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			

Budget Reduction Proposals 2016-17 to 2019-20

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77	ASC22	Healthy & Wise	IP3	BUR	Income Generation at Bryn y Cae	To work in partnership with Health and other public sector organisations to reconfigure the use of beds at this provision. This could include further development of reablement beds or creation of transition beds	555	10%		54		
<b>Theme 3 - Income Generation</b>									169	73	0	0
	N/A		N/A		Proposals under consideration or not yet developed within Social Services & Wellbeing Directorate		0%			1,304	2,826	1,849
<b>Total Social Services &amp; Wellbeing Directorate</b>									2,690	2,979	3,901	1,949
<b>COMMUNITIES</b>												
COM4	Place	IP1	BUR	Review staffing structures within the Communities Directorate to identify possible savings	The proposal in 2016/17 on top of previous reductions, may impact on the Council's ability to develop projects and programmes to support a successful economy and draw in external funding. The impact will be mitigated by focusing the remaining resources on strategic projects, and by integrating support for business and tourism. Any community based regeneration will be funded through externally funded programmes such as the RDP	17,263 (staffing budget for Communities Directorate as a whole)		544	260			
COM7	Place	NONPTY	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. 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.	1,234	6%	437	69			
COM9	Corporate Business	IP3	BUR	Review of Highways maintenance/DLO Services	This will result in staffing reductions and service reconfiguration which will deliver efficiency savings but will also require a reduction in highways service provision such as winter gritting operations, flooding, highway damage and maintenance (including pot hole repair), hazarding and street lighting. Any necessary reduction in service will be mitigated as far as possible through greater prioritisation of resources to meet areas of greatest need and demand.	6,373	11%	308	417	290		

Budget Reduction Proposals 2016-17 to 2019-20

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78 COM16	Place	NONPTY	MSR	Review of supported bus services	Depending on the public consultation outcome this would reduce the subsidy currently provided to some of the least used routes in some parts of the County Borough.	322	5%	120	15			
COM18	Corporate Business	NONPTY	PC	15% Increase in planning application fees in line with Welsh Government guidelines	Planning fees have not increased in Wales since 2009. It is not considered that there will be any major impact on attracting development to Bridgend as the increase is national and comparative fees in England have already been increased. Developers are aware of the increase and will be prepared although there may be a consequent 'rush' to submit applications before the increase takes effect. There is the risk of planning fee income being dependent on the number of applications submitted. If there is another downturn in the economy then we may not achieve the predicted levels.	-499	-15%		75			
COM20	Place	NONPTY	MSR	Reduction to Winter Maintenance Budget	This cut is in addition to the reductions to the highways maintenance /DLO services already approved. It will mean that the service standard reduces further resulting, for example, in less winter road gritting.	319	19%			60		
COM21	Corporate Business	IP3	PC	Review of overtime across Highways/Streetscene	This reduction is part of a corporate project to seek to review and reduce overtime payments across the Council. It will result in less out of hours work and may therefore lead to delays in response across the service	£3,669K total staffing budget for Highways Services			90			
COM22	Place	NONPTY	MSR	Reduction of current weed spraying to one spray per annum	A reduction of 50 % from two sprays per annum to one will result in greater weed growth on the highway network including pavements.	30	50%			15		
COM23	Place	NONPTY	MSR	Technical Surveys - Reduction in budget to cover only costs of SCRIM/SCANNER and a number of other required inspections	The digital scanning of the highway network can be reduced to cover the minimum required for Welsh Government purposes.	20	25%			5		
COM24	Place	NONPTY	MSR	Reduction in road marking maintenance	This proposal will result in less frequent maintenance and re-marking of line painting on roads	100	10%			10		
COM26	Corporate Business	IP3	PC	Removal of Security budget Waterton	A technological solution is being sought to remove the need for the current security arrangements	20	100%			20		

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79 COM27	Corporate Business	IP3	CST	Fleet budgets	This is an efficiency savings based on is expected to be delivered through joint procurement, increased commerciality, economies of scale and administrative efficiency	-96	N/a - Fleet has a net income budget				93	
COM28	Place	NONPTY	MSR	Review of Housing budgets for efficiency savings in 2016/17. Saving in 19/20 from Homelessness Budget (fully committed until this year)	This is an efficiency savings which, dependent on demand (e.g. arising from the introduction of Universal Credit), should be deliverable without an impact on service performance.	941	6%		56			
COM32	Corporate Business	IP3	BUR	Implementation of Digital working and Touch screens in Workshop equating to a saving of 0.5FTE	Nil Public Impact	24	50%		12			
COM33	Corporate Business	NONPTY	BUR	Review of all budget heads in Business Support creating less resilience for unexpected expenditure	Nil Public Impact	81	31%		25			
HL5	Healthy & Wise	IP3	CST	Library Service Options appraisal and implementation of agreed service model	Implementation will be delivered by Awen Trust and is in the partnership agreement	Total culture budget for 15 16 is £3,250. Total of savings = £719K	22%		150			
COM17	Healthy/Wise & Corporate Business	IP3	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.	Implementation will be delivered by Awen Trust and is in the partnership agreement	Saving would be pursuant to Partnership Agreement (Cultural Trust)	"			101		
HL6	Corporate Business	IP3	CST	Development of arts venues trust	Implementation will be delivered by Awen Trust and is in the partnership agreement	Saving would be pursuant to Partnership Agreement (Cultural Trust)	"		100			
ASC5	Healthy & Wise	IP3	BUR	Service efficiencies - work related schemes	Efficiencies delivered from Bleaf and WoodB joining the Cultural trust.	278	24%	67	67			

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80 N/A			N/A	Proposals under consideration or not yet developed within Communities Directorate						1,425	518	1,469
				<b>Total Communities Directorate</b>					<b>1,336</b>	<b>1,926</b>	<b>611</b>	<b>1,469</b>

RESOURCES

FINANCE AND ICT

RES1	Corporate Business	IP3	BUR	To reduce the number of Finance and accountancy staff	Detailed plans to be developed and consulted upon at the appropriate time, but expectation is that some savings, particularly in future years, would come from collaboration. Capacity will be reduced to undertake statutory financial functions and support schools and directorates.	2027	11%	119	51	169		
RES3	Corporate Business	IP3	BUR	To reduce costs of ICT systems	Plan to bring finance system back in-house and to reduce number of software applications and licenses as Council reduces	1423	26%	0	192	182		
RES4	Corporate Business	IP3	CST	To reduce the number of Internal Audit hours commissioned from joint service	Reduced internal audit capacity within the Council focused increasingly on statutory work only, increasing risk of failure of internal controls	403	18%	20	19	34	20	
RES7	Corporate Business	IP3	BUR	To reduce the number of ICT service staff	Detailed plans to be developed and consulted upon at the appropriate time. Capacity will be reduced to undertake key support functions and participation in corporate transformation projects	2,056	4%	52	18	70		
RES27	Corporate Business	IP3	BUR	To put Council Tax and some aspects of benefits online and to collaborate with others	Digitisation should result in better customer access and service, but savings are likely to be delivered through staff reductions from putting council tax and some benefits on line. A detailed plan is being developed and will be consulted upon.	2198	23%	0	60	150	290	
RES28	Corporate Business	IP3	BUR	To secure reductions in External Audit Fees	Agreed reduction in external auditor's fees	420	21%	0	87			
RES33	Corporate Business	IP3	BUR	To recover grant audit fees from grant	Plan to negotiate with Welsh Government to ensure audit of grants covered by grant. Expected reduction in grants in future years should also reduce pressure on net budget.	47	64%	0			15	15
RES34	Corporate Business	IP3	BUR	To repay prudential borrowing on ICT capital	Net revenue budget has been released by repaying loan early from 2014-15 fortuitous under spend.	220	77%		170			
				<b>Total Finance and ICT</b>					<b>597</b>	<b>605</b>	<b>325</b>	<b>15</b>



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<b>HUMAN RESOURCES</b>												
RES12(b)	Corporate Business	IP3	CST	Reduce CCTV Services Operations	Quality of service (i.e. response time) likely to be compromised, subject to the pace and scale of roll out of digital services across the Council.	297	10%	30	30			
RES13	Corporate Business	IP3	BUR	To reduce number of staff in HR, OD and Communications and business support	Staff reductions will be managed by reprioritising and reconfiguring work programmes.	2,689	4%	164	95			
RES15	Corporate Business	IP3	BUR	To publish County Bulletin and Bridgend's electronically only	Digitisation of content is better use of resources and hard copies would be made available at council offices	19	84%	3	16			
RES36	Corporate Business	IP3	BUR	To reduce DBS checks budget	A reduction in net budget is possible due to a sustained reduction in demand	100	10%		10			
				<b>Total Human Resources</b>					<b>151</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PROPERTY (ESTATES AND BUILT ENVIRONMENT)</b>												
RES19	Corporate Business	IP3	BUR	To increase non-operational estate income	Increased income provided an additional investment property can be purchased. Increasing rental and fees to commercial tenants will generate additional income but this puts occupancy levels at risk.	-752	-11%	25	5	50	25	
RES21	Corporate Business	IP3	BUR	To rationalise the core office estate - disposal of Sunnyside	Staff have moved into Civic Offices making better use of space and saving on running costs	1,148	23%	120	191	25	25	25
RES29	Corporate Business	IP3	BUR	To rationalise the core office estate - leasing of Raven's Court	Plan to move staff into Civic Offices, generate rental income and save on running costs, will require investment in ICT to enable staff to work in an agile manner and to achieve staff to desk ratio of 3:2.	411	71%		195	95		
RES30	Corporate Business	IP3	BUR	To review the Resources Directorate Service Level Agreement with Schools	SLA to be reviewed to ensure principle of full cost recovery is in place for services provided by Resources Directorate. Assumption is there is an imbalance between the SLA and the cost of its delivery.	312	38.1%		44	75		
RES32	Corporate Business	IP3	BUR	To reduce the number of non-Trading Account staff in the Built Environment Service	Service is exploring potential commercial opportunities to sell its design and construction services to other public sector partners. Increase in income dependent on securing new business	725	21%			150		

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82 RES40	Corporate Business	IP3	BUR	Change Out of Hours Service provided by Built Environment	Will require Built Environment and Highways staff to provide cover for each other, with stand by cover partly provided by Emergency Planning officers to achieve saving	725	3%		22			
RES38	Corporate Business	IP3	BUR	To maximise the productivity of the Built Environment DLO	Review of DLO productivity levels and charging structure to identify productivity gain opportunities	2,935	5%			145		
				<b>Total Property</b>					457	540	50	25
N/A			N/A	Proposals under consideration or not yet developed within Resources Directorate						311	960	1302
				<b>Total Resources Directorate</b>					1,205	1,456	1,335	1,342

Budget Reduction Proposals 2016-17 to 2019-20

Page Ref.	Links to Population Outcome	Proposed Improvement Priority 2016-20	Categories	Budget Reduction Proposal	Impact	Budget 2015-16 £'000	Total Budget Reduction 2016-2020 as % of 2015-16 Budget	2015-16 Budget Reductions £000	Indicative 2016-17 £000	Indicative 2017-18 £000	Indicative 2018-19 £000	Indicative 2019-20 £000
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**CORPORATE & REGULATORY SERVICES**

LRS1	Wealthy / Healthy	IP3	CST	Public Protection Collaboration	The project is intended to reduce costs and maintain resilience. The project is expected to provide savings over and above those originally stated and it is important that the project provides proportionate savings to its costs to avoid other parts of the department taking an unacceptably high burden of cuts in one area. Savings targets for years 2018 on are speculative.	1,953	29%	286	181	134	50	200
LRS2	Corporate Business	IP3	BUR	Restructure of Legal & Democratic, Performance & Partnership Services.	Concern in relation to the ability of the department to provide services to the authority impacting not only on performance but on the ability to meet wider MTFS savings. Disproportionate effect on Legal Services. Reductions place significant burden on service requiring reduction of service demand from central and front line services including committee and Member support.	3,416	2%	268	70			
LRS3	Corporate Business	IP3	BUR	Increase income targets Registrars	Unlikely to have an impact but must retain ongoing monitoring of income	0	0%		66			
LRS4	Corporate Business	IP3	BUR	Staff reductions already made	Reduction in capacity	3,416	3%		81			
LRS5	Corporate Business	IP3	BUR	Corporate savings target Procurement	Requires new structure and business model with Corporate support	0	0%				25	50
N/A			N/A	Proposals under consideration or not yet developed within LARS Directorate						530	69	328
<b>Total LARS</b>									<b>398</b>	<b>664</b>	<b>144</b>	<b>578</b>

**CORPORATE / COUNCIL WIDE**

CS1	Corporate Business	NONPTY	BUR	Rationalise and reduce voluntary sector funding by 5%	Minimal Impact	Cross directorate		78	15			
CS3	Corporate Business	NONPTY	BUR	Reduction in provision for corporate building maintenance	Sale of Sunnyside building and additional investment in Civic Offices has reduced the call on the corporate R & M budget	1,100	18%	50	200			
CS5	Corporate Business	NONPTY	BUR	Review capital financing budgets, including increase in investment income	Reduce the amount of interest paid on loans and increase the amount of interest generated from external investments.	10,315	5%	200	300	216		

Budget Reduction Proposals 2016-17 to 2019-20

Page Ref.	Links to Population Outcome	Proposed Improvement Priority 2016-20	Categories	Budget Reduction Proposal	Impact	Budget 2015-16 £'000	Total Budget Reduction 2016-2020 as % of 2015-16 Budget	2015-16 Budget Reductions £000	Indicative 2016-17 £000	Indicative 2017-18 £000	Indicative 2018-19 £000	Indicative 2019-20 £000
84 CS7	Corporate Business	NONPTY	PC	Reduction in the Coroner's precept	This will require discussions with precepting authorities e.g. Fire and Rescue Authority to secure reductions in precepts, in line with overall reductions in public sector funding.	6,928	0%	102	23			
CS8	Corporate Business	NONPTY	BUR	Reduction in other Corporate budgets including pay and price provision.	Impact to be determined depending on economic climate, inflationary rates etc.	6,027	6%	72		340		
CS9	Corporate Business	NONPTY	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	100	
CS13	Corporate Business	NONPTY	BUR	Reduction in provision for Council Tax Reduction Scheme	Budget underspent by £800k in 2014-15. Impact will need to be monitored as this budget is demand led.	14,254	4%		300	300		
N/A			N/A	Proposals under consideration or not yet developed within Corporate Budgets							1082	915
				<b>Total Corporate / Council Wide</b>					938	956	1,182	915

				<b>GRAND TOTAL REDUCTIONS</b>					7,477	9,190	9,697	9,167
				<b>ESTIMATED BUDGET REDUCTION REQUIREMENT</b>					7,477	9,190	9,697	9,167
				<b>REDUCTION SHORTFALL</b>					0	0	0	0

	3,451	617	0	0
	4,026	5,003	2,619	1,283
	0	3,570	7,078	7,884
	7,477	9,190	9,697	9,167

Type of Charge	Comment	Detail of Revised Fee / Charge
<b>WELLBEING DIRECTORATE</b>		
Adult Social Care	<p>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 £60 for 2015-16 irrespective of the total cost of all services provided to an individual.</p>	TBA
<b>COMMUNITIES DIRECTORATE</b>		
Pre- Application Planning Advice	<p>Under the Wales Planning Act 2015, Welsh Government is introducing by March 2016, a national mandatory paid preliminary pre-application enquiry service (PE) for all development including householder schemes. The fees will be set nationally and are proposed to be similar to the fees currently charged under the Bridgend scheme, although the level of detail required in the response under the national scheme is below that which is currently provided under the existing Bridgend service. Bridgend was one of the first authorities in Wales to introduce a paid PE service and the fee level has remained the same for over 5 years. There is scope for BCBC to review its PE service in order to provide a more bespoke response in addition to that proposed within the mandatory national scheme. This will include an increase in fees to reflect the level of information required.</p> <p>The concept of local planning authorities (LPAs) providing a PE service over and above the national scheme is supported by WG and it is a matter for each LPA to set its own charges.</p> <p>The new fee structure will be subject to further consideration but will be no less than 15% above existing rates in line with the national increase in general planning fees as introduced by Welsh Government in October 2015. It is proposed to introduce the revised service in April 2016.</p>	<p>Full details of the revised PE structure will be provided following further consideration and will be subject to a separate Cabinet report.</p> <p>Additional categories of advice for proposed development introduced as part of the WG mandatory scheme (not currently part of the BCBC scheme) :-</p> <p>Householder advice £25                      New dwellings (1-9) £250                      Rural enterprise dwellings £250</p> <p>Commercial Development (500-100 sq mtr floor area) £250</p>
Building Control Searches	Historically, officers have provided this information free of charge to search	Search information

Type of Charge	Comment	Detail of Revised Fee / Charge
	<p>companies and individuals. This has resulted in a considerable work pressure on staff and consequently a computer programme was developed in order to provide easy, remote access to search information free of charge on-line via the Council's web pages. However, some companies and individuals continue to request this information via the FOI process. It is considered necessary to introduce a reasonable retrieval charge to cover staff time in providing this information, which could otherwise be sought free of charge.</p>	<p>administration fee £25</p>
<p>Planning Application Fees</p>	<p>Planning applications fees are set nationally by Welsh Government and an across the board increase of 15% was implemented in October 2015. Welsh Government predicted that this increase (the first since 2009) would translate into an average of £80k additional income for local planning authorities. In Bridgend's case, based on the average fee income for the period 2010-2015 this equates to approximately £78k.</p>	<p>15% increase.</p>
<p>Porthcawl Marina Mooring Fees</p>	<p>Plans to increase the fees for berth holders by 5% as part of a progressive approach to reducing the subsidy on the Marina. During 2015-16 the Marina has been required to pay National Non Domestic Rates which had not been the case prior to the redevelopment of the facility. The charges for berth holders remain competitive when compared to other facilities across the coast. There is also a waiting list in operation for people wanting to occupy vacant berths that arise.</p>	<p>5% increase</p>
<p><b>RESOURCES DIRECTORATE</b></p>		
<p>Property Rental Charges</p>	<p>There are contractual arrangements in place in relation to market units / garages / some starter units where rental charges are increased in line with CPI / RPI. Of the remainder of properties rental charges are dependent on rent reviews and assessed against market value of property and not indices.</p>	

## **Bridgend County Borough Council Income Generation and Charging Policy**

### **Purpose**

This policy exists to clarify the important role that charging and income generation has in supporting the Medium Term Financial Strategy. It provides a clear and consistent approach to charging across the Council. Its key aims are:

- To create a consistent and coordinated approach to charging, that is applied across services;
- To outline the key principles for charging by Bridgend County Borough Council;
- To set out the annual review process for all discretionary charges.

### **Key Principles**

For some services charges are mandatory, and the fee is set nationally, whilst for other services the Council is expressly prohibited from charging. Therefore, a basic assumption is that the Council will apply and collect statutory charges as appropriate and further consideration is therefore outside of the scope of this document.

However discretionary fees and charges represent an important source of revenue, providing finance for activity that is designed to achieve the Council's objectives. Nevertheless, there is a potential conflict between raising revenue, promoting access and the usage of services whilst considering the challenges of poverty and social exclusion that exist within the Borough and also the effects on local taxpayers. A consistent and informed approach to charging across the different services of the Council will enable this conflict to be reconciled and managed in the interests of achieving the Council's objectives. All discretionary charges will be covered by this policy.

The Local Government Act 2003 gave local authorities the general power to charge for discretionary services which are not covered by any other legislation with the following restrictions:

- the income from charges for a service should not exceed the cost of providing that service (over a "reasonable" but unspecified period, e.g. 3 years);
- the recipient of the service must have agreed to its provision and agreed to pay for it;
- different people and/or organisations may, where it is fair to do so, be charged different amounts.

## **When to charge**

Whenever future consideration is given to funding sources for specific services, it will be expected that the Council will charge for services, except where a clear decision is taken not to do so for one of the reasons given below. In particular, charges should be levied to support Council corporate priorities and to encourage behaviour change of our customers.

Reasons for not charging are:

- i. There is a legal or statutory reason forbidding the levy of charges.
- ii. The Council has entered into other contractual arrangements which prevent the levy of charges.
- iii. The costs incurred as a result of collecting a charge would be greater than the income generated.
- iv. The potential risks to the Council incurred as a result of charging outweigh the benefits. Introducing a charge would result in a high risk that:
  - There would be a significant fall in demand and as a result the Council would not achieve one or more of its corporate priorities as defined in the Corporate Plan or the cost of doing so would become prohibitively expensive.
  - The reputation of the Council would be significantly damaged.
  - Charging would change behaviour of customers resulting in a high likelihood that costs would be incurred elsewhere in the business which would be greater than the income generated.

## **Setting of Fees and Charges**

Charges should be set using clear and transparent evidence and knowledge to support the level of charge. The MTFs states that generally, income from fees and charges will be increased by CPI (at the prevailing rate) plus 1%, or in line with statutory or service requirements. However, when determining specific charges, it is appropriate to take into account some or all of the following:

- Encouraging specific activities and use of certain services;
- Discouraging some undesired activities and frivolous demands for a service;
- Ensuring regulatory compliance;
- Whether the Council wishes to act as a supplier of last resort;
- Contributing to long-term sustainability of some activities or services;
- Local market factors;
- Consideration of charges for similar services raised by other local authorities or private sector competitors;
- Whether in some cases reduced charges should be available to some groups to promote inclusion;
- Whether discounts (for example age related charges) or promotion (for example seasonal charges) will be offered;
- Whether scope exists to increase take-up through more effective marketing and publicity and the form that this might take.



The objectives of different charging strategies are as follows:

<b>Charging Strategy</b>	<b>Objective</b>
Commercial Charges	The Council will aim to cover the cost of providing the service and make a surplus used to fund other priority services. The full cost of the service, including an element for capital financing costs, support services and corporate overheads, will be the starting point for calculating charges.
Full Cost Recovery	The council will aim to recover the costs of providing this service from those who use it. The full cost of the service, including an element for capital financing costs, support services and corporate overheads, will be the starting point for calculating charges.
Subsidised	Users of the service to make a contribution to the costs of providing it. This might be to meet a service objective or allow competition with other providers.
Free	The Council may choose to make the service available at no charge to meet a service objective - cost of service will then met by all Council Tax payers.
Statutory	Charges will be determined in line with legal requirements

Where any future decision is taken to charge for a service, the Council will aim to set charges reflecting the full cost of a service, except where concessions have been agreed as detailed below. The full cost will be defined to include all staffing and materials costs and an element of overheads relating to central council support functions relevant to that service.

If the income from a service does not meet its costs, this should be as a result of a conscious decision, consistent with council priorities. The service will then be subsidised by Council Tax payers.

Where charges will not made for a service or are set below the full cost recovery level, the reasons should be reconsidered annually as part of the annual Medium Term Financial Strategy process to ensure that they remain valid and that significant income is not being foregone. The council recognises that, for some services, the costs may have been historically under-recovered and a period of adjustment towards full cost recovery may be required.

#### Fair charging

Charges should be set at a level that is fair to service users and Council Tax payers. Concessions may be available to those determined to be unable to pay the full charge. The impact on service users of charging increases should be considered, particularly where they may impact disproportionately on particular groups of Council Tax payers. Impact assessments will be carried out to assess changes and where this is significant steps should be taken to minimise them.

## Consistent Charging

Charges for similar services should be consistent across the Council. Concessions for target groups should be applied consistently across the Council, where concessions are not mandatory (see below).

## Concessions

There are two types of concessions:

- mandatory concessions as determined by statute; and
- discretionary concessions which are wholly within the power of the Council.

The principle of recovering full costs through charging for all services wherever it is possible to do so applies to concessions. Therefore, concessions will not be provided unless:

- There is a legal or statutory reason expressly stating the need to provide a concession. These mandatory concessions will be provided in line with national guidelines.
- Target groups (e.g. those in receipt of means-tested benefits) would be disadvantaged or would not be able to access the service without a concession, and as a result the Council would not achieve its corporate priorities as defined in the Corporate Plan.

## Administration of Charges

The Council will use simple, practical and efficient methods of collecting charges.

The basic principles for administering fees and charges will be:

- Charges should be simple to understand and administer;
- Charges should be well promoted so that service users can clearly understand the charging structure and methods of payment before they become liable to pay;
- Where possible methods of payment should be flexible, convenient and take into account the needs of disadvantaged/vulnerable groups in the community; wherever possible online payment should be encouraged;
- Where possible and practicable payment should be made prior to the service being received or at the point of delivery;
- Documentation should be retained to substantiate that the customer accepted liability of the charge to support any debt recovery action required should payment not be received.

The Council will take a fair but firm stance on debt recovery. Service users and Council Tax payers should not expect to subsidise services whilst others avoid paying. Service managers should ensure that the Council's debt recovery policy is properly followed and enforced.

## **Process for introducing or changing charges**

Charges will be reviewed annually as an integral part of the MTFS process.

The annual review process will take into account the following:

- Costs increases, inflationary or otherwise, to ensure these are adequately reflected in the charges.

*Note: the MTFS stipulates that in general charges should be increased by 'CPI plus 1%'*

- Benchmarks from comparator authorities.
- Legislative changes, either restricting or providing new flexibility or freedom to charge.
- Change in Council policy or priorities as determined in the MTFS where charges or concessions could be introduced, varied or removed to support these priorities.
- Change in service provision or level of provision, which may result in additional or increased charges.
- New and improved methods of collecting payments reducing the cost and increasing the effectiveness of doing so.
- Changes to any reasons not to charge.
- Changes to any reasons for a decision taken not to recover the full costs of a service through charges or the provision of concessions.
- Other new or changed social, community, economic or environmental pressures that will affect charging or individuals' and groups' ability to pay.

A schedule is included in the MTFS, presented to Cabinet and Council prior to the start of the financial year, outlining any proposed charges above the general recommended increase.

Under the Council's Delegated Powers Scheme (Scheme A, paragraph 1.6) each Cabinet Member has the authority:

To approve, subject to the budget process:

- (i) Fees and charges for new services in accordance with any relevant charging policy approved by the Cabinet; and
- (ii) Increases in existing fees and charges which are in accordance with any relevant charging policy approved by the Cabinet and which are necessary to reflect either inflation or other increases in costs.

## DIRECTORATE BASE BUDGETS

APPENDIX F

Page A03 - SERVICE	Revised	Specific Grant	Inter	School	NI & Pension	Pay/Prices/	Adjustments for	Inescapable	Budget	Revenue
	Budget 2015-16	Transfers from WG	Directorate Transfers	Protection	Changes	Demographics	budget switches between and within Directorates	Budget Pressures 2016-17	Reduction Proposals 2016-17	Budget 2016-17
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Education &amp; Transformation</b>										
<b>Education &amp; Transformation</b>										
AOSCAA - INCLUSION	3,570				60				-300	3,330
AOS CAB - FOUNDATION	1,065				19	1				1,085
AOSC AC - YOUTH SERVICE	422				47					469
AOS CAD - TRANSITION	0									0
AOS CAE - POST 14	0									0
AOS CAF - STATUTORY ADVICE & PSYCHOLOGY	494									494
AOS CAG - EMOTIONAL HEALTH & BEHAVIOUR	1,528				25			-30		1,523
AOS CAH - SCHOOL IMPROVEMENT	785							-35		750
AOS CAI - SCHOOLS MUSIC SERVICE	0									0
AOS CBA - STRATEGIC PLANNING & RESOURCES	3,936					7				3,943
AOS CB B - BUSINESS STRATEGY & SUPPORT	443				9					452
AOS CB C - SUPPORT FOR CHILDREN & LEARNERS	5,366				31	21		-450		4,968
AOS CB D - COMMISSIONING & PARTNERSHIPS	821				43			223		1,087
AOS CB F - STRATEGIC MANAGEMENT	1,449				8					1,457
AOS CB G - YOUTH OFFENDING SERVICE	419				23			-95		347
AOS CFA - DIRECTORATE CONTINGENCY	25				5					30
AOS CGA - TRANSFORMATION	225									225
	<b>20,548</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>270</b>	<b>29</b>	<b>0</b>	<b>223</b>	<b>-910</b>	<b>20,160</b>
<b>Schools</b>										
AOS CBE - INDIVIDUAL SCHOOLS BUDGET	85,287			1,578						86,865
	<b>85,287</b>	<b>0</b>	<b>0</b>	<b>1,578</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>86,865</b>
<b>Social Services &amp; Wellbeing</b>										
<b>Adult Social Care</b>										
AOS BAA - OLDER PEOPLE	19,183				222	717	-50	-889		19,183
AOS BAB - ADULT PHYS DIS/SENS IMPAIRMENT	3,548				18		45	-12		3,599
AOS BAC - ADULTS LEARNING DISABILITIES	12,774		-157		105		-160	-666		11,896
AOS BAD - ADULTS MENTAL HEALTH NEEDS	2,692				37		-31	-94		2,604
AOS BAF - OTHER ADULT SERVICES	211				3		1	0		215
AOS BAG - ADULT SERVICES MGT & ADMIN	1,765				44		195	81	-176	1,909
	<b>40,173</b>	<b>0</b>	<b>-157</b>	<b>0</b>	<b>429</b>	<b>717</b>	<b>0</b>	<b>81</b>	<b>-1,837</b>	<b>39,406</b>
<b>Safeguarding</b>										
AOS BEA - SAFEGUARDING	18,068				143	32		-557		17,686
	<b>18,068</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>143</b>	<b>32</b>	<b>0</b>	<b>0</b>	<b>-557</b>	<b>17,686</b>
<b>Sport, Play &amp; Active Wellbeing</b>										
AOS BBG - MISCELLANEOUS SERVICES	159				2			-23		138
AOS BBH - RECREATION AND SPORT	2,587				14			-273		2,328
	<b>2,746</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-296</b>	<b>2,466</b>
<b>Communities</b>										
AOS DAA - DEVELOPMENT	334				34		-3	-75		290
AOS DAB - HOUSING & COMMUNITY REGEN	1,341				24	0		-56		1,309
AOS DAC - REGENERATION	1,780				25	0		-260		1,545
AOS DAD - REGEN & DEV - MGMT	125				1					126
AOS DBA - STREETWORKS	7,764				33	34	44	127		8,002

DIRECTORATE BASE BUDGETS

Page 23	Revised	Specific Grant	Inter	School	NI & Pension	Pay/Prices/	Adjustments for	Inescapable	Budget	Revenue
	Budget 2015-16	Transfers from WG	Directorate Transfers	Protection	Changes	Demographics	budget switches between and within Directorates	Budget Pressures 2016-17	Reduction Proposals 2016-17	Budget 2016-17
<b>AS - SERVICE</b>										
AOSDBB - HIGHWAYS AND FLEET	6,275				89	27	6		-477	5,920
AOSDBC - TRANSPORT & ENGINEERING	861				30	5		70	-15	951
AOSDBE - PARKS & OPEN SPACES	2,105				29	1	-44		-99	1,992
AOSDBF - STREET SCENE MGT & ADMIN	317				9		-3			323
AOSDCA - BUSINESS UNIT	594				14		-3		-37	568
AOSDEA - ADULT LEARNING	178						-2			176
AOSDEB - ARTS & ENTERTAINMENT	398					0	-398			0
AOSDEC - LIBRARY SERVICE	864					0	-864			0
AOSDED - COMMUNITY CENTRES	147						-61			86
AOSDEE - BRYNGARW HOUSE	110					0	-110			0
AOSDEF - CENTRAL SERVICES	1,755		256				1,438		-317	3,132
AOSDFA - ELECTIONS	129				2	0				131
	<b>25,077</b>	<b>0</b>	<b>256</b>	<b>0</b>	<b>290</b>	<b>67</b>	<b>0</b>	<b>197</b>	<b>-1,336</b>	<b>24,551</b>
<b>Resources</b>										
SERAA - CHIEF EXECUTIVE UNIT	658				3					661
SERAG - PROPERTY (ESTATES)	1,674		-2		21	30	-20		-391	1,312
SERAH - HUMAN RESOURCES	3,906		-14		67		-8		-151	3,800
SERAI - FINANCE & ICT	7,474		-90		154	6	16	363	-597	7,326
SERAJ - PROPERTY ( BUILT ENVIRONMENT)	724				46		12		-66	716
	<b>14,436</b>	<b>0</b>	<b>-106</b>	<b>0</b>	<b>291</b>	<b>36</b>	<b>0</b>	<b>363</b>	<b>-1,205</b>	<b>13,815</b>
<b>Legal &amp; Regulatory Services</b>										
AOSACA - LEGAL SERVICES	2,256				34		35		-147	2,178
AOSACB - DEMOCRATIC SERVICES	1,562				24		-11		-47	1,528
AOSACC - REGULATORY SERVICES	1,631				25		-21		-181	1,454
AOSACG - PROCUREMENT	288				4		2			294
AOSACH - PARTNERSHIPS	353				5		-5		-23	330
	<b>6,090</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>93</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-398</b>	<b>5,785</b>
<b>Service Base Budgets</b>	<b>212,425</b>	<b>0</b>	<b>-7</b>	<b>1,578</b>	<b>1,532</b>	<b>881</b>	<b>0</b>	<b>864</b>	<b>-6,539</b>	<b>210,734</b>
CAPITAL FINANCING	10,372		56						-300	10,128
LEVIES	6,912					12		58	-23	6,959
REPAIRS & MAINTENANCE	1,100								-200	900
CTR SCHEME	14,254					350			-300	14,304
SLEEP INS	800									800
PENSION RELATED COSTS	1,190				68					1,258
INSURANCE PREMIUMS	1,634		-3			28			-100	1,559
OTHER CORPORATE BUDGETS	3,514	1,400	-46	-1,578		3,580		1,394	-15	8,249
<b>TOTAL BUDGETS</b>	<b>252,201</b>	<b>1,400</b>	<b>0</b>	<b>0</b>	<b>1,600</b>	<b>4,851</b>	<b>0</b>	<b>2,316</b>	<b>-7,477</b>	<b>254,891</b>

<b>BUDGET 2016-17 DETAILED CORPORATE IMPROVEMENT PRIORITIES</b>					
<b>Service Budgets</b>	<b>Supporting a successful economy £'000</b>	<b>Helping people to be more self-reliant £'000</b>	<b>Smarter use of resources £'000</b>	<b>Core services &amp; statutory functions £'000</b>	<b>TOTAL £'000</b>
Education & Transformation	8,327	969	225	10,639	20,160
Schools	36,170	0	0	50,695	86,865
<b>Social Services &amp; Wellbeing</b>					
Adult Social Care	0	26,965	181	12,260	39,406
Safeguarding & Family Support	0	17,686	0	0	17,686
Sport, Play & Active Wellbeing	142	97	0	2,227	2,466
Communities	3,096	1,201	148	20,106	24,551
Resources	-17	3	483	13,346	13,815
Legal & Regulatory Services	0	0	0	5,785	5,785
Corporate Budgets	138	0	0	44,019	44,157
<b>NET BUDGET REQUIREMENT</b>	<b>47,856</b>	<b>46,921</b>	<b>1,037</b>	<b>159,077</b>	<b>254,891</b>

## 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 99 'Local Authority Reserves and Balances', issued in July 2014.
- 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 (CFO).

### 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;
Equalisation Reserves	to meet future PFI costs arising from advance payments of Revenue Support Grant or spread the costs incurred in a particular future year over the period of the MTFS; and
Capital Receipts Reserve	this has been shown for completeness as it forms part of the Usable Reserves of the Council. Capital receipts are available to finance capital expenditure in future years.

- 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 CFO to advise the local authority 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 its own judgement 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 CFO will advise the Council on the adequacy of reserves. In considering the general reserve, or Council Fund, the CFO 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; and
- 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 and reach 2.7% of Gross Revenue Expenditure by 2019-20**

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 2015 was £7.450 million (£7.395 million 13-14). This represents 2.3% of Gross Revenue Expenditure for 2014-15 in comparison with the All Wales average of 2.7% for the same period.



## **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 liabilities or for unforeseen events and include the Insurance Earmarked Reserve and a Major Claims reserve. These 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. This process includes analysis of external assessments or actuary reports on the levels needed for the insurance or pension funds. The Council also holds an insurance provision to meet the estimated cost to the Council of outstanding liabilities for Employer's Liability, Public Liability and Property.

## **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**

The principle allows for the use of balances where there is to be an equivalent saving in the following year. There are a small number of earmarked reserves that have been established specifically relating to this principle. These include, for example, the funding of new Information Technology to make services more efficient in the future. These reserves will be utilised over the forthcoming financial year.

## **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 order to support sound option appraisals a Capital Feasibility earmarked reserve has been created. Capital investment is intrinsic to the MTFS and as a result there are also earmarked reserves that support asset management planning, fund capital minor works in relation to health and safety and an earmarked reserve to support major schemes within the Capital Programme of the Council.

## **MTFS Principle 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 and a MTFS Budget Reduction Contingency is maintained**

The MTFS proposed the establishment of a Change Management Programme earmarked reserve specifically to support delivery of the Corporate Plan and MTFS.

There are also some other earmarked reserves which are supporting service reconfiguration and transformation.

The current financial landscape demands that significant savings need to be made in order to deliver a sustainable budget. It is therefore prudent to have reserve levels to provide a buffer or a safeguard during uncertain times. An earmarked reserve will be established at a level to be determined annually following an assessment of budget reductions categorised as 'red' and deemed material within the MTFs. This will provide additional capacity for discretionary use by the CFO to manage inescapable problems with delivery.

## **5. Establishment and Monitoring of Reserves**

- 5.1 In considering specific reserves, the CFO will have regard to matter 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 business cases will be determined by the CFO, having considered the recommendations of the Corporate Management Board.
- 5.2 Directorate Finance Officers are issued with details of how to apply for Directorate 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 of key. Subject to these criteria being met, the Directorate will be informed of whether the requests have been approved."
- 5.3 The CFO together with the Head of Finance and ICT and Group Managers Finance will review the establishment, monitoring and the level of Corporate Reserves. These include Specific Contingency Reserves, Capital Development or Asset Related Reserves and MTFs/Transformational Reserves. The meetings will examine evidence from external information such as actuary reports or insurance and risk management assessments; changes in legislation; new emerging risks or capital initiatives. The establishment of the Earmarked Reserve, both Directorate and Corporate, is authorised by CFO and 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.
- 5.4 The CFO 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.
- 5.5 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 CFO to release the funding from the earmarked reserves. Earmarked Reserves will only be drawn down at each review if the Directorate cannot absorb these pressures from underspends elsewhere within their budgets. The drawdown from earmarked reserves will be

included within to quarterly monitoring reports to Cabinet. 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.

## 6. Summary of Earmarked Reserves

6.1 The forecast for reserves over the financial year 2015-16 and 2016-17 is shown in below:-

Opening Balance 1 April 2015 £'000	Reserve	Movement 2015-16 £'000	Closing Balance 31 March 2016 £'000	Movement 2016-17 £'000	Closing Balance 31 March 2017 £'000
7,450	*Council Fund Balance	-	7,450	-	7,450
	<b>Earmarked Balances :-</b>				
4,486	Reserves Held for Directorates' Planned Developments	(1,959)	2,527	(1,412)	1,115
15,262	Specific Contingency Reserves	884	16,146	(940)	15,206
8,178	Capital Development or Asset Related Reserves	(1,518)	6,660	(3,622)	3,038
7,408	MTFS/Transformational Reserves	637	8,045	(636)	7,409
<b>35,334</b>	<b>Total Earmarked Reserves</b>	<b>(1,956)</b>	<b>33,378</b>	<b>(6,610)</b>	<b>26,768</b>
303	Equalisation of Spend Reserves	20	323	(70)	253
<b>43,087</b>	<b>Total Usable Reserves</b>	<b>(1,936)</b>	<b>41,151</b>	<b>(6,680)</b>	<b>34,471</b>

\* increases up to 2.7% of GRE are not included in forecast as they will be dependent upon revenue out-turn positions

6.2 A summary of the earmarked reserves are detailed below:-

### 6.2.1 Reserves Held for Directorates' Planned Developments

These reserves are for a number of planned developments in the forthcoming years such as car parking, ICT and Financial Systems, Adult Social Care developments as well as specific directorate issues anticipated for 2015-16. These reserves will be increased at year-end to meet any agreed funding arising from planned underspends within directorates. Any reserves that are no longer required will be released back into the general revenue budget.

### 6.2.2 Specific Contingency Reserves

These reserves have been created to cover specific known risks including one off service pressures identified in MTFS Council Reports, any implications from welfare reform, the deficit on the pension fund, major capital contractual claims and mitigate potential equal pay claims and the assessment for future insurance liabilities from the insurance and risk management advisors.

### 6.2.3 Capital Development or Asset Related Reserves

These reserves have been set up for a number of reasons to support the Council's Asset Management Plan and Capital Programme. They include a reserve that provides a revenue contribution to the capital programme, to enable schemes to be progressed more quickly to

alleviate pressure on the revenue budget and accelerate the realisation of capital receipts that may include the costs of demolition of non-saleable surplus properties and related health and safety works, one for planned maintenance expenditure and any emergency works on the Council's buildings and establishments and one for capital feasibility studies and asset management plans.

#### 6.2.4 Medium Term Financial Strategy/Transformational Reserves

These reserves have been established to support invest to save projects, severance costs and costs associated with providing corporate capacity to progress planned developments linked to achieving budget reductions and transformational change as articulated in the MTFs and the Bridgend Change Programme.

#### 6.2.5 Equalisation of Spend Reserves

These reserves ensure that expenditure that is incurred in a particular future year is smoothed over the period of the MTFs. These include the costs of elections, Building Control Costs and the preparation of the Local Development Plan.

### 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 2016 (£2.410 million at 31 March 2015).

#### **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 £3.706 million by 31 March 2016 (£3.407 million at 31 March 2015).

#### **Specific Provisions**

The Council holds two provisions for unforeseen events namely for carbon reduction commitment and one 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 £3.300 million by 31 March 2016 (£2.424 million at 31 March 2015).

## Appendix I – Earmarked Reserves Forecast

Opening Balance 1 April 2015 £'000	Reserve	Movement 2015-16 £'000	Closing Balance 31 March 2016 £'000	Movement 2016-17 £'000	Closing Balance 31 March 2017 £'000
7,450	Council Fund Balance	-	7,450	-	7,450
	<b>Earmarked Balances :-</b>				
555	Car Parking Strategy	(120)	435	(435)	-
861	ICT & Finance Systems	(311)	550	(250)	300
600	Wellbeing Projects	(67)	533	(250)	283
31	Connecting Families	(31)	-	-	-
1490	Directorate Issues 2015-16	(1,413)	77	(77)	-
824	Looked After Children	-	824	(400)	424
125	Porthcawl Regeneration	(17)	108	-	108
4,486	<b>Reserves Held for Directorates' Planned Developments</b>	<b>(1,959)</b>	<b>2,527</b>	<b>(1,412)</b>	<b>1,115</b>
10,531	Major Claims Reserve	2,448	12,979	(250)	12,729
3,177	Insurance Reserve	(500)	2,677	(200)	2,477
210	Waste Management Contract	(20)	190	(190)	-
1,044	Treasury Management Reserve	(1,044)	-	-	-
300	Welfare Reform Bill	-	300	(300)	-
15,262	<b>Specific Contingency Reserves</b>	<b>884</b>	<b>16,146</b>	<b>(940)</b>	<b>15,206</b>
702	Asset Management Plan	(202)	500	(246)	254
300	Building Maintenance Reserve	-	300	-	300
627	Capital feasibility fund	(41)	586	(190)	396
115	DDA Emergency Works	-	115	(35)	80
6,434	Capital Programme Contribution	(1,275)	5,159	(3,151)	2,008
8,178	<b>Capital Development or Asset Related Reserves</b>	<b>(1,518)</b>	<b>6,660</b>	<b>(3,622)</b>	<b>3,038</b>
4,749	Service Reconfiguration	1,277	6,026	(300)	5,726
2,398	Change Management	(379)	2,019	(336)	1,683
261	Invest to save / Joint projects	(261)	-	-	-
7,408	<b>MTFS/Transformational Reserves</b>	<b>637</b>	<b>8,045</b>	<b>(636)</b>	<b>7,409</b>
35,334	<b>Total Earmarked Reserves</b>	<b>(1,956)</b>	<b>33,378</b>	<b>(6,610)</b>	<b>26,768</b>
42,784	<b>Total Usable Reserves</b>	<b>(1,956)</b>	<b>40,828</b>	<b>(6,610)</b>	<b>34,218</b>



Project	Corporate Priority	Indicative																Total 2015/16 to 2025/26 £'000	TOTAL scheme £'000	
		Total Costs to 31-3-15 £'000	October 2015 £'000	New Approvals £'000	Vire £'000	Slippage £'000	Revised 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	2025/26 £'000			
Allocate Household Waste Recycling Centre - West Pembrokeshire Pavilions	Smarter Use of Resources	-	-	-	-	-	742	586	-	-	-	-	-	-	-	-	1,328	1,328		
		72	10	-	-	9	19	968	-	-	-	-	-	-	-	-	-	987	1,059	
	Non Priority	-	75	-	-	-	75	-	-	-	-	-	-	-	-	-	-	75	75	
Highways Street Infrastructure	Smarter use of resources	-	1,250	-	-	-	1,250	-	-	-	-	-	-	-	-	-	-	1,250	1,250	
Bridge Strengthening - A4061 Ogmore Valley	Non Priority	-	-	-	-	-	150	250	50	2,000	-	-	-	-	-	-	-	2,450	2,450	
Residents Parking Bridgend Town Centre	Supporting a Successful Economy	16	136	-	-	-	136	-	-	-	-	-	-	-	-	-	-	136	152	
Street Scene Minor Works	Smarter use of resources	-	14	-	-	-	14	-	-	-	-	-	-	-	-	-	-	14	14	
Bridgend Recreation Car Park	Supporting a Successful Economy	-	115	-	-	-	115	-	-	-	-	-	-	-	-	-	-	115	115	
Shop Mobility	Helping People to be more Self Reliant	-	105	-	105	-	-	-	-	-	-	-	-	-	-	-	-	-	0	
Transport Grant Schemes	Smarter use of resources	-	1,038	-	-	-	1,038	-	-	-	-	-	-	-	-	-	-	1,038	1,038	
Coychurch New Cremators	Non Priority	220	840	-	-	-	840	-	-	-	-	-	-	-	-	-	-	840	1,060	
Asda Land Compensation		26	19	5	-	-	24	-	-	-	-	-	-	-	-	-	-	24	50	
<b>Regeneration &amp; Development</b>																				
Bridgend Digital	Supporting a Successful Economy	105	21	-	-	-	21	-	-	-	-	-	-	-	-	-	-	21	126	
Bridgend Town Centre Infrastructure Programme		-	182	-	-15	-	167	-	-	-	-	-	-	-	-	-	-	-	167	167
Special Regeneration Funding		-	-	-	-	-	-	271	540	540	540	540	-	-	-	-	-	-	2,431	2,431
Bridgend Townscape Heritage Initiative		1,916	381	-	-	-	381	40	-	-	-	-	-	-	-	-	-	-	421	2,337
Maesteg Townscape Heritage Initiative		2,149	12	-	-	-	12	-	-	-	-	-	-	-	-	-	-	-	12	2,161
Porthcawl Townscape Heritage Initiative		61	598	-	15	-	613	225	35	35	-	-	-	-	-	-	-	-	908	969
Bridgend Town Centre		8,695	95	-	-	-	95	-	-	-	-	-	-	-	-	-	-	-	95	8,790
Maesteg Town Centre Regeneration Phase 4		2,751	51	-	-	-	51	-	-	-	-	-	-	-	-	-	-	-	51	2,802
Maesteg Town Hall Cultural Hub		-	-	-	-	-	-	281	803	2,416	345	-	-	-	-	-	-	-	3,845	3,845
South East Wales Local Inv Fund		2,032	138	-	-	-	138	120	-	-	-	-	-	-	-	-	-	-	258	2,290
Llyfni Valley Development Programme		-	-	-	-	-	-	2,400	-	-	-	-	-	-	-	-	-	-	2,400	2,400
Porthcawl Infrastructure		266	-	-	-	-	-	5,507	-	-	-	-	-	-	-	-	-	-	5,507	5,773
Town Beach Revetment Sea Defence, Porthcawl		-	174	-	-	-174	-	571	2,901	80	-	-	-	-	-	-	-	-	3,552	3,552
Porthcawl Rest Bay Waterside Cycle		-	33	-	-	-	33	248	-	-	-	-	-	-	-	-	-	-	281	281
Vibrant and Viable Places		630	4,267	-246	105	-105	4,021	5,060	-	-	-	-	-	-	-	-	-	-	9,081	9,711
Commercial Improvement Areas		-	110	-	-	-	110	70	-	-	-	-	-	-	-	-	-	-	180	180
Rural Development Plan		-	-	-	-	-	-	150	-	-	-	-	-	-	-	-	-	-	150	150
Community Economic Development	483	22	-	-	-	22	-	-	-	-	-	-	-	-	-	-	-	22	505	
Housing Renewal Area	-	474	-	-	-200	274	200	-	-	-	-	-	-	-	-	-	-	474	474	
Housing Renewal Schemes	-	300	-	-	-	300	100	100	100	100	100	100	100	100	100	100	100	1,300	1,300	
Smart System and Heat Programme	-	-	-	-	-	-	50	50	100	50	-	-	-	-	-	-	-	250	250	
Housing Renewal/Disabled Facilities Grants	Helping People to be more Self Reliant	-	3,337	-	-	-980	2,357	3,330	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	26,837	26,837	
<b>Sport, Play and Active Wellbeing</b>																				
Bryngarw House	Non Priority	-	28	-	-	-	28	-	-	-	-	-	-	-	-	-	-	28	28	
Healthy Living Minor Works		-	25	-	27	-	52	-	-	-	-	-	-	-	-	-	-	52	52	
Berwyn Centre		-	200	-	-	-	200	-	-	-	-	-	-	-	-	-	-	200	200	
Pyle Life Centre		28	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28	28
<b>Total Communities</b>		<b>26,708</b>	<b>16,168</b>	<b>-180</b>	<b>27</b>	<b>-1,450</b>	<b>14,565</b>	<b>21,333</b>	<b>8,465</b>	<b>6,521</b>	<b>6,235</b>	<b>3,840</b>	<b>3,300</b>	<b>3,300</b>	<b>3,300</b>	<b>3,300</b>	<b>3,300</b>	<b>77,459</b>	<b>104,167</b>	
<b>Resources</b>																				
Minor Works	Non Priority	-	602	-30	-375	-	197	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	11,197	11,197	
Upgrading Industrial Estates		-	40	-	-	-	40	-	-	-	-	-	-	-	-	-	-	40	40	
Fire Precautions		-	122	-	100	-	222	-	-	-	-	-	-	-	-	-	-	222	222	
DDA Works		-	150	-	-	-	150	-	-	-	-	-	-	-	-	-	-	150	150	



	Corporate Priority	Indicative																Total 2015/16 to 2025/26 £'000	TOTAL scheme £'000	
		Total Costs to 31-3-15	October 2015	New Approvals	Vire	Slippage	Revised 2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26			
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000			
Works at Civic Offices	Smarter Use of Resources	-	-	-	-	-	-	120	-	-	-	-	-	-	-	-	-	120	120	
Maximising Space and Technology / BCP		875	597	-	-	-	597	-	-	-	-	-	-	-	-	-	-	597	1,472	
Civic Offices External Envelope		-	-	-	-	-	-	2,550	-	-	-	-	-	-	-	-	-	-	2,550	2,550
Agile Working (Rationalisation of Admin. Estate)		-	637	-	-	-	637	-	-	-	-	580	-	-	-	-	-	-	1,217	1,217
Community Care Information System		3,840	2,744	-	-	-	2,744	-	-	-	-	-	-	-	-	-	-	-	2,744	6,584
Renovation of Depot Facilities	60	4,376	-	-	-4,347	29	4,347	-	-	-	-	-	-	-	-	-	-	4,376	4,436	
Brand Market	Non Priority	-	20	-	-	-	20	-	-	-	-	-	-	-	-	-	-	20	20	
Non-Operational Assets	Smarter Use of Resources	520	480	-	-	-	480	-	-	-	-	-	-	-	-	-	-	480	1,000	
Investment in ICT		-	300	-	-	-300	-	300	-	-	-	-	-	-	-	-	-	300	300	
Community Projects		310	148	-	-	-	148	100	100	100	50	50	50	50	50	50	50	798	1,108	
<b>Total Resources</b>		<b>5,605</b>	<b>10,216</b>	<b>-30</b>	<b>-275</b>	<b>-4,647</b>	<b>5,264</b>	<b>8,517</b>	<b>1,200</b>	<b>1,200</b>	<b>1,150</b>	<b>1,730</b>	<b>1,150</b>	<b>1,150</b>	<b>1,150</b>	<b>1,150</b>	<b>1,150</b>	<b>24,811</b>	<b>30,416</b>	
Unallocated		-	-	-	-	-	-	-	-	218	1,262	696	1,816	1,816	1,816	1,816	1,816	11,256	11,256	
<b>Total Expenditure</b>		<b>90,753</b>	<b>40,223</b>	<b>-135</b>	<b>-</b>	<b>-8,399</b>	<b>31,689</b>	<b>43,553</b>	<b>31,697</b>	<b>10,376</b>	<b>8,683</b>	<b>6,296</b>	<b>6,296</b>	<b>6,296</b>	<b>6,296</b>	<b>6,296</b>	<b>6,296</b>	<b>163,774</b>	<b>41,672</b>	
<b>Expected Capital Resources</b>																				
<b>General Capital Funding</b>																				
General Capital Funding - Supported Borrowing			3,909	-	-	-	3,909	3,914	3,914	3,914	3,914	3,914	3,914	3,914	3,914	3,914	3,914	43,049		
General Capital Funding - General Capital Grant			2,379	-	-	-	2,379	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382	26,199		
Capital Receipts			9,062	-30	-	-3,451	5,581	14,803	11,108	380	2,026	-	-	-	-	-	-	33,898		
Unsupported Borrowing			2,485	-	-	-	2,485	977	-	-	-	-	-	-	-	-	-	3,462		
Loan - WG			-	-	-	-	-	2,400	-	-	-	-	-	-	-	-	-	2,400		
Local Govt Borrowing Initiative (Highways Infrastructure)			527	-	-	-	527	-	-	-	-	-	-	-	-	-	-	527		
Local Govt Borrowing Initiative (21st Century Schools)			2,883	-	-	-2,595	288	1,450	2,597	1,323	-	-	-	-	-	-	-	5,658		
Earmarked Reserves			1,019	-	-	-140	879	4,771	1,086	100	50	-	-	-	-	-	-	6,886		
Revenue Contribution			2,560	-	-	-1,690	870	2,690	-	-	-	-	-	-	-	-	-	3,560		
<b>Sub-Total General Capital Funding</b>			<b>24,824</b>	<b>-30</b>	<b>-</b>	<b>-7,876</b>	<b>16,918</b>	<b>33,387</b>	<b>21,087</b>	<b>8,099</b>	<b>8,372</b>	<b>6,296</b>	<b>6,296</b>	<b>6,296</b>	<b>6,296</b>	<b>6,296</b>	<b>6,296</b>	<b>125,639</b>		
<b>External Funding Approvals</b>																				
WG - Flying Start			281	-	-	-	281	-	-	-	-	-	-	-	-	-	-	281		
WG - Other			4,596	66	-	-200	4,462	861	2,176	60	-	-	-	-	-	-	-	7,559		
WG - 21st Century Schools			1,317	-	-	-454	863	4,350	7,674	-	-	-	-	-	-	-	-	12,887		
WG - Vibrant & Viable			3,650	-246	-	-	3,404	1,771	-	-	-	-	-	-	-	-	-	5,175		
S106			3,628	-	-	131	3,759	504	-	-	-	-	-	-	-	-	-	4,263		
Transport Grant			1,211	-	-	-	1,211	-	-	-	-	-	-	-	-	-	-	1,211		
Heritage Lottery Fund (HLF)			462	-	-	-	462	475	760	2,217	311	-	-	-	-	-	-	4,225		
Coastal Housing			150	-	-	-	150	2,205	-	-	-	-	-	-	-	-	-	2,355		
Sport Wales			-	75	-	-	75	-	-	-	-	-	-	-	-	-	-	75		
EU			104	-	-	-	104	-	-	-	-	-	-	-	-	-	-	104		
<b>Sub-Total External Funding Approvals</b>			<b>15,399</b>	<b>-105</b>	<b>-</b>	<b>-523</b>	<b>14,771</b>	<b>10,166</b>	<b>10,610</b>	<b>2,277</b>	<b>311</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,135</b>		
<b>Total Funding Available</b>			<b>40,223</b>	<b>-135</b>	<b>-</b>	<b>-8,399</b>	<b>31,689</b>	<b>43,553</b>	<b>31,697</b>	<b>10,376</b>	<b>8,683</b>	<b>6,296</b>	<b>6,296</b>	<b>6,296</b>	<b>6,296</b>	<b>6,296</b>	<b>6,296</b>	<b>163,774</b>		
<b>Funding Shortfall/Surplus</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

**Glossary of terms**

SBIG - School Building Improvement Grant

WG - Welsh Government

SEN - Special Educational Needs

TG - Transport Grant

SUSTRANS - Org. focused on making smarter travel choices

EU - European Union

WVSRA - Western Valleys Special Regeneration Area

HLPP - Healthy Living Partnership Programme

Act 1990



# TREASURY MANAGEMENT STRATEGY 2016-17



## **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 CIPFA Code, the Welsh Government (WG) issued revised *Guidance on Local Authority Investments* in March 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 (TMS) 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 TMS.

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.

## **2.0 Economic Context and Forecasts for Interest Rates**

**Economic background:** Although speeches by the Bank of England's Monetary Policy Committee (MPC) members sent signals that some were willing to countenance higher interest rates, the MPC held policy rates at 0.5% for the 84<sup>th</sup> consecutive month at its meeting in February 2016. Quantitative easing (QE) has been maintained at £375bn since July 2012.

The outcome of the UK general election, which was largely fought over the parties' approach to dealing with the deficit in the public finances, saw some big shifts in the political landscape and put the key issue of the UK's relationship with the EU at the heart of future politics. Uncertainty over the outcome of the forthcoming referendum could put downward pressure on UK GDP growth and interest rates.

**Credit outlook:** The varying fortunes of different parts of the global economy are reflected in market indicators of credit risk. UK Banks operating in the Far East and parts of mainland Europe have seen their perceived risk increase, while those with a more domestic focus continue to show improvement. The sale of most of the

government's stake in Lloyds and the first sale of its shares in RBS have generally been seen as credit positive.

Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the UK, USA and Germany. The rest of the European Union will follow suit in January 2016, while Australia, Canada and Switzerland are well advanced with their own plans. Meanwhile, changes to the UK Financial Services Compensation Scheme and similar European schemes in July 2015 mean that most private sector investors are now partially or fully exempt from contributing to a bail-in. The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Council; returns from cash deposits however remain stubbornly low.

**Interest rate forecast:** The Council's treasury adviser Arlingclose projects the first 0.25% increase in UK Bank Rate in the third quarter of 2016, with a slow rise finally settling between 2% and 3% in several years' time. Persistently low inflation, subdued global growth and potential concerns over the UK's position in Europe mean that the risks to this forecast are weighted towards the downside.

A shallow upward path for medium term gilt yields is forecast, as continuing concerns about the Eurozone, emerging markets and other geo-political events weigh on risk appetite, while inflation expectations remain subdued. Arlingclose projects the 10 year gilt yield to rise from its current 2.0% level by around 0.30% a year. The uncertainties surrounding the timing of UK and US interest rate rises are likely to prompt short-term volatility in gilt yields.

***Arlingclose (Council's TM Advisers) central interest rate forecast – January 2016***

	Bank Rate	3 month LIBID rate	1 Year LIBID rate	5-year gilt yield	10 year gilt yield	20 year gilt yield	50 year gilt yield
Mar 2016	0.50	0.60	1.20	1.30	1.90	2.50	2.50
June 2016	0.50	0.70	1.35	1.38	1.95	2.53	2.55
Sept 2016	0.75	0.80	1.45	1.45	2.00	2.55	2.60
Dec 2016	0.75	0.95	1.55	1.53	2.05	2.58	2.63
Mar 2017	1.00	1.05	1.70	1.60	2.10	2.60	2.65
June 2017	1.00	1.15	1.80	1.68	2.15	2.63	2.68
Sept 2017	1.25	1.30	1.95	1.75	2.20	2.65	2.70
Dec 2017	1.25	1.40	2.00	1.83	2.25	2.68	2.73
Mar 2018	1.50	1.50	2.10	1.90	2.30	2.70	2.75
Jun 2018	1.50	1.60	2.15	1.98	2.35	2.73	2.78
Sept 2018	1.50	1.65	2.15	2.05	2.40	2.75	2.80
Dec 2018	1.50	1.70	2.15	2.13	2.45	2.78	2.83
Mar 2019	1.50	1.75	2.15	2.20	2.50	2.80	2.85

### 3.0 The Council's Current Treasury Management Position

**Table 1: Council's debt and investment position as at 31 December 2015**

		Principal as at 31-12-15	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
<b>Total Long Term External Borrowing(iii)</b>		<b>96.87</b>	<b>4.69</b>
Other Long Term Liabilities(iii) (including PFI)		23.45	
<b>TOTAL GROSS DEBT</b>		<b>120.32</b>	
Fixed rate investments (iv)		32.00	0.49
Variable rate investments		8.00	0.58
<b>TOTAL INVESTMENTS(v)</b>		<b>40.00</b>	<b>0.51</b>
<b>TOTAL NET DEBT</b>		<b>80.32</b>	

- (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 and long term liabilities includes the short term element of the liability
- (iv) 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

Fixed rate in the above table includes instruments which are due to mature in the year

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 2016 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. The long term liabilities figure of £23.45 million at 31 December 2015 includes £18.92 million for the

Council's Private Finance Initiative (PFI) arrangement (for the provision of a Secondary School in Maesteg) and a new Long Term Liability of £2.40 million relating to a loan from the WG Central Capital Retained Fund for regeneration works within the Llynfi Valley.

Investments are anticipated to drop from £40.00m on 31 December 2015 to approximately £17m by the 31 March 2016. As in previous years this is due partly to the reduction in income collected from Council Tax and National Non-Domestic Rates in February and March 2016 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 Prudential Indicators shown in **Schedule A** which shows that the Council expects to comply with this recommendation during 2015-16, 2016-17 and the following three years.

#### **4.0 Borrowing Strategy**

The major **objectives** to be followed in 2016-17 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.

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**.

The Section 151 Officer will take the most appropriate form of borrowing depending on the prevailing interest rates at the time, 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. No long term borrowing has been taken to date during 2015-16 and it is not expected that there will be a requirement for any new long term borrowing in 2015-16 or 2016-17. Alternatively, the Council may arrange forward starting loans during 2016-17 where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period. In addition, the Council may borrow short term loans (normally for up to one month) to cover unexpected cash flow shortages.

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

- Public Works Loan Board (PWLB) and any successor body
- any institution approved for investments (see Investment Strategy)
- any other bank or building society authorised to operate in the UK
- UK public and private sector pension funds (except the Council's Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable joint local authority bond issues.

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- operating and finance leases
- hire purchase
- Private Finance Initiative
- sale and leaseback

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. The UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities may be required to provide bond investors with a joint and several guarantee over the very small risk that other local authority borrowers default on their loans; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report.

**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 investment balances in 2016-17 to range between £12m to £50m 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 2016-17 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. The Council is looking to diversify into more secure and/or higher yielding asset classes during 2016-17 but any new instruments used will be in full consultation with the Council's treasury management advisers.

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 in Table 2 below, subject to the cash limits (per counterparty) and the time limits shown. **These cash limits are per counterparty and relate to principal only and exclude any accrued interest. 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 Investment Counterparties and Limits**

Credit Rating	Banks (including building societies) Unsecured	Banks (including building societies) Secured	Government	Corporates	Registered Providers
<b>UK Central Government</b>	N/A	N/A	£ Unlimited	N/A	N/A
			50 Years		
<b>UK Local Authorities *</b>	N/A	N/A	£12,000,000	N/A	N/A
			10 Years		
<b>AAA</b>	£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
<b>AA+</b>	£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
<b>AA</b>	£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
<b>AA-</b>	£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
<b>A+</b>	£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
<b>A</b>	£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
<b>A-</b>	£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
<b>BBB+</b>	£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
<b>BBB</b>	£1,000,000	£2,000,000	N/A	N/A	N/A
	Next day only	100 Days			
<b>None</b>	£1,000,000	N/A	N/A	N/A	£2,000,000
	6 Months				5 Years
<b>Pooled Funds</b>	£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 are restricted to overnight deposits at the Council's current account bank. Any additional amounts received into our accounts with our own bankers which are received late in the day meaning it is too late to make an investment the same day, then the limit in the above table will not apply as this does not count as an investment.

**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. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

**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. Short term Money Market Funds that offer same-day liquidity and very low or no volatility will 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 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**

	<b>Category Total Cash limit</b>
Total long-term investments	£15m
Total Money Market Funds	£10m
Total other pooled funds	£10m
Total investments without credit ratings or rated below the Council’s definition of “high credit quality”	£ 6m
Total investments (except pooled funds)with institutions domiciled in foreign countries with a sovereign rating 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**

	<b>Cash limit</b>
Any single organisation, except the UK Central and Local Government	£4m
UK Central Government	unlimited
UK Local Authorities (per counterparty)	£12m
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	£6m in total

**Liquidity Management:** The Council forecasts on a prudent basis the maximum period for which funds may be committed therefore minimising the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. A limit of £15m (table 3 above) has been set for 2016-17 for long term investments and this has been set with reference to the Medium Term Financial Strategy and cash flow forecast. This represents 30% of the maximum amount of investments that the Council anticipate to have at any one point in time during 2016-17.

## **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 2015-16, 2016-17, 2017-18, and 2018-19 and introduces new indicators for 2019-20 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 2016-17**

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 Bid (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 and forward starting transactions 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, however, the Council could potentially borrow in advance of need where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.

The Council has an integrated Treasury Management Strategy and borrowing is not linked to the financing of specific items of expenditure. The Council's Capital Financing Requirement (CFR) as at 1 January 2016 was in excess of the actual debt

of the Council (as detailed in the Prudential Indicators in Schedule A) indicating 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	2015-16 Proj. £m	2016-17 Est. £m	2017-18 Est. £m	2018-19 Est. £m	2019-20 Est. £m
	Total Projected Principal Outstanding on Borrowing 31 March	96.87	96.87	101.87	106.87	111.87
	Total Projected Principal Outstanding on Investments 31 March	17.00	12.00	10.00	8.00	6.00
	<b>Net Principal Outstanding</b>	<b>79.87</b>	<b>84.87</b>	<b>91.87</b>	<b>98.87</b>	<b>105.87</b>
1.	<b>Upper Limit on fixed interest rates (net principal) exposure</b>	140.00	140.00	140.00	140.00	145.00
2.	<b>Upper Limit on variable interest rates (net principal) exposure</b>	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 2016-17	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.		2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m
4.	<b>Upper Limit - Total Principal Sum Invested more than 364 day days</b>	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	2015-16 £'000 Proj. *	2016-17 £'000 Est.	2017-18 £'000 Est.	2018-19 £'000 Est.	2019-20 £'000 Est.
1	<b>Estimates of Capital Expenditure</b> Non – HRA	31,689	43,553	31,697	10,376	8,683
	<b>Total Capital Expenditure</b>	<b>31,689</b>	<b>43,553</b>	<b>31,697</b>	<b>10,376</b>	<b>8,683</b>
	<b>Financed by :-</b>					
	Capital Grants and Contributions	17,150	12,548	12,992	4,659	2,693
	Capital Receipts	5,581	17,203	11,108	380	2,026
	Revenue	870	2,690	0	0	0
	Earmarked Reserves	879	4,771	1,086	100	50
	<b>Net Financing Need for Year</b>	<b>7,209</b>	<b>6,341</b>	<b>6,511</b>	<b>5,237</b>	<b>3,914</b>

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	2015-16 £'000 Proj.	2016-17 £'000 Est.	2017-18 £'000 Est.	2018-19 £'000 Est.	2019-20 £'000 Est.
<b>2</b>	<b>Capital Financing Requirement (CFR)</b>					
	Opening CFR (1 April) excluding PFI	154,979	155,443	155,266	155,216	153,890
	Opening PFI CFR	19,300	18,787	18,235	17,640	17,000
	Opening Innovation Centre	770	719	664	603	537
	Opening HALO	962	845	728	612	495
	<b>Total Opening CFR</b>	<b>176,011</b>	<b>175,794</b>	<b>174,893</b>	<b>174,071</b>	<b>171,922</b>
	Movement in CFR excl. PFI & other liabilities	463	(177)	(50)	(1,326)	(2,609)
	Movement in PFI CFR	(512)	(552)	(595)	(640)	(690)
	Movement in Innovation Centre CFR	(51)	(55)	(60)	(66)	(90)
	Movement in HALO CFR	(117)	(117)	(117)	(117)	(117)
	<b>Total Movement in CFR</b>	<b>(217)</b>	<b>(901)</b>	<b>(822)</b>	<b>(2,149)</b>	<b>(3,506)</b>
	<b>Closing CFR (31 March)</b>	<b>175,794</b>	<b>174,893</b>	<b>174,071</b>	<b>171,922</b>	<b>168,416</b>
	Movement in CFR represented by :-					
	Net Financing Need for Year (above)	7,209	6,341	6,511	5,237	3,914
	Minimum and Voluntary Revenue Provisions*	(7,426)	(7,242)	(7,333)	(7,387)	(7,420)
	<b>Total Movement</b>	<b>(217)</b>	<b>(901)</b>	<b>(822)</b>	<b>(2,150)</b>	<b>(3,506)</b>

\*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 2015 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	2015-16 £'000 Proj.	2016-17 £'000 Est.	2017-18 £'000 Est.	2018-19 £'000 Est.	2019-20 £'000 Est.
<b>3</b>	External Borrowing	96,867	96,867	101,867	106,867	111,867
	Long Term Liabilities (including PFI)	23,261	22,497	21,685	20,822	17,485
	<b>Total Gross Debt</b>	<b>120,128</b>	<b>119,364</b>	<b>123,552</b>	<b>127,689</b>	<b>129,352</b>

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 2015-16 (i.e. the preceding year) plus the estimates of any additional capital financing requirement for the current and next three financial years, however 2019-20 has also been included to be consistent with the Medium Term Financial Strategy.

No.	Prudential indicators For Prudence	2015-16 £'000 Proj.	2016-17 £'000 Est.	2017-18 £'000 Est.	2018-19 £'000 Est.	2019-20 £'000 Est.
<b>4</b>	<b>Gross Debt &amp; the CFR</b>					
	Total Gross Debt	120,128	119,364	123,552	127,689	129,352
	Closing CFR (31 March)	<b>175,794</b>	<b>174,893</b>	<b>174,071</b>	<b>171,922</b>	<b>168,416</b>

As can be seen from the above table, the Council does not have any difficulty meeting this requirement in 2015-16 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	2015-16 Revised £m	2016-17 Est. £m	2017-18 Est. £m	2018-19 Est. £m	2019-20 Est. £m
<b>5</b>	<b>Authorised limit for external debt</b>					
	Borrowing	140	140	140	145	148
	Other long term liabilities	30	30	30	25	20
	<b>Total</b>	<b>170</b>	<b>170</b>	<b>170</b>	<b>170</b>	<b>168</b>
<b>6</b>	<b>Operational Boundary</b>					
	Borrowing	105	105	110	115	120
	Other long term liabilities	25	25	25	25	20
	<b>Total</b>	<b>130</b>	<b>130</b>	<b>135</b>	<b>140</b>	<b>140</b>

#### 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. The projection has increased from the TMS 2015-16 estimate of 5.05% to 6.54% as additional premiums have now been repaid in 2015-16 but part of this will be offset by

an earmarked reserve together with the projected under spend on capital financing costs.

No.	Prudential Indicators for Affordability	2015-16 Proj.	2016-17 Est.	2017-18 Est.	2018-19 Est.	2019-20 Est.
7.	Estimate - Ratio of Financing Costs to Net Revenue Stream	6.54%	5.24%	5.38%	5.55%	5.64%

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	2015-16 Proj.	2016-17 Est.	2017-18 Est.	2018-19 Est.	2019-20 Est.
8.	Estimate - Increase in Band D Council Tax as per Capital Programme	£ 3.87	£ 4.75	£ 4.75	£ 4.75	£ 4.75

**ANNUAL MINIMUM REVENUE PROVISION STATEMENT 2016-17**

The Annual Minimum Revenue Provision Statement needs to be approved by Council before the start of each financial year. The MRP charges for 2016-17 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 2016-17 based on the estimated capital financing requirement is detailed below:-

	Options	Estimated Capital Financing Requirement 01-04-16 £'000	2016-17 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)	124,793 -	4,999 -
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)	3,946 26,704	132 1,387
PFI, Finance Leases and other arrangements PFI School Innovation Centre Halo Leisure	(iii)	18,787 719 845	552 55 117
<b>TOTAL</b>		<b>175,794</b>	<b>7,242</b>

## Full Equality Impact Assessment

<b>Name of project, policy, function, service or proposal being assessed:</b>	External consultation on the Medium Term Financial Strategy – 2016/17 to 2019/2020 (MTFS)
<b>Date assessment completed</b>	<b>07 December 2015</b>

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](#)

The council's Medium Term Financial Strategy (MTFS) is set within the context of UK economic and public expenditure plans, Welsh Government priorities and legislative programme. The MTFS outlines how the council plans to use its resources to support the achievement of corporate priorities and statutory duties, including managing financial pressures and risks over the next four years. It helps the council 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.

The MTFS includes:

- The principles that will govern the strategy and a four year financial forecast, comprising detailed proposals for 2016/17 and outline proposals for 2017/18 to 2019/20;
- The capital programme for 2016/17 to 2025/26. Linked to priority areas for capital investment and Capital Financing Strategy;
- The Treasury Management Strategy and Corporate Risk Register.

The MTFS links to the following strategies and policies:

- Welsh Government Final Local Government Settlement;
- Grant transfers (in and out) of the 2016/17 Revenue Settlement;
- The Regional Collaboration Fund (RCF);
- Intermediate Care Fund (ICF);

- Council Tax;
- Welsh Government Capital Settlement.

An external consultation reviewing Bridgend County Borough Council's corporate priorities was undertaken between 28 September and 22 November 2015. The consultation survey received a total of 1,819 responses from a combination of the consultation survey, 15 engagement events held across the county borough, social media interactions and by using the authority's Citizens Panel. This Full Equality Impact Assessment outlines the analyses associated with the consultation. The results gathered from the consultation will be used to better understand the potential impact of the change in corporate priorities operating within the current financial limitations prior to commencing the public consultation process. The general public were invited to attend engagement events through website and media promotion. All questions in the online survey were optional and all survey responses offered the option of anonymity. Paper copies of the consultation were also made available at local libraries, the 15 engagement events (including one event held by BAVO) or alternatively could be sent to residents upon request in English or Welsh. In total there were 12 budget reduction questions which required a reply from respondents, all other questions were optional. Promotional tools included:

- Press releases
- Invites to previous consultees sent to this year's events
- A You Tube Video
- Social Media
- Local Press
- Elected Member's budget workshop
- Online Budget Survey
- Community Engagement Workshops
- Community Engagement Stands

The level of interaction per promotional tool is described in the Consultation Report.

## 1. Consultation

		<b>Action Points</b>
<b>Who do you need to consult with (which equality groups)?</b>	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 used social media, local newspapers 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 the consultation. Additionally, the Bridgend Equality Forum comprising representatives from most of the protected characteristic groups, was consulted.	The council's approach to consultation is described above.
<b>How will you ensure your consultation is inclusive?</b>	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.	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.
<b>What consultation was carried out? Consider any consultation activity already carried out, which may not have been specifically about equality but may have information you can use</b>	The council's consultation period on its Medium Term Financial Strategy began on 28 September 2015 and ended on 22 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.	Please see Consultation Report.

#### Record of consultation with people from equality groups

<b>Group or persons consulted</b>	<b>Date, venue and number of people</b>	<b>Feedback, areas of concern raised</b>	<b>Action Points</b>
BCBC Employees	10 August 2015, Civic Offices, 21 staff in attendance.	Please see appendix A attached for questions asked by employees. The general themes are summarised below.	Please see appendix A attached for questions asked by employees. The general themes are summarised below.
BCBC Employees	13 August 2015, Civic Offices, 33 staff in attendance.	Please see appendix A attached for questions asked by employees. The general themes are summarised below.	Please see appendix A attached for questions asked by employees. The general themes are summarised below.

BCBC Employees	14 August 2015, Civic Offices, 46 staff in attendance.	Please see appendix A attached for questions asked by employees. The general themes are summarised below.	Please see appendix A attached for questions asked by employees. The general themes are summarised below.
BCBC Employees	17 August 2015, Civic Offices, 47 staff in attendance.	Please see appendix A attached for questions asked by employees. The general themes are summarised below.	Please see appendix A attached for questions asked by employees. The general themes are summarised below.
BCBC Employees	19 August 2015, Civic Offices, 23 staff in attendance.	Please see appendix A attached for questions asked by employees. The general themes are summarised below.	Please see appendix A attached for questions asked by employees. The general themes are summarised below.
BCBC Employees	28 August 2015, Training Room, Waterton Depot, 26 staff in attendance.	Please see appendix A attached for questions asked by employees. The general themes are summarised below.	Please see appendix A attached for questions asked by employees. The general themes are summarised below.
Please see Consultation Report for detail of engagement, interaction and other contributions to the consultation.			

**The Question and Analysis of the consultation survey, including corporate priorities, the Headline Figures, key themes and the proposed budget reductions are outlined in the Consultation Report.**

## **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 Engagement 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.

<b>Gender</b>	<b>Impact or potential impact</b>	<b>Actions to mitigate</b>
Identify the impact/potential impact on women and men.	This Full Equality Impact Assessment reinforces the detail in the Initial Screening Equality Impact Assessment which is that: "The impact on women and men may differ based on the demographics of Bridgend 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). On 31.3.15, the gender split of employees of Bridgend County Borough Council was: 1331 Males (21.5%) and 4851 Females (78.5%). Many of the proposals will impact carers, parents and children. As the vast majority of caring and parenting responsibilities are undertaken by women, some proposals regarding children and nursery provision are likely to have a disproportionate impact on women.	The full impact of the proposed budget reductions on men and women will not be fully understood until a full consultation exercise has been conducted with the general public, protected characteristic groups and other stakeholders, where feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered.
<b>Disability</b>	<b>Impact or potential impact</b>	<b>Actions to mitigate</b>
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).	This Full Equality Impact Assessment reinforces the detail in the Initial Screening Equality Impact Assessment which is that: Of the 139,740 people living in Bridgend (2011 census), 18,796 consider they have a physical, sensory or	The full impact of the proposed budget reductions on disabled people will not be fully understood until a full consultation exercise has been conducted with the general public, protected characteristic groups and other stakeholders, where

	<p>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 partners to deliver alternative forms of service. The proposed budget reductions include a number of service reviews which could potentially, negatively impact on disabled people. This could include people with physical, learning and/or mental health disabilities and could include council employees facing redundancy and people who use council services including older people and children and young people. On the 31 March 2015, 155 employees of Bridgend County Borough Council had declared a disability.</p>	<p>feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered.</p>
<b>Race</b>	<b>Impact or potential impact</b>	<b>Actions to mitigate</b>
<p>Identify the impact/potential impact of the service on Black and minority ethnic (BME) people.</p>	<p>This Full Equality Impact Assessment reinforces the detail in the Initial Screening Equality Impact Assessment which is that: "From the 2011 census there are approximately 2000 BME people living in Bridgend comprising 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 budget and service</p>	<p>The full impact of the proposed budget reductions on Race will not be fully understood until a full consultation exercise has been conducted with the general public, protected characteristic groups and other stakeholders, where feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered.</p>

	<p>reductions on BME people and consider mitigating action if necessary. Action already in place covers the provision of information and advice in languages other than Welsh, English and British Sign Language to ensure that access to services and information is readily available. On 31 March 2015, 75 employees of Bridgend County Borough Council had disclosed as BME (Black Minority Ethnic).”</p>	
<b>Religion and belief</b>	<b>Impact or potential impact</b>	<b>Actions to mitigate</b>
<p>Identify the impact/potential impact of the service on people of different religious and faith groups.</p>	<p>This Full Equality Impact Assessment reinforces the detail in the Initial Screening Equality Impact Assessment which is that: “from the 2011 census there are approximately 2000 BME people living in Bridgend comprising of 1.5 % of our total population. In terms of Religion and Belief the census also informs that, in 2011, there were:</p> <ul style="list-style-type: none"> <li>• 350 Buddhists</li> <li>• 270 Hindus</li> <li>• 500 Muslims</li> <li>• 33 Jews</li> </ul>	<p>The full impact of the proposed budget reductions on Religion and Belief will not be fully understood until a full consultation exercise has been conducted with the general public, protected characteristic groups and other stakeholders, where feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered.</p>

	<ul style="list-style-type: none"> <li>• 50 Sikhs</li> </ul> <p>The full impact of our proposed budget reductions on religion and belief is not currently fully understood, however a consultation process will be developed which will help the council better understand this impact.</p>	
<b>Sexual Orientation</b>	<b>Impact or potential impact</b>	<b>Actions to mitigate</b>
Identify the impact/potential impact of the service on gay, lesbian and bisexual people.	<p>This Full Equality Impact Assessment reinforces the detail in the Initial Screening Equality Impact Assessment which is that: “the potential impact of the budget reductions on this protected characteristic is currently unknown as, although consultees are asked to share personal and sensitive data with the council, this is not always disclosed. However, further efforts will be made to encourage service users, customers, visitors and staff to disclose information regarding Sexual Orientation. On the 31 March 2015, 60 employees of Bridgend County Borough Council disclosed their sexual orientation as Gay Man, Gay Woman or Bisexual.</p>	<p>The full impact of the proposed budget reductions on Sexual Orientation will not be fully understood until a full consultation exercise has been conducted with the general public, protected characteristic groups and other stakeholders, where feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered.</p>
<b>Age</b>	<b>Impact or potential impact</b>	<b>Actions to mitigate</b>

<p>Identify the impact/potential impact of the service on older people and younger people.</p>	<p>The impact on age will differ and will depend on the service delivered and service user. The proposed budget reductions include a number of service reviews which could potentially, negatively impact on older and younger people. This could include council employees facing redundancy and people who use council services such as elderly people and children and young people. The demographic of Bridgend County Borough Council's workforce as at 31 March 2015 was:</p> <table border="1" data-bbox="813 715 1417 1385"> <thead> <tr> <th>Age</th> <th>Number</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>16 – 19</td> <td>11</td> <td>0.2</td> </tr> <tr> <td>20 – 25</td> <td>305</td> <td>4.9</td> </tr> <tr> <td>26 – 30</td> <td>525</td> <td>8.5</td> </tr> <tr> <td>31 – 35</td> <td>651</td> <td>10.5</td> </tr> <tr> <td>36 – 40</td> <td>763</td> <td>12.3</td> </tr> <tr> <td>41 – 45</td> <td>980</td> <td>15.9</td> </tr> <tr> <td>46 – 50</td> <td>978</td> <td>15.8</td> </tr> <tr> <td>51 – 55</td> <td>924</td> <td>15.0</td> </tr> <tr> <td>56 – 60</td> <td>695</td> <td>11.2</td> </tr> </tbody> </table>	Age	Number	%	16 – 19	11	0.2	20 – 25	305	4.9	26 – 30	525	8.5	31 – 35	651	10.5	36 – 40	763	12.3	41 – 45	980	15.9	46 – 50	978	15.8	51 – 55	924	15.0	56 – 60	695	11.2	<p>The full impact of the proposed budget reductions on Age will not be fully understood until a full consultation exercise has been conducted with the general public, protected characteristic groups and other stakeholders, where feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered.</p>
Age	Number	%																														
16 – 19	11	0.2																														
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	<p>61 - 65      282      4.6</p> <p>66 +          68          1.1</p> <p>From the 2011 census the age breakdown of people living in Bridgend is:</p> <p>0 – 15 – 18.3% (25,572)</p> <p>16 – 64 – 63.2% (88,316)</p> <p>65+ - 18.5% (25,852)</p> <p>The impact on age will differ and will depend on the service delivered and service user. The proposed budget reductions include a number of service reviews which could potentially, negatively impact on older and younger people. This could include council employees facing redundancy and people who use council services such as elderly people and children and young people. From a childrens perspective (including disabled children), some of the proposals could negatively impact children’s social and educational development, impact household income, and influence child poverty and mortality (as reflected by the Bridgend v’s Maesteg statistics).</p>	
<b>Pregnancy &amp; Maternity</b>	<b>Impact or potential impact</b>	<b>Actions to mitigate</b>



	<p>This Full Equality Impact Assessment reinforces the detail in the Initial Screening Equality Impact Assessment which is that: “the potential impact of the budget reductions on this protected characteristic is currently unknown. The council’s libraries and life (leisure) centres are registered as Breast Feeding Friendly venues.). Some of the proposed budget reductions may influence the decision of women to have children as it may no longer be economically and socially viable. Women would face the decision of either staying at home (which research shows has a negative impact on household income, their career and how much they earn in the long term) or paying private nursery fees until the age of 4-5.</p>	<p>The full impact of the proposed budget reductions on Pregnancy and Maternity will not be fully understood until a full consultation exercise has been conducted with the general public, protected characteristic groups and other stakeholders, where feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered.</p>
<b>Transgender</b>	<b>Impact or potential impact</b>	<b>Actions to mitigate</b>
	<p>This Full Equality Impact Assessment reinforces the detail in the Initial Screening Equality Impact Assessment which is that: “The potential impact of the budget reductions on this protected characteristic is currently unknown as, although consultees are asked to share personal and sensitive data with the council, this is not always disclosed.</p>	<p>The full impact of the proposed budget reductions on Transgender / Gender Reassignment will not be fully understood until a full consultation exercise has been conducted with the general public, protected characteristic groups and other stakeholders, where feedback and concerns regarding the proposed budget reductions may be gathered and</p>

	However, further efforts will be made to encourage service users, customers, visitors and staff to disclose information regarding gender reassignment. On the 31 March 2015, 11 employees of Bridgend County Borough Council had disclosed as transgender.	subsequent mitigating actions considered.
<b>Marriage and Civil Partnership</b>	<b>Impact or potential impact</b>	<b>Actions to mitigate</b>
	This Full Equality Impact Assessment reinforces the detail in the Initial Screening Equality Impact Assessment which is that: "The potential impact of the budget reductions on this protected characteristic is currently unknown."	The full impact of the proposed budget reductions on Civil Partnership and Marriage will not be fully understood until a full consultation exercise has been conducted with the general public, protected characteristic groups and other stakeholders, where feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered.

**The following Section only applies where there is a potential impact (negative, positive or neutral) on children**

### **United Nations Convention on the Rights of the Child (UNCRC)**

The UNCRC is an agreement between countries which sets out the basic rights all children should have. The United Kingdom signed the agreement in 1991. The UNCRC includes 42 rights given to all children and young people under the age of 18. The 4 principles are:

1. Non-discrimination

2. Survival and development
3. Best interests
4. Participation

This section of the Full EIA contains a summary of all 42 articles ([available here](#)) and some will be more relevant than others, depending on the policy being considered however, there is no expectation that the entire convention and its relevance to the policy under review is fully understood. The Engagement Team will review the relevant data included as part of its monitoring process. The EIA process already addresses two of the principle articles which are non-discrimination and participation. This section covers “Best interests” and “Survival and development”.

Some policies will have **no direct impact** on children such as a day centre for older people.

Some policies will **have a direct impact** on children where the policy refers to a childrens’ service such as a new playground or a school.

Some policies will **have an indirect impact** on children such as the closure of a library or a cultural venue, major road / infrastructure projects, a new building for community use or change of use and most planning decisions outside individual home applications.

### **What do we mean by “best interests”?**

The “Best interest” principle does not mean that any negative decision would automatically be overridden but it does require BCBC to examine how a decision has been justified and how the Council would mitigate against the impact (in the same way as any other protected group such as disabled people).

- The living wage initiative could be considered to be in the “Best interests”. The initiative could potentially lift families out of poverty. Poverty can seriously limit the life chances of children.
- The closure of a library or cultural building would not be in the “Best interests” of children as it could limit their access to play, culture and heritage (Article 31.)

Please detail below the assessment / judgement of the impact of this policy on children aged 0 – 18. Where there is an impact on “Best interests” and “Survival and development”, please outline mitigation and any further steps to be considered. The 42 rights are detailed [here](#).

Impact or potential impact on children aged 0 - 18	Actions to mitigate
<p><b>Article 12:</b> Children have the right to say what they think, when adults are making decisions that affect them, and to have their opinions taken into account.</p>	<p>From a childrens perspective (including disabled children), some of the proposals could negatively impact children’s social and educational development, impact household income, and influence child poverty and mortality (as reflected by the Bridgend v’s Maesteg statistics).</p>
	<p>The full impact of the proposed budget reductions on Age will not be fully understood until a full consultation exercise has been conducted with the general public, protected characteristic groups, other stakeholders and children themselves where feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered.</p>
<p><b>Article 20:</b> Children who cannot be looked after by their own family must be looked after properly, by people who respect their religion, culture and language.</p>	<p>As above</p>
<p><b>Article 21:</b> When children are adopted the first concern must be what is best for them.</p>	<p>As above</p>
<p><b>Article 23:</b> Children who have any kind of disability should have special care and support so that they can lead full and independent lives.</p>	<p>As above</p>
<p><b>Article 25:</b> Children who are looked after by their local authority rather than their parents should have their situation reviewed regularly</p>	<p>As above</p>
<p><b>Article 28:</b> Children have a right to an education. Discipline in</p>	<p>As above</p>

schools should respect children's human dignity.	
<b>Article 29:</b> Education should develop each child's personality and talents to the full.	As above
<b>Article 31:</b> All children have a right to relax and play, and to join in a wide range of activities.	As above
<b>Article 33:</b> We should provide ways of protecting children from dangerous drugs.	As above
<b>Article 34:</b> We should protect children from sexual abuse.	As above
<b>Article 35:</b> We should make sure that children are not abducted or sold.	As above
<b>Article 39:</b> Children who have been neglected or abused should receive special help to restore their self - respect.	As above

**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 Service Development Plan.**

### 3. Action Plan

The key reduction proposals within the budget requiring 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 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.

Whilst this Full Equality Impact Assessment describes the possibility of high level negative impacts on protected characteristic groups, it is important to note that separate Equality Impact Assessment will be undertaken on each proposed budget reduction in order that

the council may make informed judgements based on consultation, engagement, feedback and a robust evidence base on which to approve (or not) these proposed budget reductions.

Action	Lead Person	Target for completion	Resources needed	Service Development plan for this action
Undertake a consultation and engagement exercise and produce meaningful, robust Equality Impact Assessments	Lead Service with support and advice from Consultation and Engagement Team (including Equalities.)	Prior to council approval (or not) or all Medium Term Financial Strategy Reductions.	Support from Consultation and Engagement Team (including Equalities).	Relevant service area.

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

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

**The review will take place annually and will take into account the data available following the implementation of any of the proposed budget reductions.**

**Signed: Ness Young**

**Date: 26<sup>th</sup> January 2016**

#### **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.

Please send completed EIA form to [Paul Williams, Equalities and Engagement Officer](#)

## Medium Term Financial Strategy

### Internal Staff Consultation

#### Session 1:

1. How will commercial activity be managed?
2. Will charities be supported to apply for lottery funding?
3. Will the intended merger / reorganisation in 2020 have an impact on the proposed budget reductions?
4. Will BCBC be able to maintain its philosophical approach?
5. Will BCBC need to stop doing some things / delivering some services?
6. How will BCBC be able to reduce dependency of people on its services?
7. Is there a clear solution to collaboration?
8. What will be the cost of this change?
9. Will the political agenda influence the change programme?

#### Session 2:

10. The detail available is very general, further information is needed.
11. What is the shift from the old priorities to the new priorities?
12. How can the issues around job security be communicated better? Employees may be “cagey” about this which could hinder change.
13. How do we assess where the greatest need is? How do we communicate this?
14. Communication to the public must be clear; we must be direct, open and honest.
15. There needs to be a particular emphasis on Social Enterprises.
16. The local economy needs to be stimulated.



17. BCBC needs to work closer with businesses.
18. There is no easy fix to the problem.
19. The corporate priorities are important.
20. We should focus on what we do well rather than what we can stop doing.
21. Some things that are done well won't be delivered in future if they aren't a priority.
22. Priorities must be resourced.
23. Need clear expectations of BCBC on community asset transfers.

### **Session 3:**

24. Community Asset Transfers need to be considered.
25. What about shorter goals?
26. The change programme can assist.
27. Current services will be delivered differently.
28. Expectations will need to be managed.
29. Will there be a choice with Council Tax?
30. CPR's (Contract Procedural Rules) need to be reviewed.
31. A detailed action plan is needed.
32. Resources staff will need to see the wider impact of the budget reductions before they can understand the impact on them.
33. Recruitment and retention of staff will be an issue.
34. Employees are fearful of redundancy.
35. Uncertainty must be managed properly.
36. Do businesses really want to work with us? How do we get the balance right?
37. Employees need ownership of service reviews.
38. Trade unions need to be consulted.

### **Session 4:**

39. Need to focus on meeting need but also need to support the local economy (keep an eye on the ball).
40. Maintaining externally funded services – grant aided v core funded – is a risk.
41. Is there a history of BCBC responding to change in the past? Is there evidence that this can be achieved?
42. Community groups have taken on management of resources and some have been successful.
43. What about Vale of Glamorgan and Cardiff projects?
44. Credibility will be challenged.
45. Will need to take some risks?
46. Need a PR exercise to make the public aware of the changes that are happening.
47. How will employees be encouraged to contribute to remodelling? Is there a mechanism?
48. A potential change of government could cause a change of direction. What would happen then? Privatisation?
49. Will there be further consultation with term time only staff?
50. Will BCBC become a virtual authority?

**CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE**

	<b><u>Budget Research &amp; Evaluation Panel</u></b>	<b><u>Cabinet Response</u></b>
1	The Panel recommend that a whole Authority review be undertaken in relation to transport to ensure that we are running these services as effectively and efficiently as possible. Members requested that a Project Manager be identified from outside of the Education and Transport departments to take this forward.	A high level review was undertaken on the back of a scrutiny committee recommendation a few years ago. It revealed the complexity of integrating transport in order to create meaningful savings and efficiencies. For example many of the mini buses are in school rather than local authority ownership and even where there was seemingly capacity to utilise vehicles more regularly, for example mini buses/ buses used for social care, it would require significant changes to operating hours of services and consequent changes to staff terms and conditions to make it work. However, officers will investigate again whether there is merit in pursuing this matter further.
2	The Panel support the plan to revisit Nursery Education savings in future and expressed concerns over how the shortfall would be met as savings could not be found from Nursery Education. Members requested that this work look into the childcare aspect and the associated cost of childcare provision against Nursery Education. Furthermore, the Panel recommend that future provision be more targeted and based on need rather than a universal provision, to acknowledge and address the differing need across the County Borough.	Cabinet understand the panel's concerns and agree that further work is required in relation to this proposal. Cabinet is mindful of the need to minimise the impact that any potential change might have upon both the education outcomes and economic activity of the county borough.
3	The Panel recommend that BCBC proceed with the proposal to move pay dates for all staff to the middle of the month.	The budget saving was to be derived from moving council staff to the current schools' pay date, later in the month. This would have provided administrative efficiencies in terms of processing. Unfortunately, this proposal was not supported by Unison members so has not been progressed. Moving schools' pay date to earlier in the middle of the month would not result in an increased recurrent cost, but it would not generate any savings either, and therefore has not been implemented.
4	The Panel supports City Deal and recommends that it is explored further to identify links to local initiatives, such as transportation infrastructure and regeneration, and the	This council is pursuing the City Deal as part of the wider South Wales consortium of local authorities and welcomes BREP's support and positive suggestions in this regard.

**CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE**

	<p>possibility of tapping into University Sectors by utilising colleges within the Authority where people may not wish to travel to e.g. Cardiff or Swansea.</p> <p><i>ADDITIONAL COMMENT BY CRI: Furthermore that the Authority embrace the need for collaboration in City Deal particularly on the subject of Electricity Regeneration in order that Bridgend does not miss out on any potential opportunities and benefits.</i></p>	
5	<p>Members raised concerns that visible services valued by the public are at risk due to continued cuts and that the previous level of cuts is not sustainable in the future without significant impact. The Committee therefore recommend that this is seriously taken into consideration when decisions are made regarding budget cuts for the future.</p>	<p>Cabinet notes members concerns and are mindful of striking a balance when determining savings proposals. Cabinet support the methodology which has been used to allocate budget reductions between directorates, which it believes directly supports the revised corporate priorities that the authority has agreed.</p>
6	<p>The Panel recommend that in order to attract investment to the County Borough greater consideration needs to be given to the need to maintain the appearance and attractiveness of the Borough</p>	<p>Cabinet recognises the importance of the appearance and attractiveness of the Borough both to citizens as well as continued economic prosperity. As a result of a better than expected budget settlement, Cabinet reduced the cuts to these services in 2016-17 that would otherwise have been necessary.</p>
7	<p>The Panel requested that consideration be given to the provision of a full time equivalent Scrutiny Officer post to reinstate the support level at 2.6 to ensure that an effective Scrutiny function is maintained for the Local Authority.</p>	<p>Efficiencies must be found across all areas of the Council and compulsory redundancies in the face of existing vacancies must be justified. The Assistant Chief Executive has agreed to consider the budget requirements to meet the Panel's request.</p>
8	<p>The Panel recommend that the Authority seek to establish a joint regional Payroll function.</p>	<p>Establishing a regional payroll service would require the agreement of other local authorities and a considerable investment in ICT systems. The experience of the South East Wales Shared Services project demonstrated this clearly. A recent CIPFA Administration Survey demonstrated that BCBC is the most efficient payroll function amongst Trent users. As an example we have 5.5 employees to pay 7,000 employees whilst</p>

**CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE**

		Newport have 11 employees to pay 7,000 employees. The average cost of producing a payslip in Wales is £6.16, whilst the cost in BCBC is £4.07. In view of this and the prospect of LGR, pursuing this proposal is not a priority.
9	The Panel recommend the Authority pursue attainment of General Power of Competence to enable the Authority to sell skills/ and services to generate income.	The general power of competence is a proposed provision within the Local Government Wales Draft Bill. The Authority has provided its response to the Draft Bill seeking a wide interpretation of the power.
10	The Panel recommend adjusting the proposed increase in Council Tax to bring it more into line with recent changes to savings requirement throughout services.	The level of council tax proposed is lower than previous planning assumptions (4.5%). Cabinet has recommended a proposed increase in council tax of 3.9% taking account of the budget requirement and the level of proposed cuts while balancing the needs of the council to deliver its functions and the inevitable strain any increase puts on household budgets.
11	The Panel recommend that a full options appraisal for future service delivery be carried out in order to identify and consider all available options, including the Teckal approach.	Consideration of new service delivery models involves a wide range of options. The Teckal approach is not a model in itself but part of a wider consideration of controlled companies within a local government setting. The most important consideration is the best service for the least cost with an appropriate governance arrangement.
12	The Panel recommend that the work of the Cultural Trust be monitored closely by the relevant Scrutiny Committee, paying particular attention to activities linked to B Leaf and Wood B.	Arrangements are in place to monitor the activity of the Awen Trust and the council has the right to request additional assurances under the terms of the partnership agreement.
13	The Panel recommend that support should be given to identifying and developing innovative ways of working to help to address the amount of savings required for the future.	Cabinet agree that innovative ways of working should and will continue to be explored. The proposals included within the MTFS already include many of these, as evidenced by 66% of savings categorised as “Smarter Use of Resources” and a further 11% from “Collaboration and Service Transformation”
14	The Panel recommend that ICT within the Authority needs a change of pace and an openness to embrace it, whilst also recognising that in some instances such as the development of online services, an alternative provision still needs to be	ICT is currently supporting the delivery of al Wales Community Care Information System (Bridgend as lead authority in Wales) as well as preparing to deploy agile working capabilities across corporate staff, contingent on securing a tenant for Raven’s

**CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE**

	maintained for those who cannot access them.	Court. ICT has also delivered significant innovation, with the deployment of the Digital Office and iMail being the most advanced across Welsh and possibly UK Local Authorities.
15	The Panel expressed support for the 1% saving proposal in relation to school budgets and recommend that savings are phased in starting immediately.	This is not possible due to Welsh Governments decision to maintain ongoing protection to schools' budgets.
16	The Panel recommend that teaching trade unions are involved in the work of the Strategic Review of schools at the earliest possible stage and are particularly engaged in any proposed changes to Post-16 education in order to make the process as harmonious as possible.	Any consultations conducted as part of the schools strategic review will include consultation with relevant unions. The Director of Education meets regularly with branch secretaries of all education unions and keeps them up to date with plans and proposals.
17	The Panel further recommend that all staff are engaged throughout the change process to Post-16 Education to ensure they are involved and encouraged to take ownership of the changes.	The schools strategic review project board will have a wide strategic membership to ensure the project has representation from across the sector. The Childrens Change Board has representatives from all parts of the Education and Transformation Directorate and from Safeguarding.
18	<ul style="list-style-type: none"> <li>• The Panel recommend that Cabinet Members are involved in future budget consultation events.</li> <li>• The Panel recommend that suggestions and proposals provided by the Panel to help to improve the consultation and engagement regarding the budget be taken forward to inform the exercise in future years.</li> <li>• future consultation needs to work closely with the Youth Council and Schools to improve upon the limited view from young people</li> <li>• Members recommend that an interview with BridgeFM is arranged to communicate the outcome of the consultation and raise more awareness of the savings going forward.</li> </ul>	<p>Current arrangements are adequate.</p> <p>Members' suggestions regarding increased engagement will continue to be taken forward where possible.</p> <p>Cabinet values the views of young people and agrees with the recommendation to improve this in future</p> <p>Response to the consultation will be through email and publication on the website as these were the most favoured communication methods by consultation respondents</p>
19	The Panel recommend that: <ul style="list-style-type: none"> <li>• Clear information to be provided where any changes or</li> </ul>	The recommendations are noted. With the process effectively compressed for all councils as a result of the Westminster

**CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE**

	<p>omissions are made to proposals during the BREP process, this to include rationale for changes.</p> <ul style="list-style-type: none"> <li>• Cover reports to be provided by Officers specific to individual Overview and Scrutiny Committees when they consider budget proposals at meetings during the consultation process</li> <li>• All information to be provided to the Panel in an accessible format.</li> <li>• Information is provided to the Panel in timely manner to enable them to have time to read and consider the reports, to identify areas for discussion and to formulate questions. This will make the best use of Member and Officer time and ensure that meetings are effective.</li> </ul>	Comprehensive Spending Review, the timing between different meetings has often been shorter than normal and has meant very quick turnaround time required by officers.
	<b><u>Communities Environment and Leisure Overview &amp; Scrutiny Committee</u></b>	
20	The Committee recommend that a review of weed spraying be undertaken to ensure that this is carried out in a timely manner for maximum effect.	This matter will be reviewed to ensure that the timing of weed spraying is carried out in the most effective way.
	<b><u>Corporate Resources and Improvement</u></b>	
	No recommendations (amendments/additions made to other recommendations included elsewhere)	
	<b><u>Partnerships and Governance Overview &amp; Scrutiny Committee</u></b>	
21	The Committee recommend that information on all BCBC services, projects and activities which involve partnership working is collated and provided to the Committee to enable them to identify areas which fall under the remit of Partnerships and Governance. This will help to inform the Forward Work Programme, increase the effectiveness and impact of the Committee and identify areas which may be suitable for partnership working in future.	The Committee can be provided this report within its forwards work programme.
22	The Committee are concerned that the scrutiny function of the	See response to recommendation 7

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	authority is at risk of being jeopardised due to current staffing levels and would strongly recommend that the staffing levels are maintained at 2.6 to ensure that the Authority is supported by an effective scrutiny function.	
	<b><u>Children and Young People Overview &amp; Scrutiny Committee</u></b>	
23	The Committee expressed concerns over the implementation of the budget cuts for Learner Transport. Members reiterated prior concerns over the apparent lack of co-ordination and co-operation between the Education Directorate who hold the budget for this service and the Transport Department, who are responsible for the direct provision. The Committee supported the notion of the need for proper project management of Learner Transport and recommend that this comes from outside of the two responsible areas in order to provide an objective oversight.	<p>The Education and Transformation Director and the Communities Director do not recognise this analysis and are satisfied that there is no need to change the arrangements between the two teams responsible for learner transport.</p> <p>The budget cuts have been implemented for learner travel, but it will not be clear until the Autumn term 2016 how many parents will want to buy a paying place or how many will want their children to walk to school.</p>
24	Members expressed concern over the suggestion that there was a significant reduction in the amount of pupils utilising the school transport service at the beginning of the school year and those remaining half way through and at the end of the school year. The Committee recommend that Learner Transport contracts be continually reassessed throughout the year in order that should there be any significant decrease in the numbers utilising this service, any unviable buses can be combined.	The reduction is due to the changes in the policy that Cabinet agreed. Contracts cannot be adjusted mid-year however all contracts are tendered in line with procurement rules.
25	The Committee questioned the use of the Authorities own minibuses and the fact that they sit idle at various times throughout the day. The Committee recommend that Transport for the Authority be reviewed to consider whether changing the times of various services such as day centres, marginally, would assist in being able to utilise the Authority's own minibuses in a more effective and efficient way and achieve	See the response to recommendation 1 above.



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	further savings. Furthermore Members added that the Authority needs to look at what technology can be introduced and used to monitor where the buses are throughout the day, what they are doing and who they are picking up in order to run the service more efficiently.	
26	The Committee raised concerns over Nursery Education provision in that funding is being used from the schools budget for provision that exceeds the statutory requirement and encompasses children as young as 3 years of age. Members recalled the reduction proposal to go to the statutory requirement indicated in the previous MTFS, which amounted to a saving of £1.5m. The Committee questioned where this budget reduction would come from in the future if not through Nursery Education and expressed concerns over the fact that this could further impact on schools if their budget is not protected. The Committee recommend that this subject area be revisited both by the Directorate and the Scrutiny Committee to examine the options for future Nursery Education provision and its associated implications for schools.	See response to recommendation 2
27	The Committee referred to SCH1 - Agreement in principle: Cabinet have agreed that schools should be expected to find 1% efficiency savings'. Given the fact that some schools are already experiencing a deficit and issues regarding classroom sizes, the Committee recommend that the proposal be reworded to state that schools 'could', not 'should', be expected.	Noted, however this proposal has been removed in line with protection afforded by Welsh Government.
	<b><u>Adult Social Care Overview &amp; Scrutiny Committee</u></b>	
	No Recommendations	

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
<p>Links to all priority themes</p>	<p><b>Making the cultural change necessary to deliver the Medium Term Financial Strategy:</b></p> <p>Whilst better than anticipated, the draft settlement for 2016-17 from Welsh Government (WG) of a reduction in AEF of 1.2% provides significant challenges.</p> <p>The updated MTFS and draft budget report to Cabinet is based on an assumption that AEF will reduce by 3.2% per annum to 2019-20 plus an increase in Council Tax of 3.9% in 2016-17 rising to 4.5% in 2019-20. The revised savings targets are:</p> <p>2016-17: £7.495m                  2017-18: £10.190m                  2018-19: £9.697m                  2019-20: £9.167m</p> <p>Budget reduction proposals over the term of the MTFS have been formulated but currently £19.177m have not yet been developed or given consideration.</p>	<p>The Council’s budget for 2016-17 to 2019-20 forecasts a £36.549m budget reduction requirement.</p> <p>More obvious savings have already been made and increasingly difficult spending decisions will have to be made including those which have difficult political implications that may have previously been rejected.</p> <p>In the future the Council will look very different as it becomes a different sort of Local Authority that will do less but be better.</p> <p>The cost of redundancy payments will be a significant item given that around two thirds of expenditure is staff, as will funding a pension deficit that will increase as fewer people contribute and outgoings increase.</p> <p>If there is a shortfall in savings the Council might fail to deliver the MTFS. This could necessitate the unplanned use of reserves to bridge the funding gap or unplanned cuts to</p>	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<p>There will be an ever increasing focus on the main aims of the Council. The Council has consulted on a revised set of three Corporate Improvement Priorities to replace the previous six.</p> <p>The Improvement Priorities will inform the allocation of resources in the MTFS period 2016-20. Prioritisation may be afforded to specific budget areas which deliver against the new priorities.</p> <p>The Council will continue to manage its resources very carefully and make difficult spending decisions. This will have to carry on for some years as the outlook for the public finances continues to look difficult.</p> <p>An MTFS budget reduction contingency reserve will be created to enable the Council to manage delays or unforeseen obstacles to the delivery of significant budget reduction proposals.</p> <p>The workforce will reduce over the life of the MTFS. The reduction will be managed through a continuation of the employment freeze, redeployment, early retirements, voluntary redundancies and some compulsory redundancies.</p> <p>The way that staff work will change. Raven’s Court will be leased out and staff</p>	<p>Corporate Director Resources</p>	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
	<p>The successful delivery of the MTFS is increasingly at risk as it becomes ever harder to make savings from more efficient services and substantial savings are relying on single projects that may not deliver.</p> <p>The budget reductions required will mean that deep transformational change is needed impacting the culture of the entire Council. There is a risk that the Council will not achieve the degree of change required due to increasingly difficult choices having to be made, the length of time it takes to make change or because the Council does not have the necessary skills and experience needed.</p>	<p>services which could put vulnerable people at risk.</p> <p>Citizens may become increasingly dissatisfied with the council, damaging its reputation, as Council Tax bills increase year on year whilst discretionary and preventative services are cut and statutory services come under increasing pressure.</p>		<p>transferred to Civic Offices and Sunnyside House. There will be an increase in agile working as we move to a ratio of three staff to every two desks, which in turn will require more staff to work remotely. The increase in agile working can only be achieved through capital investment in IT infrastructure.</p> <p>Delivery of the MTFS will be supported as the Council finds the best management arrangements for property assets including Community Asset Transfer. Priority 1 proposals include public toilets, parks pavilions, bus shelters and Community Centres. Playgrounds, playing fields and bowling greens may follow. Up to £200,000 will be set aside in the Change Management ear marked reserve to fund a fixed term dedicated Community Asset Transfer post and to meet additional legal and property requirements.</p> <p>A corporate approach to income generation is being developed which will bring greater consistency.</p>		
<p>Links to all priority themes</p>	<p><b>Local Government Reorganisation:</b></p> <p>Geographically Bridgend County Borough straddles both East</p>	<p>Delivering the transformative change required to make MTFS budget reductions, at a time when demand for some services is up, is already challenging.</p>	<p>Likelihood - 6</p> <p>Impact - 4</p>	<p>WG has considered the findings of the Williams Commission report and has now indicated its preferred option for a merger with RCT and Merthyr Tydfil.</p>	<p>Chief Executive</p>	<p>Likelihood - 6</p> <p>Impact - 4</p>

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
	<p>and West Wales. The Williams Commission recommended a merger with Neath Port Talbot and perhaps Swansea, but because of economic and other benefits BCBC made an expression of interest for a merger with Vale of Glamorgan but this was rejected.</p> <p>In June 2015 WG announced its preference for the future. This included a reduction in the number of Councils in Wales to eight or nine with Bridgend merging with Rhondda Cynon Taff (RCT) and Merthyr Tydfil. In November 2015 WG published the Local Government (Wales) Bill and this is now in a consultation phase.</p> <p>The costs of Local Government Reorganisation are unknown, but will be high. These costs have not been factored into the MTFs which already requires savings of £36.549m.</p> <p>Any merged authority is likely to receive an overall reduction in WG funding, as the expectation will be for merger efficiencies. There is the risk</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>There is uncertainty about the eventual outcome. If senior management are focussed on reorganisation whether it is to the north, west or east they may fail to deliver the required services to the public in conjunction with the budget reductions 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>Total - 24</p>	<p>The Local Government (Wales) Bill has been agreed by the Assembly. This enables the next Welsh Government to proceed with voluntary mergers of authorities after the Assembly election. The Bill does not allow for compulsory mergers and a further Bill has been proposed for these.</p> <p>As part of the Comprehensive Spending Review the UK Government announced “an in principle commitment to contribute to an infrastructure fund for the Cardiff region”. The proposed merger would have the benefit of the County Borough being part of the Cardiff Capital Regional City Deal which, if additional funds are spent on the correct projects, will grow the economy and bring benefit to citizens. If monies are spent unwisely then central government tax take will not increase and some funds would need to be paid back by the Council.</p> <p>Whilst uncertainty remains the Council will continue to collaborate with a range of partners on a pragmatic basis but will not take any action which would make merger more difficult.</p>		<p>Total - 24</p>

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
	<p>that expected efficiencies may be based on out of date information and therefore be difficult or impossible to implement.</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>Helping people to be more self sufficient</p> <p>Smarter use of resources</p>	<p><b>Supporting vulnerable people:</b></p> <p>If the Council in partnership with Western Bay and other partners do not transform how services are delivered, they will not be able to meet the challenges brought about by high public expectations, a significantly</p>	<p>The population is aging. Between 2014 and 2020, the number of people aged 65 and over is estimated to increase by 12.1% whilst the number of people over 85 is projected to increase by 24.4%. This changing demographic means that there will be more people</p>	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<p>Transformation 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. The Remodelling Adult Social Care (RASC) Board continues to be the foundation of the transformation journey as the Council continues to change the emphasis from a model of "caring" to a more preventative</p>	<p>Corporate Director Social Services &amp; Wellbeing</p>	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
	<p>worsening budget and a population that is both older and has more complex physical and mental health needs.</p> <p>Transformation is very significant and includes:</p> <ul style="list-style-type: none"> <li>• Responding to the Social Services and Wellbeing Act 2014 including duties to prisoners</li> <li>• Commencing use of the Community Care Information System (CCIS) which allows professionals across health and social care to share information</li> <li>• Caring for increased numbers of persons with Dementia</li> <li>• Encouraging greater use of direct payments</li> <li>• Managing risks associated with the use of independent providers</li> <li>• The transfer of more homecare to the independent sector.</li> </ul> <p>Demand for services is increasing and at the same time resources are decreasing. This makes the MTFs challenging.</p>	<p>with Dementia, It is estimated that need will double between 2001 and 2030.</p> <p>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. This increasing demand will place additional cost pressure on the service.</p> <p>Failure to remodel services will:</p> <ul style="list-style-type: none"> <li>• Restrict the Council's ability to respond to assessed needs as set out in the Social Services and Wellbeing Act (Wales) 2014.</li> <li>• Mean that the Council will be unable to meet its essential obligations and deliver the MTFs.</li> <li>• Result in longer lengths of stay in acute hospital services.</li> <li>• Result in a greater need for</li> </ul>		<p>approach of working with partners such as the NHS and third sector organisations to assist and support adults as they live independently in their own communities. The Council is exploring ways to include service users and communities within aspects of commissioning especially in the development of new service models for the future. There is an earmarked reserve that has been created to support the remodelling of adult social care that the service can draw on as appropriate.</p> <p>The RASC is aligned to corporate priorities and work is also ongoing to develop a corporate approach to Prevention and Wellbeing. Most of the projects under the Board have progressed to implementation stage and require specific focus and monitoring, Eg the tenders for Extracare and Homecare are due in December 2015.</p> <p>The Social Services and Wellbeing (Wales) Act 2014 and CCIS will be implemented in April 2016. A competent and skilled workforce is required in order to deliver this significant change agenda. The Social Care Workforce Development Programme will provide an extensive programme of training for staff to ensure that all are trained to deliver the Act and at the same time operate the new CCIS.</p> <p>The Council has worked with ABMU to</p>		

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
	<p>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>expensive hospital treatment.</p> <ul style="list-style-type: none"> <li>• Mean that vulnerable people lead less fulfilled lives.</li> <li>• Mean that the Council does not meet the public's expectations and consequently the reputation of the organisation will suffer.</li> </ul>		<p>develop a joint Dementia Strategy which provides an overarching context in respect of the current service provision, gaps in services, the challenges ahead and priorities. Beneath this is a Dementia Delivery Plan showing milestones, target dates and responsible officers.</p> <p>In appropriate cases the Council is seeking to increase the number of service users receiving direct payments. In the future these may be used to purchase services from the Council as well as external providers.</p> <p>The remodelling homecare implementation plan is ongoing. At this stage, fewer hours have been transferred to the independent sector than was anticipated. The implementation plan is being reviewed and corrective actions have been identified to bring hours back in line with the original target. In addition to this a formal contingency plan is being drawn up with planned actions to take if an external provider goes into administration.</p> <p>The project to change the residential care model will be subject to market conditions. Buildings are old and not future proof. It will become increasingly difficult to keep them at an acceptable standard. The Council is planning to develop two Extracare homes to replace three care homes although the</p>		

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
				<p>timetable has slipped due to the need to ensure that legal rules are adhered to.</p> <p>Independent residential care providers have been helped by the production of a Regional Quality Framework for their sector. It gives providers knowledge of the level of care expected.</p> <p>Robust monitoring of absence levels continues including scrutiny on a case by case basis.</p>		
<p>Links to all key priority themes</p>	<p><b>Welfare reform:</b></p> <p>The UK Government has introduced a number of significant welfare reforms over the last three years and Universal Credit (UC) was implemented in the County Borough in June 2015. Further reforms were introduced in the July 2015 Budget which will mean that more citizens in the County Borough will be impacted.</p>	<p>Changes being made by the UK Government to benefit entitlements mean that some citizens will be in greater poverty including increased child poverty. Demands on services for vulnerable people are likely to increase at the same time as the Council's resource base reduces. This will be exacerbated by the further changes introduced in the July 2015 UK Government budget. These include a freeze on most benefits for 4 years, a further reduction in the benefit cap, no automatic entitlement to Housing Benefit for 18 to 21 year olds and Tax Credits and UC being restricted to a</p>	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<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 is developing proposals for dealing with changes in demand.</p> <p>The Benefits Service works closely with Housing Associations to support the people affected by the caps by identifying those that are exempt from it, providing debt and money management advice and in qualifying cases awarding Discretionary Housing Benefit payments. The grant for payments in 2015-16 was £252,060.</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</p>	<p>Corporate Director Resources</p>	<p>Likelihood - 6</p> <p>Impact - 3</p> <p>Total – 18</p>



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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
		<p>maximum of two children.</p> <p>Since 15 July 2013 there has been a limit on the total benefit a working age person can receive. This currently affects 82 households in Bridgend. This number will increase when the benefit cap reduces from £23,000 to £20,000.</p> <p>From April 2013, maximum rent has been reduced in the social rented sector depending on the number of bedrooms required. 1,241 households are affected which represents 29% of the total working age Housing Association benefit claimants. The total number of households in Bridgend is about 59,000.</p> <p>The Council will need to manage the Council Tax Reduction (CTR) scheme within its budget. 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 for 2015-16 to fund the projected additional budget requirement of £1m.</p>		<p>the bedroom cap. Bridgend Housing Partnership meets quarterly and discusses the impact as an agenda item.</p> <p>When advised by the DWP of a new benefit cap case, the Benefits Service contacts the affected claimants to discuss their options. Appropriate cases are referred to the Council's debt advice service or Housing Options. The Benefits Service works closely with these families to ensure that they are adequately equipped to deal with the reduction in their income, or, in conjunction with DWP, assist the family where possible with the transition into employment.</p> <p>Officers are 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 UC.</p> <p>During the rollout of UC the Council is required to provide support services to claimants and DWP UC staff as follows:</p> <ul style="list-style-type: none"> <li>• Helping to prepare landlords for the change</li> <li>• Supporting claimants with online administration</li> <li>• Supporting claimants with complex needs and those that require</li> </ul>		

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
		<p>UC commenced in October 2013 and was implemented in Bridgend for certain claim categories in June 2015. The potential number of persons who may claim UC is estimated at 180 per month, with around 40 of these receiving support with housing costs.</p> <p>The UC caseload will build from 2016 onwards until the benefit is established for all claimants by the end of 2019.</p> <p>It is too early to say what the impact will be on the number of households affected by the latest welfare reform proposals.</p>		<p>personal budgeting</p> <ul style="list-style-type: none"> <li>• Provide expertise to UC service centre staff on housing issues</li> <li>• Process CTR for UC claimants</li> </ul> <p>The Benefits Service has been discussing UC changes with landlords since its announcement and has procured budgeting support and advice via Caer Las.</p> <p>The Council has developed other support services</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• Secured funding to provide support in libraries and community venues with digital applications, eg Universal Jobmatch and UC</li> <li>• Developed a draft directory of training, employment and other support</li> </ul> <p>As part of the MTFS, the Council has an earmarked reserve specifically for welfare reform.</p> <p>As part of the July 2015 budget it is proposed that the compulsory living wage will increase from £7.20 to £9.00 by 2020.</p>		

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
<p>Helping people to be more self sufficient</p> <p>Smarter use of resources</p>	<p><b>Supporting vulnerable children, young people and their families:</b></p> <p>If the Council in conjunction with partner organisations does not transform services it will not be able to meet the challenges of:</p> <ul style="list-style-type: none"> <li>providing high quality care to vulnerable children and their families,</li> <li>the implementation of the Social Services and Wellbeing (Wales) Act</li> <li>the implementation of CCIS</li> </ul> <p>at a time when budgets are stretched.</p>	<p>Between 2007-08 and 2012-13 the number of Looked After Children increased by 40%, from 292 to 412. As at December 2015 the number has now safely reduced to 370 and is on a downward trend. Likewise the number of Children In Need is also reducing.</p> <p>If services are not transformed the wellbeing and safety of children might be compromised. They may be unable to:</p> <ul style="list-style-type: none"> <li>Thrive and make the best use of their talents</li> <li>Live healthy and safe lives</li> <li>Be confident and caring throughout their lives</li> <li>Know and receive their rights</li> </ul> <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>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>	<p>Part 6 of the Social Services and Wellbeing Act concerns children who are looked after by the Council. The Act will be implemented on 6 April 2016 and stipulates that:</p> <ul style="list-style-type: none"> <li>The child should have a care and support plan</li> <li>The Council should make it easy for the child to stay in touch with parents, family and friends where it is safe to do so</li> <li>Each child should have an independent reviewing officer</li> <li>The Council should provide support and advice for young people coming out of care</li> </ul> <p>Significant training is being put in place to ensure that the Council meets its duties under the Act.</p> <p>The Council is taking a lead role in the development of a national approach to statutory advocacy for Looked After Children and Children In Need.</p> <p>There is an earmarked reserve for Looked After Children that will support the service area and help cushion any sudden increases in Looked After Children numbers,</p>	<p>Corporate Director Social Services and Wellbeing</p> <p>Corporate Director of Education and Transformation</p>	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
		<p>A less skilled and flexible workforce.</p> <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>The CCIS will allow professionals across different organisations to access and share information. Training is being undertaken to ensure that staff are able to use this system.</p> <p>Childrens Safeguarding and Early Help and Prevention teams will work closely together to deliver both the Early Help and Intervention Strategy and the Placement and Permanency Strategy to vulnerable groups. The re-structure of Family Intervention Services which was completed in March 2015 is working well. Three Early Help locality hubs (North, East and West) have been created to work with families in a more joined-up way. Family Support Workers, Education Welfare Officers, Family Engagement Officers, Counsellors and Youth Workers have been co-located in each of the hubs as well as Safeguarding Social Work Teams to support a whole system approach to ensuring that the needs of all our children and young people will be met at the earliest opportunity. In addition, the Council has created a central hub of specialist Family Support Services (e.g. Connecting Families) who provide a range of services across the whole County Borough.</p> <p>These initiatives will help the Council to continue to safely reduce both the numbers of Looked After Children and children on</p>		

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
				<p>the Child Protection Register.</p> <p>The Council will strive 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 has been established and 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. The development of a new local parent and child fostering service will also improve use of resources.</p> <p>The Council is ensuring that robust mechanisms are in place to identify and provide appropriate services to children at risk from child sexual exploitation (CSE). Practitioners have either received CSE training or are part of an ongoing programme to enhance their knowledge. The Council is part of a focused multi-agency "CSE Task Force" including Police and ABMU Health.</p> <p>The current respite arrangements for disabled children will be reviewed. An options appraisal is being undertaken.</p>		

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
Supporting a successful economy	<p><b>The economic climate and austerity:</b></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 2016-17 to 2019-20. These cuts will impact on the local economy disproportionately because the Council is one of the key local employers.</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</p>	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>	<p>Three Communities First teams are in place until at least April 2016. It is expected that these will continue after the Assembly election. Communities for Work will operate as a separate but complementary programme providing intensive employment skills support and mentoring to those furthest from the labour market.</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. Targeted investments have been made and successes achieved in key sectors such as tourism and the encouragement of micro business centres.</p> <p>The Council has an apprenticeship programme in operation.</p> <p>Increasing footfall via a greater number of residents living in town centres and by running high quality events.</p> <p>The Bridgend local development strategy under the Rural Development Plan for Wales has been approved with a funding allocation of £1.886m.</p>	Corporate Director Communities	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
		<p>centres such as Talbot Green and Neath. Even with regeneration, 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 reduced.</p>		<p>Implement the Youth Engagement And Progression Framework.</p> <p>Strategic Regeneration Fund (SRF) allocations are committed to projects up to 2016-17. However, following the announcement of the WG's Structural Funding Programme 2014-20, and the additional funding that can be secured using the SRF as matched funding, it has been agreed that the period of matched funding in the capital programme up to and including the 2020-21 financial year has been extended.</p> <p>A cross directorate working group will continue to co-ordinate the development and delivery of European funded projects. A package of employment support projects are being taken forward for European Social Fund grant aid. Bridges into Work 2 having been approved and Inspire 2 Achieve and Inspire 2 Work projects being close to approval.</p> <p><b>Bridgend</b> The Rhiw is being regenerated in partnership with Coastal Housing to bring footfall and vitality to the town centre. There will be a combination of residential development and car parking. The project,</p>		

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
				<p>funded by WG via a Vibrant and Viable Places grant, is on track.</p> <p><b>Maesteg/Llynfi Valley</b></p> <p>The first stage of desktop feasibility work on the Llynfi Valley sites has been completed. The town centre action plan is being implemented and is funding a range of activities in partnership with local stakeholders. The final evaluation of Maesteg THI has been issued, and confirms the success of the scheme in bringing historic buildings back into economic use in the town. A project submission has been made for Maesteg Town Hall under WG's Building for the Future programme.</p> <p><b>Porthcawl</b></p> <p>Considerable progress has been made on regeneration in Porthcawl, including the sale of the Jennings building, completion of refurbishment of key buildings in the harbour quarter through THI and further development of the Maritime Centre project. The Partnership Action Plan for the town centre is being implemented.</p> <p>The Council has been successful in its bid for £4.5m of Attractor Wales money. This will fund a maritime and water sports centre and an extension of the coastal pathway. A</p>		



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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
				<p>bid is also being made to the Coastal Community fund.</p> <p>WG funding for a new town centre partnership is now delivering projects.</p> <p>The council with others is at an early stage of negotiating a Cardiff Capital Region City Deal. A £1.28bn City Deal submission has been made to the UK Government, which indicated support during the Autumn Statement. The proposal outlines that economic growth will be generated through increased connectivity, digital technology, innovation, a skilled workforce and support to business.</p>		
<p>Supporting a successful economy</p> <p>Smarter use of resources</p>	<p><b>Disposing of waste:</b></p> <p>The EU Waste Framework Directive promotes waste prevention and increased recycling.</p> <p>WG's waste strategy 'Towards Zero Waste' sets challenging targets. Since 2012-13 there has been an obligation to recycle / compost 52% of waste and this will rise to 70% by 2025. A new service will commence in two years time. This will deliver improved performance, but in the</p>	<p>Failure to achieve recycling/composting targets could result in:</p> <ul style="list-style-type: none"> <li>Inefficient use of resources as waste goes to landfill sites</li> <li>Penalties of £200 per tonne if the Council fails to achieve landfill allowance targets</li> </ul> <p>Increased recycling has a knock on effect to the contract requirements of MREC.</p>	<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.</p> <p>Any extension to the Kier 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". WRAP Cymru have assisted the Council to consider the future by modelling various options. Those being assessed include working with neighbouring authorities, pursuing a procurement strategy and also a negotiated extension to the existing contract which would take into account revised recycling</p>	<p>Corporate Director Communities</p>	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
	<p>meantime maintaining momentum behind the existing scheme and hitting the target is a challenge.</p>			<p>targets.</p> <p>BCBC and Swansea CBC, under the South West Wales hub have procured an Anaerobic Digestion facility provided by Biogen. An interim contract of two years has been let which commenced on 1 August 2015. A business case for a longer term contract is being prepared for WG.</p> <p>A tender was let to allow an operator to provide residual waste handling facilities at MREC. The results and their implications are being considered.</p> <p>In the short term, maintaining recycling rates can only be achieved by educating citizens so that they maintain their participation with the existing scheme.</p>		
<p>Corporate Governance</p>	<p><b>Equal Pay Claims:</b></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</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</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 equal pay exercise, the Council is in a good position to be able to respond to any further claims in an appropriate manner.</p>	<p>Corporate Director Resources</p>	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
	scope of the Memorandum of Understanding. The court decision remains outstanding.	increase Legal Costs.				
Helping people to be more self-reliant	<p><b>Healthy Life Styles:</b></p> <p>There are significant health inequalities within the County Borough and national statistics show that some parts are amongst the least healthy in Wales. Many people in the County Borough live unhealthy lifestyles and this might deteriorate as welfare reform continues and some people become poorer.</p> <p>The Council must continue to find innovative ways of working to maximise the impact of reduced resources. This includes Community Asset Transfer (CAT) of assets including parks pavilions, playgrounds and playing fields. If the Council does not find ways to 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"> <li>Shortened life expectancy. Life expectancy in the County Borough is below the Welsh average.</li> <li>Shortened healthy life expectancy. Some areas of the County Borough have a healthy life expectancy which is 20 years longer than others.</li> <li>Higher rates of obesity. Over half the County Borough population is overweight or obese. This results in significant costs to the economy and health and social services.</li> <li>Worse emotional health.</li> <li>Less fulfilled lives as people lose their independence due to ill health.</li> </ul> <p>These result in greater demand</p>	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>	<p>The Council aims to support a wide range of people, at all stages of life, to achieve health gains by encouraging them to be more active, more often.</p> <p>The Welsh NHS confederation identifies that the all-cause mortality risk is reduced by 30% amongst those who are physically active and that physically active people will spend on average 38% fewer days in hospital. The Sport, Play and Active Wellbeing service targets collaborative working to increase physical activity rates. In addition the service has responded to the challenge of the Social Services and Wellbeing (Wales) Act by focussing on prevention and wellbeing based interventions that can reduce the need for higher cost provision or support in the future.</p> <p>The Council develops 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. This includes delivering the National Exercise Referral Programme in partnership with HALO Leisure to help reduce obesity levels</p>	Corporate Director Social Services & Wellbeing	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
		<p>on expensive medical and care services provided by ABMU and the Council.</p>		<p>and encourage better weight management across the County Borough.</p> <p>The number of physical activity visits to Council operated leisure facilities have increased by 92,508 over a two year period. Visits to HALO facilities have also increased. The total for 2014-15 of 1,148,616 is 5.6% higher than in 2011-12.</p> <p>Children and young people are encouraged to be physically active. The Sport, Play and Active Wellbeing Service have formal partnerships with many schools. In addition the National School Sport programme is being implemented as is the "Every Child a Swimmer" initiative. The wellbeing of Looked After Children is promoted because they receive additional support through free access to local facilities.</p> <p>The secondary schools programme achieved 71,352 participants and supported 5,448 physical activity sessions.</p> <p>Other examples of how the community is being encouraged to exercise are:</p> <ul style="list-style-type: none"> <li>Developing community based sporting opportunities with Disability Sport Wales for children and adults with disabilities. There are 923 junior and 623 senior participants.</li> </ul>		

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
				<ul style="list-style-type: none"> <li>• Increasing the activity levels of women and girls through initiatives such as “Us Girls”.</li> <li>• The “Move More Often” programme is being developed to support users of day care and residential services.</li> <li>• The Love to Walk programme.</li> </ul> <p>The Council is pursuing CAT with priority given to assets that are linked to proposals within the MTFS. Up to £200k had been set aside in the Change Management earmarked reserve to fund a fixed term dedicated CAT Officer post for 3 years and to meet additional legal and property requirements. Priority 1 proposals include parks pavilions and priority 2 playgrounds and playing fields. The success of the proposals depends on the proactive participation of Town and Community Councils and community organisations, together with their ability to manage the asset. Different assets will generate different levels of interest. There is a £100,000 per annum ring fenced for capital investment as well as potentially £1m prudential borrowing for pavilions to ensure that they are in a good condition, to encourage take up of assets.</p>	<p>Corporate Director Communities</p>	

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
				<p>The Council works with LSB partners and other parties to further develop targeted projects that tackle health issues such as weight management, harmful drinking and smoking.</p> <p>There are ongoing Responsible Authority meetings to review any emerging issues around the licence trade and the sale of alcohol.</p> <p>There is support for initiatives via Neighbourhood Networks and local partnership working that target evidence of alcohol related anti-social behaviour, with a review of data and evidence.</p> <p>The Council is seeking to reduce levels of tobacco consumption within the County Borough. The multi-agency Tobacco Control Steering Group developed an action plan for partnership working across the County Borough. There are various awareness raising initiatives across the County Borough and Trading Standards, as part of the newly formed regulatory service, inspects premises and enforces legislation concerning sales to those who are underage.</p>		
Supporting a successful	<p><b>Maintaining infrastructure:</b> If there is further harsh weather</p>	Failure to maintain infrastructure will result in the Council not meeting its statutory obligations	Likelihood - 5	Additional maintenance has been undertaken in the past 5 years as a result of increased revenue budget and grants from	Corporate Director Commun-	Likelihood - 4

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
<p>economy</p>	<p>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. The risk is exacerbated because the Local Government Borrowing Initiative (LGBI) has ended and reductions must be found in the Highways budget.</p>	<p>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>Impact - 4</p> <p>Total - 20</p>	<p>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).</p> <p>The LGBI 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. 2014-15 was the last year of the LGBI and there will now be reductions in maintenance budgets. Consideration is being given to how much would have to be spent to maintain the highway network in its existing condition. A business case for additional investment will be made. Unless there is further investment there will now inevitably be deterioration in the proportion of roads that are in a satisfactory condition.</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.</p> <p>The risk around the condition of the highway will be managed by a proactive</p>	<p>ities</p>	<p>Impact - 4</p> <p>Total - 16</p>

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
				system of highway inspections and by responding positively to highways complaints.		
Helping people to be more self-reliant	<p><b>The impact of homelessness:</b></p> <p>Homelessness may increase because of the current economic climate and ongoing austerity measures and welfare reform. This may result in a greater dependence on the Council to provide temporary accommodation for residents.</p> <p>The Housing (Wales) Act 2014 has been enacted and places 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,</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</p>	<p>Likelihood - 5</p> <p>Impact - 3</p> <p>Total - 15</p>	<p>The Housing (Wales) Act gives the Council a strategic role in the functioning of the local housing market. The Council is consulting on a draft strategy for the period 2016-18. It contains five proposed priorities. These are:</p> <ul style="list-style-type: none"> <li>• Take reasonable steps to prevent homelessness</li> <li>• Make the best use of existing homes</li> <li>• Work with partners to deliver the right type of new housing</li> <li>• Help vulnerable people to stay independent, safe and secure in accommodation that best meets their needs</li> <li>• Create sustainable town centres through housing led regeneration</li> </ul> <p>WG advise that grants will be available to support the implementation of the Housing (Wales) Act. However, the money is only guaranteed for one year. This means that it is difficult to find staff of the correct calibre to manage the project because there is no security of employment.</p>	Corporate Director Communities	<p>Likelihood - 5</p> <p>Impact - 3</p> <p>Total - 15</p>



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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
	<p>may increase the use of temporary accommodation until a solution is found or a homeless investigation is instigated.</p>	<p>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.</p> <p>Fewer properties are being improved because the Housing Renewal Area programme is reducing. There will be no WG grant in 2016-17; however, the 2015-16 allocation of £417,000 can be extended and used up to September 2016. The result will be fewer properties being improved.</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 Kerrigan Project aims to develop good practice in assisting those who are homeless or vulnerably housed and have co-occurring mental health and substance misuse issues.</p> <p>The Council, in conjunction with Registered Social Landlords, have implemented a Common Housing Register and Social Housing Allocations Policy. This is working well and is helping 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>Following the national review of the Supporting People Programme, Regional Collaborative Committees have been set up to support greater collaborative working.</p> <p>The impact of welfare reform has been</p>		

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
				<p>reduced as far as possible. 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 location of Parc Prison means that there is an increased risk of homeless presentations with their associated costs. Additional resources have been made available by WG to facilitate the operational changes required by the Housing Act.</p> <p>The Council will continue to apply the "intentionality test" to all groups of homeless households.</p> <p>A one stop shop for domestic abuse has been set up in Civic Offices. The aim is to provide a holistic service to victims of domestic abuse and prevent unnecessary homelessness.</p>		
Smarter use of resources	<p><b>Collaboration with partners:</b></p> <p>If the Council does not undertake collaboration projects</p>	<p>In a period of reducing budgets, successful collaborative working is even more essential for the efficient and effective delivery of</p>	<p>Likelihood - 6</p> <p>Impact - 4</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</p>	<p>Assistant Chief Executive, Legal &amp;</p>	<p>Likelihood - 3</p> <p>Impact - 4</p>

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
	<p>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 commencing in June 2015, the closure of 20+ work club and the end of funding to "Get Bridgend On Line".</p>	<p>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 and the potential for a drop in performance as measured against established KPI's.</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.</p> <p>If the collaborative Regulatory Services project is not supported the Service may not be as effective as the proposals would suggest.</p> <p>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 and the staff and model start to function.</p>	<p>Total - 24</p>	<p>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. Those priorities are being reviewed, along with the implications of the Well-being and Future Generations Act, which will move Local Service Boards to Public Service Boards (PSB's)</p> <p>The LSB also reviewed its structure, reducing the number of its delivering boards from 11 to 5. A refreshed Neighbourhood Network steering group was established to take forward citizen engagement and to plan and deliver 'place' based projects.</p> <p>The review resulted in a renewed focus for LSB, clearer priorities and the development</p>	<p>Regulatory Service</p>	<p>Total - 12</p>

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
		<p>Regulatory Services staff have now all transferred to the Vale of Glamorgan as host employers with the new structure having been populated during November and December 2015.</p>		<p>of flagship projects which clearly demonstrate how they contribute to achieving the outcomes. Outcome of the review and new priorities have also been taken to scrutiny committee.</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 in relation to Regulatory Services.</p> <p>The Central South Consortium will drive school improvement.</p> <p>The Data Centre collaboration project with RCT increases the resilience of service provision.</p> <p>Collaboration in the provision of Leisure Services reduces cost and has improved quality.</p> <p>The motor fleet maintenance depot, jointly run with South Wales Police, will increase efficiency.</p>		

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
				There are partnership agreements to support the management of these collaborative projects.		
Links to all priority themes	<p><b>Educational provision</b></p> <p>If the Council does not adopt a strategic approach for sustainable educational provision in Bridgend then there is a risk that it may not be able to offer sufficient educational provision or of the right type in the right locations in the County Borough and with partners.</p> <p>Neither will the Council be providing 'fit for purpose schools' capable of delivering high quality educational experiences for all pupils.</p>	<p>An inability to offer a broad range of educational opportunities will ultimately result in poorer outcomes for children and young people.</p> <p>Outcomes for groups of vulnerable learners may not improve quick enough or not at all.</p> <p>Continued falling school rolls and a large number of surplus places.</p> <p>Challenges in the replacement of a number of Headteachers reaching retirement age in the near future.</p> <p>Financial constraints leading to a growing number of schools in a deficit budget situation.</p> <p>School improvement schemes continue to be reactionary rather than strategic.</p> <p>Insufficient Welsh medium provision to meet demand,</p>	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>	<p>A strategic review into the development and rationalisation of the curriculum and estate provision of Primary, Secondary and Post 16 Education will be undertaken. This will provide an evidence based rationale for change and will help the council reach informed conclusions about the nature of future provision.</p> <p>The work of the school task group has provided a useful foundation to build on and will support the development of a specification for the strategic review.</p> <p>An increase in the pace of school improvement.</p> <p>Succession planning for Headteachers.</p> <p>Band B of the school modernisation programme will provide the mechanism to deliver the developed strategy.</p> <p>Promotion of the Welsh language in particular through the Welsh in Education strategic plan.</p> <p>Growth in the provision of Welsh medium education in Bridgend.</p>	Corporate Director Education & Transformation	<p>Likelihood - 3</p> <p>Impact - 4</p> <p>Total - 12</p>

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
		<p>especially in the centre of Bridgend.</p> <p>The strategic future of whole life learning across the County Borough will not be fully integrated into our strategy e.g., Bridgend College.</p> <p>The organisation of school places in Bridgend County Bough will not be supported by a clear strategy.</p>		<p>Strong collaboration with communities and strategic partners, in particular Bridgend College.</p> <p>Monitoring of the impact of the agreed changes to the Council's Learner Travel Policy from September 2016.</p> <p>Greater join up at both a strategic and operational level via the Safe Dry and Warm project.</p> <p>Close monitoring of surplus places and the development of opportunities to utilise surplus places with secondary schools in particular.</p>		
Supporting a successful economy	<p><b>Educational attainment:</b></p> <p>If school standards and pupil attainment do not continue to</p>	<p>A possible increase in the number of young people not in education, employment and training (NEET).</p>	<p>Likelihood - 4</p> <p>Impact - 4</p>	<p>There has been a significant narrowing of the gap, with an improvement in the average point score for Looked After Children from 247 to 274 during 2014-15.</p>	<p>Corporate Director Education &amp;</p>	<p>Likelihood - 3</p> <p>Impact - 4</p>

CORPORATE RISK ASSESSMENT 2016-17

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
<p>Helping people to be more self-reliant</p>	<p>improve, including a narrowing of the gap between vulnerable pupils and others, 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>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 Key Stage 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 in schools.</p> <p>A gap in achievement between pupils from vulnerable groups such as Free School Meals, Looked After Children, Children</p>	<p>Total - 16</p>	<p>The Central South Consortium (CSC) is recruiting Consultant Governors to help governing bodies which are in need of support.</p> <p>“Team Around The School” continues to support schools which are under performing. BCBC has recently appointed an Interim Headteacher at Coleg Cymunedol Y Dderwen and is working with the consortium to develop a strong senior management team and Governing body.</p> <p>A Consultant Governor has also recently been appointed at Coleg Cymunedol Y Dderwen and will support the interim Headteacher and governing body in responding to necessary change after the recent Estyn inspection.</p> <p>The Council is working with CSC and other partners to ensure that governing bodies are effective in providing challenge to schools. This includes working with the Bridgend Governors Association (BGA) which will relaunch in January 2016 following an election. The focus of the BGA will be to develop a strategy to roll out Governor Improvement Groups (GIGs) for the County Borough, the first of their kind in Wales.</p> <p>Poor attendance leads to a serious loss of</p>	<p>Transformation</p>	<p>Total - 12</p>

CORPORATE RISK ASSESSMENT 2016-17

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
		<p>In Need and Special Educational Needs and other pupils.</p>		<p>learning which is likely to affect achievement and life chances. An attendance strategy is in place and fixed penalty notices are available for Headteachers to use as a sanction. This is supported by the CSC absence management toolkit, Callio. Approximately 17 Fixed Penalty Notices have already been issued for persistent unauthorised absences.</p> <p>To raise standards, the Council continues to implement the concept of self-evaluation across all its services in particular within Education. This includes the development of a self-evaluation action plan. A number of officer events have taken place throughout 2015 with the Children's Directorate's extended senior management team to focus on improving outcome focused self-evaluation.</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</p>		



CORPORATE RISK ASSESSMENT 2016-17

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
				<p>School Improvement Strategy.</p> <p>There is a strong focus on raising standards of literacy and numeracy through structured and strategic programmes including:-</p> <ul style="list-style-type: none"> <li>• Identifying underperforming English and Maths Departments and support action to improve</li> <li>• Provide training for staff</li> <li>• Develop a whole school approach to basic skills</li> <li>• CSC literacy and numeracy plans</li> </ul> <p>The new senior management structure for the Access and Inclusion service has demonstrated positive improvements in how Additional Learning Need (ALN) is supported across the Council's schools. The new Bryncethin Campus bring ALN support together on one site including the Bridge Alternative Provision, Ysgol Bryn Castell (YBC) and ALN support e.g., Educational Psychology, Looked After Children Education, etc.</p> <p>A specification for a strategic review of education in Bridgend is being developed for delivery following on from the work of the School's Task Group to be delivered by a strategic partner in 2016.</p> <p>A number of hard and soft federations are actively being considered with some</p>		

CORPORATE RISK ASSESSMENT 2016-17

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
				<p>schools.</p> <p>School Improvement Groups (SIGs) have been set up across the 5 Local Authorities in the CSC so that schools can share best practice and learn from each other.</p> <p>National categorisation of schools helps to identify which schools require support.</p>		
<p>Corporate Govern- ance</p>	<p><b>Health and Safety</b></p> <p>The council has a duty to protect the health, safety and welfare of their employees and other people who might be affected by its activities. Areas for improvement in some health and safety arrangements have been identified.</p>	<p>Failure to manage health and safety could result in:</p> <ul style="list-style-type: none"> <li>• Injury, ill-health or loss of life to employees or members of the public.</li> <li>• Total or partial loss of services or buildings used to deliver services to vulnerable people.</li> <li>• Criminal prosecution by enforcement bodies such as South Wales Police, the Health and Safety Executive or South Wales Fire and Rescue Service. Sanctions include fines, imprisonment and disqualification from office.</li> <li>• Employers and Public Liability Claims.</li> </ul>	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>	<p>The newly developed Directorate Risk Registers will be used to methodically review the hazards on a priority basis to develop:</p> <ul style="list-style-type: none"> <li>• Business plans and health and safety objectives</li> <li>• Risk assessment planned programmes</li> <li>• Health and safety competencies and training plans</li> </ul> <p>Cascade health and safety objectives within staff appraisals.</p> <p>Monitor health and safety performance through Corporate Performance Assessment and Corporate Management Board.</p> <p>Continue to assess the health and safety impacts of the budget reductions required by the MTFs and relevant change programme projects.</p>	<p>Chief Executive</p>	<p>Likelihood – 3</p> <p>Impact – 4</p> <p>Total - 12</p>

CORPORATE RISK ASSESSMENT 2016-17

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
		<ul style="list-style-type: none"> <li>Increased insurance premiums.</li> <li>Reputational damage.</li> </ul>		<p>Establish an awareness raising campaign of regular communications to staff promoting a range of health and safety topics to develop a positive safety culture.</p>		
<p>Links to all key priority themes</p>	<p><b>School modernisation:</b></p> <p>Budget pressures may reduce or delay the 21<sup>st</sup> Century school programme.</p> <p>WG has committed to fund 50% (£22.474m) of the total costs for the Band A programme. To receive this funding the council has to provide match funding of £22.474m. Whilst £5m is from core funding allocations the Council is also relying on raising £4m from S106 agreements and £13.475m from the sale of school and other sites.</p> <p>It continues to be a challenge to</p>	<ul style="list-style-type: none"> <li>Insufficient progress may have a negative impact on pupils' learning and wellbeing.</li> <li>There is a link between attendance, attainment and the school environment.</li> <li>It may affect the range of educational opportunity for pupils.</li> <li>There may be inefficient use of resources, due to a mismatch in the supply and demand for places in different schools.</li> <li>Deterioration in the state of school buildings will result in increased running costs and the need for</li> </ul>	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<p>The Council continues to implement a phased schools modernisation programme but within a revised timetable.</p> <p>WG has committed to fund 50% (£22.474m) of the total costs for the Band A programme through a combination of Capital Grant and LGFI. To receive this funding the Council needs to submit detailed business cases for each project including how its match funding will be provided.</p> <p>It is essential that the planned capital receipts already committed and ring fenced from the sale of school sites are retained for school modernisation. Any change to this commitment would require Council approval.</p>	<p>Corporate Director Education &amp; Transformation</p>	<p>Likelihood - 3</p> <p>Impact - 4</p> <p>Total - 12</p>

CORPORATE RISK ASSESSMENT 2016-17

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
	<p>release sufficient land for sale to support the programme, If the Council is unable to do 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>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.</p> <ul style="list-style-type: none"> <li>New schools are designed as community facilities and in the case of Coleg Cymunedol Y Dderwen is also a multi- agency hub.</li> </ul> <p>Inadequacies in buildings maintenance have been identified, including fire safety within schools.</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 &amp; Capital Programme Contractor Framework will continue via the new framework SEWSCAP2.</p> <p>Maintain good links with Welsh Local Government Association and WG.</p> <p>Review catchment area boundaries to ensure supply 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>The Safe, Dry and Warm project has commenced including the development of condition surveys of all school buildings. The Council has appointed a Fire Safety Officer.</p> <p>Demand for Welsh medium education is up and the council is proposing to move YGG Cwm Garw to the Betws school site where it will be more accessible from other areas</p>		

CORPORATE RISK ASSESSMENT 2016-17

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
				of the County Borough. In addition, it is proposed that a Welsh medium starter class in the centre of Bridgend be explored, along with other ideas to increase the number of Welsh medium primary places in the centre of the County Borough.		

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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO COUNCIL

10 MARCH 2016

### REPORT OF THE SECTION 151 OFFICER

#### 2016-17 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 as 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 2016-17.
- 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 Bridgend County Borough Council 2016-17 budget on the 10 March 2016, and the budget is shown in the following table :

	<b>2016-17 Budget £000</b>	
<b>Service expenditure</b>		
Education & Transformation	20,160	
Schools	86,865	
Adult Social Care	39,406	
Safeguarding	17,686	
Sport, Play and Active Wellbeing	2,466	
Communities	24,551	
Resources	13,815	
Legal and Regulatory Services	5,785	
		210,734
<b>Corporate expenditure</b>		
Council Tax Reduction Scheme	14,304	
Capital Financing Costs	10,128	
Pension Related Costs	1,258	
Insurance Premiums	1,559	
Repairs and Maintenance	900	
Sleep Ins	800	
Other Corporate Budgets	8,249	
		37,198
<b>Precepts/Levies</b>	6,959	
		6,959
<b>Total Net Revenue Expenditure</b>		<b>254,891</b>

4.2 The average County Borough Council Tax is shown below:

	<b>2015-16 £</b>	<b>2016-17 £</b>
Total Expenditure	252,201,218	254,891,190
Less:		
Revenue Support Grant	148,001,598	145,232,718
NDR Distribution	40,407,767	42,282,679
<b>Collected from Council Tax</b>	<b>63,791,853</b>	<b>67,375,793</b>
<u>Council Tax Base - Band D equivalents</u>	51,071.48	51,916.19
County Borough Council Tax	1,249.07	1,297.78
Average Community Council	34.01	36.77
Police & Crime Commissioner for South Wales	199.86	207.85
<b>Band D Property average council tax</b>	<b>1,482.94</b>	<b>1,542.40</b>

4.3 The Police & Crime Commissioner for South Wales has notified the Council that their precept for the financial year ending 31 March 2017 will rise to



£10,790,863 which equates to a Council Tax of £207.85 on a Band D property, a 4% increase. The 2016-17 precept was confirmed by the South Wales Police and Crime Panel on 1 February 2016, and was subsequently issued to Bridgend County Borough Council on the 9 February 2016.

- 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 Local Precepts	67,375,793	51,916.19	1,297.78
Brackla Community Council	140,000	4,151.34	33.72
Bridgend Town Council	367,875	5,695.26	64.59
Cefn Cribbwr Community Council	20,000	527.52	37.91
Coity Higher Community Council	52,000	2,886.05	18.02
Cornelly Community Council	85,000	2,523.81	33.68
Coychurch Higher Community Council	10,000	330.77	30.23
Coychurch Lower Community Council	13,110	646.82	20.27
Garw Valley Community Council	68,000	2,211.76	30.74
Laleston Community Council	132,000	4,827.07	27.35
Llangynwyd Lower Community Council	7,000	169.11	41.39
Llangynwyd Middle Community Council	42,000	1,041.39	40.33
Maesteg Town Council	295,500	5,472.23	54.00
Merthyr Mawr Community Council	2,000	148.46	13.47
Newcastle Higher Community Council	41,000	1,633.63	25.10
Ogmore Vale Community Council	66,500	2,512.20	26.47
Pencoed Town Council	145,000	3,368.81	43.04
Porthcawl Town Council	260,400	7,854.33	33.15
Pyle Community Council	75,000	2,468.21	30.39
St Brides Minor Community Council	51,365	2,184.27	23.52
Ynysawdre Community Council	35,000	1,263.15	27.71
Borough Budget Requirement	69,284,543	51,916.19	1,334.55
Police & Crime Commissioner for South Wales	10,790,863	51,916.19	207.85
<b>TOTAL</b>	<b>80,075,406</b>		<b>1,542.40</b>

- 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	1,297.78	33.72	207.85	1,539.35
Bridgend Town Council	1,297.78	64.59	207.85	1,570.22
Cefn Cribbwr Community Council	1,297.78	37.91	207.85	1,543.54
Coity Higher Community Council	1,297.78	18.02	207.85	1,523.65
Cornelly Community Council	1,297.78	33.68	207.85	1,539.31
Coychurch Higher Community Council	1,297.78	30.23	207.85	1,535.86
Coychurch Lower Community Council	1,297.78	20.27	207.85	1,525.90
Garw Valley Community Council	1,297.78	30.74	207.85	1,536.37
Laleston Community Council	1,297.78	27.35	207.85	1,532.98
Llangynwyd Lower Community Council	1,297.78	41.39	207.85	1,547.02
Llangynwyd Middle Community Council	1,297.78	40.33	207.85	1,545.96
Maesteg Town Council	1,297.78	54.00	207.85	1,559.63
Merthyr Mawr Community Council	1,297.78	13.47	207.85	1,519.10
Newcastle Higher Community Council	1,297.78	25.10	207.85	1,530.73
Ogmore Vale Community Council	1,297.78	26.47	207.85	1,532.10
Pencoed Town Council	1,297.78	43.04	207.85	1,548.67
Porthcawl Town Council	1,297.78	33.15	207.85	1,538.78
Pyle Community Council	1,297.78	30.39	207.85	1,536.02
St Brides Minor Community Council	1,297.78	23.52	207.85	1,529.15
Ynysawdre Community Council	1,297.78	27.71	207.85	1,533.34

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 statutory provisions set out in Local Government Finance Act 1992.

## 6. Equality Impact Assessments

6.1 The Council Tax is determined as part of the Medium Term Financial Strategy (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 £1,297.78 for 2016-17, and the Council Tax for the area outlined in Paragraph 4.4.
- ii) Approve the Council Tax charges for Band D properties for 2016-17 for each of the community areas as outlined in Paragraph 4.5.

Ness Young CPFA

**Section 151 Officer and Corporate Director-Resources  
10 March 2016**

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Background Documents:

Cabinet Report - Medium Term Financial Strategy 2016-17 to 2019-20 - 1 March 2016

Council Report - Medium Term Financial Strategy 2016-17 to 2019-20 -10 March 2016

Community	Band								
Council	A	B	C	D	E	F	G	H	I
Brackla Community Council	1026.24	1197.27	1368.31	1539.35	1881.43	2223.51	2565.59	3078.70	3591.82
Bridgend Town Council	1046.82	1221.28	1395.75	1570.22	1919.16	2268.10	2617.04	3140.44	3663.85
Cefn Cribwr Community Council	1029.03	1200.53	1372.04	1543.54	1886.55	2229.56	2572.57	3087.08	3601.60
Coity Higher Community Council	1015.77	1185.06	1354.36	1523.65	1862.24	2200.83	2539.42	3047.30	3555.19
Cornelly Community Council	1026.21	1197.24	1368.28	1539.31	1881.38	2223.45	2565.52	3078.62	3591.73
Coychurch Higher Community Council	1023.91	1194.55	1365.21	1535.86	1877.17	2218.47	2559.77	3071.72	3583.68
Coychurch Lower Community Council	1017.27	1186.81	1356.36	1525.90	1864.99	2204.08	2543.17	3051.80	3560.44
Garw Valley Community Council	1024.25	1194.95	1365.66	1536.37	1877.79	2219.20	2560.62	3072.74	3584.87
Laleston Community Council	1021.99	1192.31	1362.65	1532.98	1873.65	2214.31	2554.97	3065.96	3576.96
Llangynwyd Lower Community Council	1031.35	1203.23	1375.13	1547.02	1890.81	2234.59	2578.37	3094.04	3609.72
Llangynwyd Middle Community Council	1030.65	1202.41	1374.19	1545.96	1889.51	2233.05	2576.61	3091.92	3607.24
Maesteg Town Council	1039.76	1213.04	1386.34	1559.63	1906.22	2252.80	2599.39	3119.26	3639.14
Merthyr Mawr Community Council	1012.74	1181.52	1350.31	1519.10	1856.68	2194.26	2531.84	3038.20	3544.57
Newcastle Higher Community Council	1020.49	1190.56	1360.65	1530.73	1870.90	2211.06	2551.22	3061.46	3571.71
Ogmore Vale Community Council	1021.41	1191.63	1361.87	1532.10	1872.57	2213.03	2553.51	3064.20	3574.90
Pencoed Town Council	1032.45	1204.52	1376.60	1548.67	1892.82	2236.97	2581.12	3097.34	3613.57
Porthcawl Town Council	1025.86	1196.82	1367.81	1538.78	1880.74	2222.68	2564.64	3077.56	3590.49
Pyle Community Council	1024.02	1194.68	1365.35	1536.02	1877.36	2218.70	2560.04	3072.04	3584.05
St Brides Minor Community Council	1019.44	1189.33	1359.25	1529.15	1868.97	2208.77	2548.59	3058.30	3568.02
Ynysawdre Community Council	1022.23	1192.59	1362.97	1533.34	1874.09	2214.83	2555.57	3066.68	3577.80

By virtue of paragraph(s) 14 of Part 4 of Schedule 12A of the Local Government Act 1972.

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