

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: 13 January 2016

Dear Councillor,

CORPORATE RESOURCES & IMPROVEMENT OVERVIEW & SCRUTINY COMMITTEE

A meeting of the Corporate Resources & Improvement Overview & Scrutiny Committee will be held in Committee Rooms 2/3, Civic Offices Angel Street Bridgend CF31 4WB on **Tuesday, 19 January 2016 at 2.00 pm.**

AGENDA

1. Apologies for Absence
To receive apologies for absence (to include reasons, where appropriate) from Members/Officers.
2. Declarations of Interest
To receive declarations of personal and prejudicial interest (if any) from Members/Officers in accordance with the provisions of the Members Code of Conduct adopted by Council from 1 September 2008 (including Whipping declarations)
3. Approval of Minutes 3 - 12
To receive for approval the minutes of a meeting of the Corporate Resources and Improvement Overview and Scrutiny Committee dated 10 December 2015
4. Forward Work Programme Update 13 - 16
5. Medium Term Financial Strategy 2016-17 to 2019-20 17 - 58

Invitees:

Councillor M Gregory – Cabinet Member Resources
N Young – Corporate Director Resources and Section 151 Officer
R Hemingway – Head of Finance and ICT

6. Urgent Items
To consider any items of business in respect of which notice has been given in accordance with Part 4 (paragraph 4) of the Council Procedure Rules and which the person presiding at the meeting is of the opinion should by reason of special circumstances be transacted at the

meeting as a matter of urgency.

Yours faithfully

P A Jolley

Assistant Chief Executive Legal and Regulatory Services

Distribution:

Councillors:

G Davies
GW Davies MBE
E Dodd
CA Green

Councillors

EM Hughes
RC Jones
DRW Lewis
JR McCarthy

Councillors

CL Reeves
M Reeves
JC Spanswick
G Thomas

MINUTES OF A MEETING OF THE CORPORATE RESOURCES & IMPROVEMENT OVERVIEW & SCRUTINY COMMITTEE HELD IN COUNCIL CHAMBER, CIVIC OFFICES ANGEL STREET BRIDGEND CF31 4WB ON THURSDAY, 10 DECEMBER 2015 AT 2.00 PM

Present

Councillor M Reeves – Chairperson

G Davies
DRW Lewis

CA Green
JR McCarthy

EM Hughes
JC Spanswick

RC Jones

Officers:

Rachel Keepins
Andrew Rees

Democratic Services Officer - Scrutiny
Senior Democratic Services Officer - Committees

Invitees:

Councillor HJ David
Councillor M
Gregory
Councillor PJ White
Councillor HM
Williams

Deputy Leader
Cabinet Member Resources
Cabinet Member Adult Social Care and Wellbeing
Cabinet Member Communities

Andrew Jolley
Susan Cooper
Deborah McMillan
Mark Shephard
Yuan Shen

Assistant Chief Executive Legal & Regulatory Services
Corporate Director Social Services & Wellbeing
Corporate Director Education & Transformation
Corporate Director Communities
Corporate Improvement and Integrated Partnerships Manager

174. APOLOGIES FOR ABSENCE

Apologies for absence were received from the following Members for the reasons so stated:

Councillor GW Davies – Family commitment
Councillor C Reeves – Caring responsibility
Councillor G Thomas – Jury service
Councillor CE Smith – Cabinet Member Regeneration and Economic Development – Other Council Business
Councillor HJ Townsend – Cabinet Member Childrens Social Services and Equalities – Other Council Business.

175. DECLARATIONS OF INTEREST

None.

176. APPROVAL OF MINUTES

RESOLVED: That the minutes of the Corporate Resources & Improvement Overview and Scrutiny Committee of 22 September 2015 be approved as a true and accurate record.

177. FORWARD WORK PROGRAMME UPDATE

The Scrutiny Officer presented a report which detailed the items to be considered at the next meeting of the Committee to be held on 19 January 2016 and sought confirmation of the information and invitees required for the subsequent meeting to be held on 5 February 2016. A request had been received from officers for the item on the Corporate Plan to be moved from meeting of 19 January 2016 to the meeting on 5 February 2016.

The Scrutiny Officer also reported that Corporate Parenting is the term used to describe the responsibility of a local Authority towards looked after children and young people and that all Members have a level of responsibility for the children and young people looked after by the Authority. She requested that Members consider how the services within the remit of the Committee affect children in care and care leavers and how it can assist in these areas. The Scrutiny Officer stated that Scrutiny Champions can greatly support the Committee in this by advising of the ongoing work of the Corporate Parenting Cabinet Committee any decisions or changes which they should be aware of as Corporate Parents.

Conclusions:

- (1) Noted the topics to be considered at its meeting on 19 January 2016 and the invitees to attend to attend the meeting;
- (2) Determined the invitees to be invited to attend the meeting on 5 February 2016 and that the item on the Corporate Plan be be moved from meeting of 19 January 2016 to the meeting on 5 February 2016.

178. Q2 BUDGET MONITORING AND COUNCIL PERFORMANCE OVERVIEW REPORT

The Scrutiny Officer introduced a report which gave an overview of the Council's performance in 2015-16 which compared performance with the commitments to delivering the improvement priorities in the Corporate Plan for 2013-17. The Committee was also provided with an update on the financial position as at 30 September 2015.

The Assistant Chief Executive Legal and Regulatory Services informed the Committee that performance in the Directorate was on target with most indicators being Green in status. This was with the exception of performance indicator PPN008 relating to '*the percentage of new businesses identified during the year which were subject to an inspection or submitted a self-assessment questionnaire for Food Hygiene*', which was attributed to the impact of the Public Protection collaboration on service delivery. He stated that sickness absence has been a cause for concern as a consequence of additional work undertaken as a result of staff losses. Those members of staff who had been off sick had now returned to work.

The Assistant Chief Executive Legal and Regulatory Services also informed the Committee of recent concern over the viability of the County Borough Supplies service following a decision by a Local Authority to withdraw from the service and the prospect of another Local Authority likely to follow suit.

The Committee expressed concern that the performance indicator relating to '*the percentage of new businesses identified during the year which were subject to an inspection or submitted a self-assessment questionnaire for Food Hygiene*', was maybe due to a reduction in the staffing structure. The Assistant Chief Executive Legal and Regulatory Services informed the Committee that the new structure in Regulatory Services has had an impact on new inspections but the premises are low risk and can assess themselves. Owners of premises were written to if they had not undertaken a

self-assessment. He stated that it was not uncommon for performance to dip in quarter 2 and that once the new structure was fully in place the service would be strengthened.

The Committee questioned the reasons for the under spend of £1.346m on the Council's net revenue budget which comprised a £571k net under spend on directorates and under spend of £775k on corporate budgets. The Corporate Director Resources informed the Committee that there would be changes to corporate budgets and that the main variances related to the Council Tax Reduction Scheme which had an under spend of £385k as a result of lower than anticipated demand. The under spend of £390k in Corporate Budgets related to less demand from Directorates to meet in year pay pressures and lower than expected in year cost of auto enrolment for new entrants into the pension scheme. She stated that under spends were usually put into earmarked reserves and it was considered that a general fund reserve of £7m was an appropriate amount for the Authority.

In response to a question from the Committee the Corporate Director Resources stated that she would provide the Committee with information on the number of staff employed by the Authority but staff numbers are monitored quarterly.

The Committee requested a breakdown of the £236k drawn down by Directorates from their specific earmarked reserves and the £1.793m from Corporate Reserves. The Corporate Director Resources informed the Committee that Directorates are requested to provide a case to use earmarked reserves for specific projects and if it is not used the funding would go back into the General Fund at year end. The Committee requested the costs of redundancy. The Corporate Director Resources stated that redundancy costs associated with delivery of the MTFs are met corporately if they cannot be met from directorate budgets and that she would provide the Committee with a breakdown of redundancy costs for this year.

The Corporate Director Resources reported on the performance of the Resources Directorate in the first half of the year. Two of the Directorate's performance indicators were amber with the remaining 12 being green as of quarter 2. She stated that sickness absence continued to be a problem in the Directorate with a number of long term sickness cases and performance was expected to improve in the second half of the year. There was now a focus on addressing short term sickness, however given the performance in the first half of the year it was highly unlikely that the target of 9.4 days would be met.

The Corporate Director Resources informed the Committee that difficulties had been encountered in recruitment and retention in ICT which was impacting on the delivery of the work programme as a reduced team was focusing on maintaining a core service. Difficulties in recruitment and retention had also been experienced in the Accountancy Team. She stated that under spend was a result of holding vacant posts and staff restructures being implemented in readiness for 2016-17.

The Corporate Director Resources informed the Committee that delivery of the School Modernisation Programme including implementation of projects within the Capital Programme were amber in status due to delays caused by the Garw Valley scheme, however the School Modernisation Board was reviewing and monitoring the delivery of these projects. She also informed the Committee that progress on the Parc Afon Ewenni scheme was amber in status as the Council had withdrawn from negotiations to acquire / lease new main depot premises due to the unaffordable costs associated with drainage issues identified by Welsh Water.

The Committee questioned the upward trend in performance in the average time taken to process housing benefit and council tax benefit and whether the target is set too high. The Corporate Director Resources informed the Committee that the target is based on performance last year.

The Committee questioned the reasons why the percentage of feeder invoices processed was showing as red in status and how long the Council takes to pay suppliers. The Corporate Director Resources stated that the Council had reduced the time it takes to pay smaller suppliers. Work remained to be done on the electronic payment of invoices and performance had increased on the previous year. The Corporate Improvement and Integrated Partnerships Manager informed the Committee that the Council processes nearly 95% of its undisputed invoices within 30 days. The Committee questioned whether the difficulties in retention and recruiting ICT staff had contributed to delays in the planned expansion of feeder invoices. The Corporate Director Resources informed the Committee that a decision had been taken to hold a number of vacancies in ICT in anticipation of 2016-17 budget reductions, but additional posts had become vacant. There were at present 11 vacancies in ICT and there was a plan to fill some of these, but not all. She stated that this was a temporary problem. The Corporate Director Resources informed the Committee that 60% of invoices are paid within 10 days.

The Committee questioned whether consideration had been given to a shared service for Audit and Banking on all Wales basis. The Corporate Director Resources informed the Committee that there already existed a shared Internal Audit service with the Vale of Glamorgan and a request had been made to other local authorities to ask if they wished to become part of the joint service.

In response to a question from the Committee the Corporate Director Communities agreed to confirm whether the value of planned budget reductions achieved was £625k or £857k as there was an inconsistency in the report.

The Committee requested an update on the delays in recruiting experienced Housing Solutions staff. The Corporate Director Communities informed the Committee that problems had been experienced in recruiting experienced Housing Solutions staff as the posts were grant funded or short term in nature. The option of engaging agency staff was being looked at.

The Committee questioned the reasons for the delay in the time taken to deliver Disabled Facilities Grants. The Corporate Director Communities informed the Committee that the Council had changed the way in which Disabled Facilities Grants are processed. The Committee questioned the reason for the target for adult Disabled Facilities Grants being lower than those for children. The Corporate Director Communities informed the Committee that in the case of children's Disabled Facilities Grants there was a need to engage at an earlier stage with utility companies and there was a fundamental need to review processes. The Corporate Improvement and Integrated Partnerships Manager informed the Committee that the target had been based on past performance and for children's Disabled Facilities Grants there was a need to look at the composition of the family before work could commence. The Corporate Director Resources informed the Committee that the method by which the Disabled Facilities Grants (DFG) performance indicator was calculated has changed and all local authorities will use the same method of calculation. The Corporate Director Communities informed the Committee that the numbers of Disabled Facilities Grants for children and young people are quite low and therefore the time spent to deliver a grant can be affected if families make a request to delay the commencement of the grant work. The Corporate Director Communities agreed that he would look further into the

reasons for the differences in targets for Children's and Adult's Disabled Facilities Grants and would get the information back to the Committee.

In response to a question from the Committee in relation to the MREC facility, the Corporate Director Communities informed the Committee that a report would be presented to the next meeting of Cabinet which would set out the current position regarding the procurement process and options for this Authority. The Committee questioned the budget reduction proposal of the public being able to purchase their own black bags to an appropriate specification as it could lead to bags being torn by birds and animals. The Corporate Director Communities informed the Committee that the purchase of black bags by the public had been explored with the contractor however its implementation had been deferred as it could lead to claims from the contractor in having to pick up refuse on streets from bags which had been torn.

The Committee questioned the implications of implementing the Social Services and Wellbeing (Wales) Act and the Welsh Community Care Information System. The Corporate Director Social Services and Wellbeing informed the Committee that there were great demands on social work staff with the implementation of the Social Services and Wellbeing (Wales) Act on 6 April 2016 and the Welsh Community Care Information System on 1 April 2016. All staff are working to implement the Act and are clear on the direction of travel. Due to the significance of the project a project group had been established to implement the Welsh Community Care Information System working alongside the supplier, CareWorks and the National WCCIS Board. There was also a significant amount of training to be undertaken by staff.

The Committee requested an update on the percentage of statutory visits to Looked After Children. The Corporate Director Social Services and Wellbeing informed the Committee that Looked After Children were being visited but visits had not been recorded as they should have been, however issues had been identified. A performance management framework had been set up across the service.

In response to a question from the Committee on the development of two new extra care schemes, the Corporate Director Social Services and Wellbeing informed the Committee that both are on target and will meet the timescale for their delivery.

In response to a question from the Committee on the clarification of the percentage of telecare clients who said the service made it easier for them to manage in their own home, the Corporate Director Social Services and Wellbeing informed the Committee that it was about how information is gathered as opposed to expected outcomes.

In response to a question from the Committee, the Corporate Director Social Services and Wellbeing stated that she would provide the Committee with information on the reasons dog owners were not allowed to participate in the Love to Walk programme. She believed that there were gaps in capturing the number of walkers who participate in the programme.

The Committee questioned how the Authority would explore new ways of engaging and consulting with children at school to continue to hear their voice. The Corporate Director Social Services and Wellbeing informed the Committee that this action related to Looked After Children and there was a need to explore new ways of engaging and consulting with children some attention that the status of this performance indicator would look differently next year. The Deputy Leader informed the Committee that sessions had been held with older children in care who are difficult to engage with. He stated that engagement work was being undertaken through the Youth Council. The Corporate Improvement and Integrated Partnerships Manager informed the Committee that there

had been positive feedback from the Welsh Government on the engagement work the Council is doing with young people and the Council's partners.

The Committee questioned the reason for the projected over spend of £216k on adoption following the establishment of the Regional Adoption Service. The Corporate Director Social Services and Wellbeing informed the Committee that she had met with the regional service and there was a need to re-profile this expenditure. She stated that the Authority contributed financially to the Western Bay Regional Adoption Service.

The Committee questioned the reasons for the majority of performance versus target not being on track. The Corporate Director Education and Transformation informed the Committee that 7 indicators were on track, with 5% being off track by more than 10%. She stated that performance in this quarter was typical for quarter 2 and by quarter 3 performance will have improved and she explained that the education PIs are annual for an academic year and therefore out of sync for quarterly reporting.

The Committee questioned the effect of the adverse court decision on fixed penalties. The Corporate Director Education and Transformation informed the Committee that the court decision related to English local authorities and that the legislation in Wales was different. Head teachers are allowed discretion to allow up to 10 days per pupil absence during term time for holidays subject to their attendance being satisfactory. She stated that 17 fixed penalty notices had been issued to parents without challenge. According to the latest data the Authority's secondary schools were above the Welsh average for attendance. The Deputy Leader informed the Committee that a briefing would be circulated on fixed penalties.

The Committee requested an explanation of the percentage of school days lost due to fixed-term exclusions. The Corporate Director Education and Transformation informed the Committee that 46 primary school pupils had received fixed term exclusions in 2014-15 with the number of days lost being 289.5 days. She stated that a Panel of Head teachers' met monthly to case manage pupils who have received fixed term exclusions. The Corporate Director Education and Transformation informed the Committee that 236 secondary school pupils had received fixed term exclusions in 2014-15 with the number of days lost accounting for 1214.5 days.

The Committee questioned the Authority's performance in completing Special Education Need statements within 26 weeks. The Corporate Director Education and Transformation informed the Committee the Authority was previously ranked 22nd out of 22 local authorities in Wales but following a change in focus was the highest performing Authority in Wales for completing statements. The Authority was completing around 80% statements at present but it was anticipated would be performing at 100% at year end.

The Committee questioned the reasons for the indicator; 'Developing the Directorate risk register and a communication and consultation plan'; showing as red. The Corporate Director Education and Transformation informed the Committee that both the risk register and communication and consultation plan will be complete by quarter 3 and their status would both be green.

The Committee questioned the number of Out of County placements coming back into the Authority and how were risks being addressed. The Corporate Director Education and Transformation commented that a working group had been established to review Out of County placements. Expenditure on Out of County placements had been reduced by £200k in the MTFS in the last 2 years. She stated that it was not possible to bring some Out of County placements back in house due to the complex needs of

certain pupils. Surplus places in Heronsbridge School were sold to other Local Authorities. The Corporate Director Education and Transformation informed the Committee that travel expenses were paid to Out of County placements where the pupil had been statemented. The Deputy Leader informed the Committee that 6 pupils who were formerly in Out of County placements had been brought back in house.

The Committee questioned the reason for the music service being amber. The Corporate Director Education and Transformation stated that the service had been subsidised in the past and the music service team had been re-structured with peripatetic teachers being re-designated as instructors. She stated that proposals were being looked at to create a trust with 4 local authorities to purchase services from another body.

The Committee questioned whether schools which had budget surpluses had been subject to clawback. The Deputy Leader confirmed that schools with surpluses had their surpluses clawed back with the exception of schools that are planning new buildings and would need to use their surpluses to fund the purchase of equipment. Where there was not a strong case for carrying reserves, they would be subject to clawback. The Deputy Leader stated that 12 schools were currently in a budget deficit position.

Conclusions

Members expressed concern over the performance Indicator SCC025 in relation to reports that statutory visits to Looked After Children were taking place but not being recorded. The Committee were pleased to note that this was a priority and was being monitored closely by the Directorate and agreed to pay particular attention to the indicator in future performance reports.

Additional Information

Members requested the following additional information:

Information relating to how the Authority sets its own targets; what benchmarking is used to ensure our own Performance Indicators are comparable and meaningful. Also, why are some of our own targets set higher or lower than the Welsh average in that we are not aspiring to exceed the Welsh average?

Resources

- a) The Corporate Budget total figure for 2014-15.
- b) The number of staff reductions within the Local Authority over the last three years broken down by Directorate.
- c) The number of redundancies over the last three years and associated cost, broken down by Directorate.

Communities

- d) Information relating to the delivery of the Disabled Facilities Grants for Children and Adults; specifically why are the targets set significantly higher for children compared with adults; how are these targets set and how do we as a LA compare with other LAs in Wales on the number of days taken to deliver a Disabled Facilities Grant?

Social Services

- e) Further information on the Love to Walk programme and if the take up had been affected by the scheme prohibiting dogs on the walks, thus reducing take up of many dog walkers who would wish to participate.

179. **BRIDGEND CHANGE PROGRAMME: WORKING TOGETHER TO MAKE BEST USE OF RESOURCES**

The Scrutiny Officer introduced a report on the Bridgend Change Programme.

The Committee questioned the cost of the Maximising Space and Technology Programme compared to the original estimate and outturn. The Corporate Director Resources stated that the original cost was projected at £700k however as the project progressed, this increased to £1m and as the project changed further, enabling the relocation of an additional 400 staff to Civic Offices, the cost increased to £1.4m. The Corporate Director Education and Transformation stated that the project had been subject to 'scope creep' as the police were due to re-locate to the Civic Offices but then did not re-locate. This allowed the opportunity for more staff to re-locate to Civic Offices.

The Committee questioned the number of staff which would be accommodated in Civic Offices. The Corporate Director Resources informed the Committee that the Civic Offices would accommodate 831 staff based on 3 members of staff occupying 2 desk spaces on an agile working basis. The Corporate Director Resources also informed the Committee the Authority employed 5.5k staff which included school staff on a full time equivalent basis. The Committee questioned whether the views of staff had been taken into account. The Corporate Director Resources stated that a survey of staff had not been undertaken in relation to the relocation to Civic Offices but initial feedback had been positive. The Corporate Director Education and Transformation commented that a positive outcome of the re-location to one building is that staff from various sections were co-located making it easier for staff to work together.

The Committee referred to the Council's receiving 1 out of a possible 4 stars for its website and questioned where the Council was placed on an all Wales basis. The Corporate Director Resources stated that the Council did not have a ranking but was placed in the lower quartile. She also stated that there was a current focus on back office processes but there was a need to concentrate efforts on the front facing part of the website by digitising services to enable more transactions to be carried out online.

The Committee requested an update on the Parc Afon Ewenni programme. The Corporate Director Resources informed the Committee that fleet services had re-located however there was uncertainty regarding the relocation of County Borough Supplies due to the possible withdrawal of one of the partners. Welsh Water had made the depot relocation project unaffordable due to its drainage requirements and as an interim solution it was proposed to proceed with a depot on the Waterton site but on a smaller footprint. There would be clarity on the site in a few months which would enable the release of the Parc Afon Ewenni site in line with the LDP.

The Committee questioned an update on the review of overtime arrangements. The Corporate Director Resources informed the Committee that consultation with staff has commenced which was also tied in with a re-structure.

In response to a question from the Committee the Corporate Director Resources stated that she would provide the Committee with a list of assets to be disposed of.

Conclusions

The Committee expressed concern over the budget for Maximising Space and Technology Programme in that the budget for the Civic Offices refurbishment had almost doubled from what was initially set. Members requested that the closure report be presented to the Committee at some point in the near future.

Additional Information

Members requested the following additional information:

The Committee asked for further information relating to the make-up of assets that form part of the Disposal Programme that have been identified to achieve £21million in Capital receipts.

Members asked for clarification of the table at point 4.34 of the report as the cumulative total did not appear to add up correctly.

180. **URGENT ITEMS**

There were no urgent items.

The meeting closed at 4.45 pm

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REPORT TO CORPORATE RESOURCES AND IMPROVEMENT OVERVIEW AND SCRUTINY COMMITTEE

19 JANUARY 2016

REPORT OF THE ASSISTANT CHIEF EXECUTIVE – LEGAL AND REGULATORY SERVICES

FORWARD WORK PROGRAMME UPDATE

1. Purpose of Report

1.1 The purpose of this report is to:

- a) present the items due to be considered at the meeting of the Committee to be held on 5 February 2016 and seeks confirmation of the information required for the subsequent scheduled meeting to be held on 22 March 2016;
- b) present a list of further potential items for prioritisation by the Committee.

2. Connection to Corporate Improvement Objectives / Other Corporate Priorities

2.1 The key improvement objectives identified in the Corporate Plan 2013-2017 have been embodied in the Overview & Scrutiny Forward Work Programmes. The amended Corporate Improvement Objectives adopted by Council on 25 February 2015 formally set out the improvement objectives that the Council will seek to implement between 2013 and 2017. The Overview and Scrutiny Committees engage in review and development of plans, policy or strategies that support the Corporate Themes.

3. Background

3.1 At its meeting on 24 June 2015 the Corporate Resources and Improvement Overview and Scrutiny Committee determined its Annual Forward Work Programme for 2015/16.

4. Current Situation / Proposal

Meetings of the Corporate Resources and Improvement Overview and Scrutiny Committee

4.1 In relation to the next scheduled meeting of the Committee, to be held on 5 February 2016, the table below lists the items to be considered and the invitees due to attend.

| Topic | Invitees | Specific Information Requested | Research to be Undertaken by the Overview & Scrutiny Unit |
|----------------|--|--|---|
| Corporate Plan | Cabinet and CMB All Scrutiny Chairs Ness Young – Corporate Director – Resources and Section 151 Officer Debbie Exton, Group Manager Finance Darren Mepham – Chief Executive (other invitees?) | To comment on the Council's draft 2016-2020 Corporate Plan including its improvement priorities, revised actions and the associated commitments and indicators for 2016-17 | |

| | | | |
|---------------------------------|---|---|--|
| Budget Responses and Budget REP | Ness Young – Corporate Director – Resources and Section 151 Officer, Councillor M Gregory - Cabinet Member, Randal Hemmingway - Head of Finance & ICT (other invitees?) | Collate all OVSC BREP feedback and comments | |
|---------------------------------|---|---|--|

4.2 The table below lists the item to be considered and the invitees due to attend in respect of the subsequent meeting of the Committee to be held on 22 March 2016.

| Topic | Invitees | Specific Information Requested | Research to be Undertaken by the Overview & Scrutiny Unit |
|---|--|---|---|
| 2015-16 Quarter 3 Financial Performance | Cabinet and CMB All Scrutiny Chairs Ness Young – Corporate Director – Resources and Section 151 Officer Debbie Exton, Group Manager Finance Darren Mephram – Chief Executive (other invitees?) | To review 2015-16 financial performance as at 31 December 2015 | Detail research / To be confirmed |
| 2016-17 Business Plans | Cabinet and CMB All Scrutiny Chairs Ness Young – Corporate Director – Resources and Section 151 Officer Debbie Exton, Group Manager Finance Darren Mephram – Chief Executive (other invitees?) | To comment on Directorate 2016-17 business plans including its actions, milestones and performance measures | Detail research / To be confirmed |

4.3 The table below lists potential items which are put to the Committees for reprioritisation as appropriate.

| Topic | Proposed Date | Specific Information Requested | Research to be Undertaken by the Overview & Scrutiny Unit |
|---|---------------|--|---|
| Building Refurbishment & Construction and Design Management | tbc | | Detail research / To be confirmed |
| Work Placements, Traineeships & Apprenticeships - | tbc | Information report was scheduled to be provided to Committee in July 2015. | Detail research / To be confirmed |

Corporate Parenting

4.4 Corporate Parenting is the term used to describe the responsibility of a local authority towards looked after children and young people. This is a legal responsibility given to local authorities by the Children Act 1989 and the Children Act 2004. The role of the Corporate Parent is to seek for children in public care the

outcomes every good parent would want for their own children. The Council as a whole is the 'corporate parent' therefore all Members have a level of responsibility for the children and young people looked after by Bridgend. ¹

4.5 In this role, it is suggested that Members consider how the services within the remit of their Committee affects children in care and care leavers, and in what way can the Committee can therefore assist in these areas.

4.6 Scrutiny Champions can greatly support the Committee in this by advising them of the ongoing work of the Cabinet-Committee and particularly any decisions or changes which they should be aware of as Corporate Parents.

5. Effect upon Policy Framework and Procedure Rules

5.1 The work of the Corporate Resources and Improvement Overview and Scrutiny Committee relates to the review and development of plans, policy or strategy that form part of the Policy Framework and consideration of plans, policy or strategy relating to the power to promote or improve economic, social or environmental well being in the County Borough of Bridgend.

6. Equality Impact Assessment

6.1 None

7. Financial Implications

7.1 None.

7. Recommendations

The Committee is recommended to:

- (i) Note the topics due to be considered at the 5 February 2016 meeting of the Committee for and confirm if it requires any additional specific information to be provided by the invitees listed or the Overview & Scrutiny Unit;
- (ii) Determine the invitees to be invited to attend, any specific information it would like the invitees to provide and any research that it would like the Overview & Scrutiny Unit to undertake in relation to its meeting for 22 March 2016;
- (iii) Revisit and consider the list of future potential items for the Committees Forward Work Programme and reprioritise as the Committee feels appropriate.

Andrew Jolley,
Assistant Chief Executive – Legal & Regulatory Services

Contact Officer: Kym Barker, Scrutiny Officer

Telephone: 01656 643696

Email: scrutiny@bridgend.gov.uk

¹ Welsh Assembly Government and Welsh Local Government Association 'If this were my child... A councillor's guide to being a good corporate parent to children in care and care leavers', June 2009

Postal Address: Democratic Services - Scrutiny
Bridgend County Borough Council,
Civic Offices,
Angel Street,
Bridgend,
CF31 4WB

Background Documents: None

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CORPORATE RESOURCES AND IMPROVEMENT OVERVIEW AND SCRUTINY COMMITTEE

19 JANUARY 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 the Scrutiny Committee with the draft Medium Term Financial Strategy 2016-17 to 2019-20, which includes a financial forecast for 2016-20 and a detailed draft revenue budget for 2016-17.

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. The Council's six corporate improvement priorities and specific commitments for 2016-17 are currently under review, with revised set of three priorities being included in the public consultation "Shaping Bridgend's Future". The final plan will be presented to Council for approval alongside the MTFS 2016-20 in March 2016. The final Corporate Plan and MTFS will be fully aligned and will include explicit links between resources and corporate priorities.
- 3.2 The Council's MTFS is set within the context of UK economic and public expenditure plans, Welsh Government priorities and legislative programme. The MTFS articulates how the Council plans to use its resources to support the achievement of its corporate priorities and statutory duties, including the management of financial pressures and risks over the next four years. It helps the Council work more effectively with partners in other sectors and provides a strategy for the use of balances to meet changes in resources or demands from year to year without impacting unduly on services or council tax payers.
- 3.3 The MTFS includes:
- The principles that will govern the strategy and a four year financial forecast, comprising detailed proposals for 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, which will both be updated and included in the final MTFS in March 2016.

The Financial Context

- 3.4 The Chancellor of the Exchequer announced the results of his Comprehensive Spending Review on 25 November 2015. Although the Westminster government remains committed to tackling the budget deficit and achieving a surplus by 2019-20, George Osborne announced an improvement of £27 billion in public sector finances over the next five years, according to figures from the Office of Budget Responsibility. As a result, he was able to halt the introduction of controversial changes to tax credits as well as announce increased investment of £3.8 billion in the English NHS and protection for policing budgets.
- 3.5 As a consequence of the Barnett formula and the increase in spending to relevant areas, particularly health, the UK Government Settlement to the Welsh Government for 2016-17 is a cash increase of 0.85%. The Welsh Government has not been given a firm settlement at this point for future years, but indicative figures in the HM Treasury Spending Review report suggest similar settlements in 2017-18 and beyond. That said, these figures are subject to change and there is much speculation from economic commentators regarding their reliability. On 8 December 2015 the Welsh Government published its draft budget which included £293 million of extra funding to the Welsh NHS in 2016-17.

Welsh Government Provisional Local Government Settlement 2015-16

- 3.6 On 9 December councils received the provisional Local Government Settlement which provided an average -1.4% reduction in Aggregate External Finance (AEF) for 2016-17 across Wales (after allowing for transfers into and out of the Settlement). Bridgend's reduction in funding versus AEF received in 2015-16 is 1.2%. This takes into account the £1.4 million Outcome Agreement Grant which is now included in the Revenue Support Grant (RSG). Councils were advised that the settlement also includes sufficient funding to protect school budgets' equivalent to 1% above the change in the Welsh Government's Revenue Budget (£1.578 million or 1.85%) as well as additional funding to help councils support pressures in social services.
- 3.7 The provisional settlement compares favourably to the -4.5% "most likely" assumption that is contained within the Council's MTFS for 2016-17 and is better even than the "best" case scenario assumption of -3%.

Settlement Implications for 2017 to 2020

- 3.8 In line with previous years, there is no indication of local government settlements for 2017-18 onwards. While the 2016-17 draft settlement is better than forecast, the prospect of interest rate rises and the continuing uncertainty around the economy and the subsequent pace of the Westminster government's ongoing austerity programme make future years' settlements highly unpredictable. Against this background and in the absence of any further clarity from Welsh Government, the MTFS "most likely" scenario assumptions have been revised to an annual reduction in AEF of -3.2% for 2017-18, 2018-19 and 2019-20. Based on these assumptions

the total recurrent budget reduction requirements are forecast to be £36.549 million from 2016-17 to 2019-20.

Grant Transfers into the 2016-17 Revenue Settlement

- 3.9 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 RSG
 - A 6.4% reduction in the Single Environment Grant across Wales (BCBC received £2.904 million in 2015-16)
 - 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 (RCF) / Intermediate Care Fund (ICF)

- 3.10 In line with previous announcements, Welsh Government has ceased the RCF in 2016-17. Bridgend has historically benefitted from the RCF to help establish collaborations, such as Western Bay, and the Regulatory Services collaboration. By contrast, the ICF has increased from £20 million in 2015-16 to a proposed £50 million across Wales for 2016-17 in the draft budget, which will again be allocated to the NHS to manage, albeit working in partnership with local authorities.

Council Tax

- 3.11 In line with recent years, the Minister's statement included an expectation on Local Authorities "to take account of all the available funding streams in considering service provision and setting their budgets and Council Tax". The previous version of the MTFs assumed a 4.5% increase in Council Tax for 2016-17. However the 2016-17 draft Revenue Budget, shown in Table 7, assumes a Council tax increase of 3.9%. This change reflects the provisional settlement and recognises the views expressed in response to the Council's recent "Shaping Bridgend's future" consultation. This increase seeks to strike an appropriate balance between the needs of the Council and its citizens.

Welsh Government Capital Settlement

- 3.12 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 a revised capital programme in July and again in October 2015, to incorporate budgets carried forward from 2014-15 and any new schemes and grant approvals. The draft local government capital settlement for 2016-17 provides this Council with £6.293 million capital funding for 2016-17, which is £5,000 more than 2015-16. No indications have been given for 2017-18 or beyond.

Current Year (2015-16) Financial Performance

3.13 The in-year financial position as at the 30 September 2015 is shown below.

Table 1- Comparison of budget against projected outturn at 30 September 2015

| Directorate/Divisions | Revised Budget 2015-16 £'000 | Projected Outturn 2015-16 £'000 | Projected Over / (Under) Spend Qtr 2 2015-16 £'000 | Projected Over / (Under) Spend Qtr 1 2015-16 £'000 |
|-----------------------------------|------------------------------------|---------------------------------------|--|--|
| Directorate | | | | |
| Education and Transformation | 105,860 | 105,639 | (221) | 7 |
| Social Services and Wellbeing | 61,944 | 61,937 | (7) | 60 |
| Communities | 24,988 | 25,092 | 104 | 145 |
| Resources | 14,510 | 14,177 | (333) | (79) |
| Legal & Regulatory Services | 6,065 | 5,951 | (114) | (140) |
| Total Directorate Budgets | 213,367 | 212,796 | (571) | (7) |
| Total Council Wide Budgets | 38,834 | 38,059 | (775) | (100) |
| | | | | |
| Total | 252,201 | 250,855 | (1,346) | (107) |

3.14 At the half year stage, an overall under spend of £571,000 is projected on Directorate budgets. The main contributors are projected under spends on the Education and Transformation, Resources and Legal and Regulatory Services directorates, a projected over spend on the Communities directorate, and a projected under spend on the Council Tax Reduction Scheme (CTRS) and other corporate budgets.

3.15 In accordance with the Council's Financial Procedure Rules any planned over spends or under spends by directorates will be carried forward into next year to meet known funding pressures. Fortuitous under spends in budgets will be applied to offset over spends on other budgets.

4. Current Situation

Medium Term Financial Strategy (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 auditors' views,

the recommendations of the Budget Research and Evaluation Panel 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.

- 4.3 Implementation of the MTFS will continue to be led by Cabinet and CMB, supported by financial and performance data. As usual Cabinet and CMB 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 (eg ICT strategy and the Council's Workforce Plan).

MTFS Principles

- 4.4 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.
 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 Reserve 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.

Principle 12 has been expanded to include provision for a MTFS Budget Reduction Contingency Reserve to enable the Council to manage delays or unforeseen obstacles to the delivery of significant MTFS budget reduction proposals. The current financial landscape of declining external funding demands that significant budget reductions need to be made to deliver a sustainable budget. It is therefore prudent to set aside a specific reserve to provide a buffer or a safeguard against budget reductions with a RED risk status not being delivered to plan. An earmarked reserve will be established at year end from any corporate under spends 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 Chief Financial Officer, on consultation with CMB and Cabinet to manage inescapable problems with delivery until a solution can be found.

MTFS Resource Envelope

- 4.5 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 Provisional Settlement. However, these assumptions, together with forecast pressures and risks are all subject to change, not least due to continuing economic uncertainty as well as national legislative and policy developments. The MTFS will be regularly reviewed against service performance and external economic and fiscal information to ensure that early action can be taken as necessary to keep it and the Corporate Plan on track. In view of the uncertainties, the MTFS has been developed taking into account possible resource envelope scenarios, based on percentage changes in AEF shown in Table 2.

Table 2 – MTFS Scenarios: % Change in AEF

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

- 4.6 Table 3 shows the Council's potential net budget reduction requirement based on the forecast resource envelope (paragraph 4.5), inescapable spending assumptions (paragraph 4.7) and assumed council tax increases.

Table 3: MTFS Potential Net Budget Reductions Requirement

| | 2016-17 Actual | 2017-18 | 2018-19 | 2019-20 | Total |
|-----------------------------|---------------------------|----------------|----------------|----------------|---------------|
| | £000 | £000 | £000 | £000 | £000 |
| Best Scenario | 7,495 | 7,002 | 6,509 | 5,979 | 26,985 |
| Most Likely Scenario | 7,495 | 10,190 | 9,697 | 9,167 | 36,549 |
| Worst Scenario | 7,495 | 12,628 | 12,135 | 11,605 | 43,863 |

Managing within the MTFS Resource Envelope

- 4.7 The financial forecast is predicated on £36.549 million budget reductions being met from Directorate and Corporate budgets and these are referred to later in the report. It is also predicated on a number of spending assumptions, including:

- Projections for demographic changes, including an ageing population and an increasing number of young people with complex disabilities living into adulthood and adding progressively to the demand for care.
- Inflationary uplifts to support specific contractual commitments.
- Inflation for energy costs based on notification of known increases and projected forward pricing.
- The potential impact of national policies and new legislation not accompanied by commensurate funding e.g. Welfare Reform Bill, Social Services and Wellbeing Act, Housing Act and auto enrolment related to the provision of employee pension schemes.
- A projected increase of 0.3% 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. Teachers' pensions increased from 14.1% to 16.48% in September 2015 so there is also the additional increase in employers' contributions of 2.38% from April to August 2016.
- The removal of the National Insurance Contribution rebate as a result of the introduction of the single tier state pension in April 2016.
- Fees and Charges will increase by the statutory minimum or CPI (at prevailing rate, currently +0.1%) plus 1%.

- Services will absorb within budgets non contractual inflationary pressures up to the prevailing CPI rate.
- Significant increases in the cost of external contracts as a result of the implementation of the living wage from April 2016.

Net budget reduction requirement

4.8 Table 4 shows the current position in respect of the addressing the forecast budget reduction requirement of £36.549 million. It shows that £17.4 million of budget reduction proposals have already been identified over the period of the MTFS, including the full £7.495 million required for 2016-17. The table shows that the Council still needs to develop proposals to the value of £19.2 million and a range of options are under consideration including:

- 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;
- Review of nursery education provision;

Table 4 - Risk Status of Budget Reduction Proposals 2016-17 to 2019-20

| Year | GREEN: Proposal developed and deliverable | AMBER: Proposal in development but includes delivery risk | Budget reductions Identified So far | RED: proposals not yet developed | Total Required |
|------------------------------|--|--|--|---|-----------------------|
| | £000 | £000 | £000 | £000 | £000 |
| 2016-17 | 3,469 | 4,026 | 7,495 | 0 | 7,495 |
| 2017-18 | 617 | 4,908 | 5,525 | 4,665 | 10,190 |
| 2018-19 | 0 | 2,769 | 2,769 | 6,928 | 9,697 |
| 2019-20 | 0 | 1,583 | 1,583 | 7,584 | 9,167 |
| Total | 4,086 | 13,286 | 17,372 | 19,177 | 36,549 |
| Percentage of total required | 11.2% | 36.3% | 47.5% | 52.5% | 100% |

Risk Status Key:

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

4.9 The budget reduction proposals identified can be categorised as:

- Making Best Use of Resources
- Managed Service Reductions
- Collaboration and Service Transformation; and
- Policy Changes

4.10 The value of budget reduction proposals identified to date is shown in Table 5 by category. The categories are also shown by individual proposal in Appendix B.

Table 5 – Budget Reduction Proposals Identified 2016-17 to 2019-20

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | Total | % |
|---|--------------|--------------|--------------|--------------|---------------|-----|
| | £000 | £000 | £000 | £000 | £000 | |
| Making Best Use of Resources | 4,389 | 4,305 | 1,604 | 1,216 | 11,514 | 66% |
| Managed Service Reductions | 735 | 504 | 335 | 0 | 1,574 | 9% |
| Collaboration & Service Transformation | 1,221 | 319 | 163 | 200 | 1,903 | 11% |
| Policy Changes | 1,150 | 397 | 667 | 167 | 2,381 | 14% |
| Total Identified as at 22.12.2015 | 7,495 | 5,525 | 2,769 | 1,583 | 17,372 | |

4.11 The table shows that two thirds of the proposed budget reductions identified so far will come from Making Best Use of Resources, for example through:

- 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

4.12 Budget reduction proposals relating to Collaboration and Service Transformation amount to 11% of the total budget reductions. These include budget reductions within the Youth Offending Service, remodelling of adult social care and delivering further budget reductions from the regulatory services collaboration which has been created. Policy changes amount to 14% and include reducing services to the statutory minimum as well as cutting some discretionary services. These include eligibility criteria for adult social care, changes to childrens respite care and increasing planning application fees in line with Welsh Government guidelines. The policy change proposals are subject to consultation.

4.13 All of the proposals have implications for the Council workforce given that around two thirds of the Council's net revenue budget relates to pay costs. It follows that annual real terms' reductions in Council budgets over the next four years will lead to a reduced workforce over the MTFs period. The intention is to manage such a reduction through the continuation of a recruitment freeze, redeployment, early retirements and voluntary redundancies, but some compulsory redundancies will continue to be necessary.

Scrutiny and Challenge

4.14 A full consultation, "Shaping Bridgend's Future" has been undertaken over an eight week period during October and November, covering both the Council's proposed new priorities as well as a range of budget proposals under consideration. The consultation 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, (attached at Appendix D), but in broad terms a total 1,819 responses were received, with nearly 1,000 people completing the full survey. There was positive support for the majority of proposals put forward. The level of responses was significantly higher than in previous years.

- 4.15 The budget consultation showed that at least 80% of participants agreed with the three proposed priorities. However, 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 6:

Table 6 – 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 |

2016-17 Draft Revenue Budget

- 4.16 The following table shows the draft revenue budget for 2016-17.

Table 7 – Draft Revenue Budget 2016-17

| 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 |

| | Revised Budget 2015-16 | Specific Grant Transfers from WG | Inter-Directorate Transfers | School Protection | NI & Pension Changes | Pay / Prices / Demographics | Inescapable Budget Pressures | Budget Reduction Proposals | Revenue Budget 2016-17 |
|--|------------------------|----------------------------------|-----------------------------|-------------------|----------------------|-----------------------------|------------------------------|----------------------------|------------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Service Budgets | | | | | | | | | |
| Education & Transformation | | | | | | | | | |
| Education & Transformation | 20,548 | | | | 270 | 29 | 223 | -910 | 20,160 |
| Schools | 85,287 | | | 1,578 | 0 | 0 | | | 86,865 |
| | 105,835 | 0 | | 1,578 | 270 | 29 | 223 | -910 | 107,025 |
| Social Services & Wellbeing | | | | | | | | | |
| Adult Social Care | 40,173 | | -157 | | 429 | 467 | 298 | -1,544 | 39,666 |
| Safeguarding | 18,068 | | | | 143 | 32 | | -850 | 17,393 |
| Sport, Play and Active Wellbeing | 2,746 | | | | 16 | 0 | | -296 | 2,466 |
| | 60,987 | 0 | -157 | 0 | 588 | 499 | 298 | -2,690 | 59,525 |
| Communities | 25,075 | | 255 | | 290 | 67 | 70 | -1,336 | 24,421 |
| Resources | 14,438 | | -105 | | 291 | 36 | 363 | -1,205 | 13,818 |
| Legal & Regulatory Services | 6,090 | | | | 93 | 0 | | -398 | 5,785 |
| Corporate Budgets | | | | | | | | | |
| Capital Financing | 10,372 | | 56 | | | | | -300 | 10,128 |
| Levies | 6,912 | | | | | | | -23 | 6,889 |
| Repairs and Maintenance | 1,100 | | | | | | | -200 | 900 |
| CTR Scheme | 14,254 | | | | | 650 | | -300 | 14,604 |
| 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 | | 3,252 | 1,663 | -33 | 8,172 |
| Net Budget Requirement | 252,201 | 1,400 | 0 | 0 | 1,600 | 4,561 | 2,617 | -7,495 | 254,884 |

Council Tax Implications

4.17 Based on the proposed budget of £254.884 million, the council tax increase for 2016-17 will be 3.9%.

Pay, Prices and Demographics

4.18 At this point in time, a national pay settlement has not been agreed, but the Employers are offering 1% each year for two years. The draft budget assumes this

is accepted and the appropriate amount has therefore been allocated centrally to meet this cost, which will be allocated to directorate budgets once known.

- 4.19 Price inflation has been allocated to service budgets and includes provision for contractual increases in business rates, food costs and other commitments. In addition, provision has been made for an estimated increase in employer pension contributions from 1 April 2016.
- 4.20 The remaining inflation provision will be retained centrally within corporate budgets and reviewed pending the outcome of any unforeseen demand led contract price inflation in relation to, for example, Out of County Education placement agreements or adjustments which may be required to meet contractual increases where the index is set after the Council's budget is approved.

Unavoidable Pressures

- 4.21 During 2015-16 a number of unavoidable 2016-17 service budget pressures have arisen totalling £2.617 million, detailed in Appendix A. These have been categorised into one-off pressures, with varying degrees of probability, and more certain and recurring pressures. In total for 2016-17, the recurring pressures total £2.290 million. The one-off pressures total £327,000. The pressures figures are provisional at this stage and will be refined as further information becomes available, for example specific information on Welsh Government grants. As such they may change between draft and final budget.

Schools Protection and Social Services Funding

- 4.22 The draft settlement from Welsh Government included within it additional amounts in respect both of schools protection (1% above the Welsh Government's own settlement, in line with recent years) as well as in recognition of the pressures facing social care and the positive contribution it makes towards health outcomes and spending. Schools protection equates to 1.85% and the cost of this protection is £1.578 million. The funding provided for social care will help the Council to manage pressures on this service, including the impact of demographics, the living wage and support for carers.

Budget Reduction Proposals

- 4.23 Budget reduction proposals of £7.495 million have been identified from service and corporate budgets to achieve a balanced budget, detailed in Appendix B.

Corporate Budgets

- 4.24 Corporate budgets include funding for the Council tax reduction scheme, costs of financing capital expenditure, precepts and levies, centrally held pay and prices provisions, insurance budgets, discretionary rate relief, provision for redundancy related costs and the Carbon Reduction Commitment.
- 4.25 The Outcome Agreement Grant (OAG), which in 2015-16 underpins base budgets by £1.4 million, has been transferred into the main Revenue Support Grant from Welsh Government. It will therefore no longer be dependent on the achievement of specific outcomes.

Fees and Charges

- 4.26 Generally, income from fees and charges will be increased by CPI (at the prevailing rate, currently +0.1%) plus 1%, subject to rounding, or in line with statutory or service requirements. Schedules of fees and charges will be reported separately, as usual, under Delegated Powers.

Council Reserves

- 4.27 In line with the MTFs principle 8, the Council will maintain its general fund at no less than £7 million in 2016-17. Details of the Council's earmarked reserves forecast as at 30 September 2015 are shown in Table 8. These are kept under review and the forecast will be updated in the Final MTFs report to Council in March 2016.

Table 8 – General Fund and Usable Earmarked Reserves

| Opening Balance 1 April 2015 £'000 | Reserve | Forecast Movement 2015-16 £'000 | Forecast Closing Balance 31 March 2016 £'000 | Forecast Movement 2016-17 £'000 | Forecast Closing Balance 31 March 2017 £'000 |
|---|---------------------------------|--|---|--|---|
| 7,450 | Council Fund | - | 7,450 | - | 7,450 |
| | Earmarked Balances:- | | | | |
| 10,531 | Major Claims Reserve | (51) | 10,480 | (250) | 10,230 |
| 3,177 | Insurance Reserve | (500) | 2,677 | (200) | 2,477 |
| 210 | Waste Management Contract | - | 210 | (210) | - |
| 1044 | Treasury Management Reserve | (1,044) | - | | - |
| 300 | Welfare Reform Bill | - | 300 | | 300 |
| 702 | Asset Management Plan | (202) | 500 | - | 500 |
| 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 | 811 | 7,245 | (2,987) | 4,258 |
| 4,749 | Service Reconfiguration | 1,277 | 6,026 | 1,200 | 7,226 |
| 2,398 | Change Management | (362) | 2,036 | (300) | 1,736 |
| 861 | ICT & Finance Systems | (283) | 578 | (250) | 328 |
| 261 | Invest to save / Joint projects | (133) | 128 | (128) | - |
| 555 | Car Parking Strategy | (120) | 435 | (435) | - |
| 600 | Wellbeing Projects | (67) | 533 | (250) | 283 |
| 31 | Connecting Families | - | 31 | (31) | - |
| 1,490 | Directorate Issues | (1,490) | - | - | - |
| 824 | Looked After Children | - | 824 | (400) | 424 |
| 125 | Porthcawl Regeneration | (15) | 110 | - | 110 |

| | | | | | |
|--------|-----------------------|---------|--------|---------|--------|
| 42,784 | Total Usable Reserves | (2,220) | 40,564 | (4,466) | 36,098 |
|--------|-----------------------|---------|--------|---------|--------|

Capital Programme and Capital Financing Strategy

- 4.28 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 (including prudential borrowing and capital receipts forecast). Both have been developed in line with the MTFS principles and reflect the Welsh Government capital settlement for 2016-17, which provides general capital funding (GCF) for the Council for 2016-17 of £6.293 million of which £3.912 million is un-hypothecated supported borrowing and the remainder £2.381 million as 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 the years after 2016-17, but this will be indicative only.
- 4.29 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 receipts, against the following criteria:
- Link to proposed new corporate priorities
 - High level of Risk of not progressing, in terms of impact on service delivery, ability to meet MTFS budget reductions, and prevention of building failure and closure
 - Service is able to meet any additional revenue costs arising from the scheme
 - Payback period (where appropriate)
- 4.30 The capital programme also contains a number of fixed annual allocations that are met from the total general capital funding for the Council. These allocations are shown in Table 9 below, and currently amount to 73.73% of the 2016-17 general capital funding:

Table 9 – 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 | 37.34% |
| Housing Renewal Schemes | 100 | 1.59% |
| Special Regeneration Funding | 540 | 8.58% |
| Minor Works | 1,100 | 17.48% |
| Community Projects | 100 | 1.59% |
| Total | 4,640 | 73.73% |

- 4.31 These annual allocations are also in the process of being reviewed, and any changes will be reported in the Final MTFS report in March 2016.
- 4.32 In addition, Council approved a contribution of £1 million per year (£5 million total across the life of the 21st Century Schools Programme), as part of the local authority matched funding contribution for the Programme. This leaves a balance of general capital funding of £653,000.

Capital Programme

- 4.33 The current programme contains a number of significant strategic investment projects that support a number of the proposed new corporate priorities. Appendix C sets out the current capital programme for the period 2016-17 to 2025-26 as approved by Council in October 2015, which will be updated for any new schemes in the MTFS 2016-17 to 2019-20 final report.
- 4.34 In October 2015, Council gave approval to the following additional capital projects:
- necessary works to the administrative estate
 - ICT investment to enable agile working
 - Updates to the 21st century schools programme
 - Community Asset Transfer support funding
 - Additions to the councils vehicle fleet
 - Sports facilities match funding

Raising Aspirations and Improving Educational Attainment

- 4.35 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 £5.228 million and projected receipts from the sale of schools and other sites, and central funding, of £12.747 million.
- 4.36 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.
- 4.37 In the meantime, the following projects have been included in the Council's approved programme, but funding for each project will not be confirmed until Welsh Government approves the final business case and sufficient capital receipts have been generated:

| Project | Current Status |
|----------------|-----------------------|
|----------------|-----------------------|

| | |
|-------------------------------------|--|
| Coety / Parc Derwen Primary School | Construction complete – school opened 2 nd November 2015 as per the statutory notice. |
| Special Education Needs Provision | Construction completed – school opened 15 th 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 submitted to Welsh Government - awaiting approval to move to FBC. The design is being progressed. |
| Pencoed Primary School | Design commenced. School opening date revised to April 2018. |
| Gateway Primary Provision | Cabinet approved the enlargement to Brynmenyn Primary School. OBC approval has been received from WG. Appointed a cost consultant and project manager for the scheme. Cabinet approval received to tender the scheme, which will be undertaken in due course via the SEWSCAP framework |
| Mynydd Cynffig Primary School | Primary school opened on a split site on 1 st September 2015 as per the statutory notice. Feasibility study completed. Additional funding sought for preferred option. |
| Héronsbridge Special School | Exploring opportunities for additional capacity to meet needs of children with ASD. |

Capital Financing Strategy

4.38 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

4.39 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 also includes receipts anticipated from the sale of the Waterton site along with the sale of other surplus sites within the County Borough. Receipts are subject to the

exchange of contracts, so it is prudent not to commit them until we have a contractual agreement.

Prudential Borrowing

- 4.40 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 21st Century Schools Programme.
- 4.41 Total prudential borrowing taken out by the end of 2016-17 is estimated to be £41.745 million, of which approximately £32 million is still outstanding.
- 4.42 At the time of reporting, the draft Medium Term Financial Strategy 2016-17 to 2019-20 was due to be considered by Cabinet on 12 January 2016 for them to agree to submit it for consultation.

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 Equality Impact Assessments will be undertaken on all budget reduction proposals before the final recommendations are made concerning next year's revenue budget.

7. Financial Implications

- 7.1 The financial implications are reflected in the report.

8. RECOMMENDATIONS

- 8.1 Committee Members are asked to:
 - (i) Consider the information contained in the report and attached appendices;
 - (ii) Determine whether it wishes to make any comments or recommendations which fall within their remit to submit to the Corporate Resources Overview and Scrutiny Committee for consolidation and inclusion in their report to Cabinet on the draft budget proposals as part of the budget consultation process.

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

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Background Papers:

Cabinet Report – MTFS 2016-17 to 2019-20 – 14 July 2015

Council Report – Capital Programme 2015-16 to 2024-25 – 7 October 2015

| Directorate | Service Area | Description of pressure | Recurrent Pressure | One Off Pressure |
|-------------|-------------------|---|--------------------|------------------|
| Wellbeing | 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 | 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 | Adult Social Care | To comply with new requirements of the Social Services and Wellbeing act to provide a secure service to the inmates of Parc Prison located with the county borough. Should this new requirement be fully funded by a specific grant from Welsh Government, this pressure will be removed from the final budget | 217 | 19 |
| Wellbeing | Childrens | Additional requirement for supervised contact for Looked After Children population due to increased volume ordered by courts | | 50 |

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| Page Ref. | Categories | Budget Reduction Proposal | Impact | Budget 2015-16 £'000 | Total Budget Reduction 2016-2020 as % of 2015-16 Budget | 2015-16 Savings Achieved £000 | Indicative 2016-17 £000 | Indicative 2017-18 £000 | Indicative 2018-19 £000 | Indicative 2019-20 £000 |
|-----------|------------|---------------------------|--------|-------------------------|---|----------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|-----------|------------|---------------------------|--------|-------------------------|---|----------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|

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 | 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 | 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 (eg 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 | 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 | 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 | 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 | BUR | School transport route efficiencies | Minimal impact. More efficient routes to be identified. | 4,310 | 9% | 200 | 200 | 200 | | |

| Page Ref. | Categories | Budget Reduction Proposal | Impact | Budget 2015-16 £'000 | Total Budget Reduction 2016-2020 as % of 2015-16 Budget | 2015-16 Savings Achieved £000 | Indicative 2016-17 £000 | Indicative 2017-18 £000 | Indicative 2018-19 £000 | Indicative 2019-20 £000 |
|---|------------|---|--|----------------------|---|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| CH15 | 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 | 3,202 | 3% | | 100 | | | |
| CH36 | 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 | 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 | 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 | | | |
| Total Education and Transformation central | | | | 20,777 | 6.8% | 700 | 910 | 367 | 67 | 67 |
| SCHOOLS | | | | | | | | | | |
| SCH1 | 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 |
| Total Schools | | | | 85,086 | 2.9% | 0 | 0 | 842 | 834 | 826 |
| N/A | N/A | Proposals under consideration or not yet developed within Education & Transformation Directorate | | | | | | 59 | 1,623 | 2,021 |
| Total Education & Transformation Directorate | | | | 105,863 | 7.2% | 700 | 910 | 1,268 | 2,524 | 2,914 |
| SOCIAL SERVICES & | | | | | | | | | | |
| Theme 1 - Remodel Service Delivery | | | | | | | | | | |
| ASC1 | 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 | | | |

Budget Reduction Proposals 2016-17 to 2019-20

| Page Ref. | Categories | Budget Reduction Proposal | Impact | Budget 2015-16 £'000 | Total Budget Reduction 2016-2020 as % of 2015-16 Budget | 2015-16 Savings Achieved £000 | Indicative 2016-17 £000 | Indicative 2017-18 £000 | Indicative 2018-19 £000 | Indicative 2019-20 £000 |
|-----------|------------|---|--|----------------------|---|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| ASC2 | 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 | 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 | 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 | | |
| ASC9 | 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 Remodeling 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 | 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 | |

Budget Reduction Proposals 2016-17 to 2019-20

| Page Ref. | Categories | Budget Reduction Proposal | Impact | Budget 2015-16 £'000 | Total Budget Reduction 2016-2020 as % of 2015-16 Budget | 2015-16 Savings Achieved £000 | Indicative 2016-17 £000 | Indicative 2017-18 £000 | Indicative 2018-19 £000 | Indicative 2019-20 £000 |
|---|------------|---|---|----------------------|---|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| ASC18 | 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 | 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 | MSR | Transfer Family Care Service to the Community Hubs | A transfer plan will be produced during 2015/16 | 237 | 89% | | 210 | | | |
| CH25 | 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 | PC | Redesign respite and emergency services, including a review of transition services | Redesign respite and emergency services across Adults and Children Services | | | | | | 100 | 100 |
| Theme 1 - Remodel Service Delivery - sub-total | | | | 68,260 | | 2,131 | 1,795 | 1,294 | 935 | 100 |
| Theme 2 - Service Efficiencies | | | | | | | | | | |
| ASC6 | 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 | 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 | | |
| ASC15 | 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 | 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 | Cross service budget | | | 100 | | | |
| CH22 | PC | Remodelling of Childrens Respite Care | Remodelling childrens respite services in Bridgend, a review of current provision is underway in line with partners. | 430 | 47% | | 200 | | | |

Budget Reduction Proposals 2016-17 to 2019-20

| Page Ref. | Categories | Budget Reduction Proposal | Impact | Budget 2015-16 £'000 | Total Budget Reduction 2016-2020 as % of 2015-16 Budget | 2015-16 Savings Achieved £000 | Indicative 2016-17 £000 | Indicative 2017-18 £000 | Indicative 2018-19 £000 | Indicative 2019-20 £000 |
|--|------------|---|--|----------------------|---|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| HL 2 | 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 | 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 | 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 | 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 | | | |
| Theme 2 - Service Efficiencies - sub-total | | | | 9,209 | | 534 | 726 | 308 | 140 | 0 |
| Theme 3 - Income Generation | | | | | | | | | | |
| ASC10 | 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 | 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 | | | |
| ASC22 | 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 | | | |
| Theme 3 - Income Generation | | | | 668 | | 15 | 169 | 73 | 0 | 0 |
| N/A | N/A | Proposals under consideration or not yet developed within Social Services & Wellbeing Directorate | | | 0% | | | 1,806 | 2,826 | 1,849 |
| Total Social Services & Wellbeing Directorate | | | | 62,002 | 19.4% | 0 | 2,690 | 3,481 | 3,901 | 1,949 |

COMMUNITIES

Budget Reduction Proposals 2016-17 to 2019-20

| Page Ref. | Categories | Budget Reduction Proposal | Impact | Budget 2015-16 £'000 | Total Budget Reduction 2016-2020 as % of 2015-16 Budget | 2015-16 Savings Achieved £000 | Indicative 2016-17 £000 | Indicative 2017-18 £000 | Indicative 2018-19 £000 | Indicative 2019-20 £000 |
|-----------|------------|--|--|---|---|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| COM4 | 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 | 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 | 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 | | |
| COM16 | 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 | 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 | 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 | | |

Budget Reduction Proposals 2016-17 to 2019-20

| Page Ref. | Categories | Budget Reduction Proposal | Impact | Budget 2015-16 £'000 | Total Budget Reduction 2016-2020 as % of 2015-16 Budget | 2015-16 Savings Achieved £000 | Indicative 2016-17 £000 | Indicative 2017-18 £000 | Indicative 2018-19 £000 | Indicative 2019-20 £000 |
|-----------|------------|---|---|--|---|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| COM21 | 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 | 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 | 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 | 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 | PC | Removal of Security budget Waterton | A technological solution is being sought to remove the need for the current security arrangements | 20 | 100% | | | 20 | | |
| COM27 | 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 | 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 (eg arising from the introduction of Universal Credit), should be deliverable without an impact on service performance. | 941 | 6% | | 56 | | | |
| COM32 | BUR | Implementation of Digital working and Touch screens in Workshop equating to a saving of 0.5FTE | Nil Public Impact | 24 | 50% | | 12 | | | |
| COM33 | BUR | Review of all budget heads in Business Support creating less resilience for unexpected expenditure | Nil Public Impact | 81 | 31% | | 25 | | | |
| HL5 | 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 | 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 | | |

| Page Ref. | Categories | Budget Reduction Proposal | Impact | Budget 2015-16 £'000 | Total Budget Reduction 2016-2020 as % of 2015-16 Budget | 2015-16 Savings Achieved £000 | Indicative 2016-17 £000 | Indicative 2017-18 £000 | Indicative 2018-19 £000 | Indicative 2019-20 £000 |
|-----------|------------|---|--|--|---|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| HL6 | 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 | BUR | Service efficiencies - work related schemes | Efficiencies delivered from Bleaf and WoodB joining the Cultural trust. | 278 | 24% | 67 | 67 | | | |
| N/A | N/A | Proposals under consideration or not yet developed within Communities Directorate | | | | | | 1,591 | 518 | 1,469 |
| | | Total Communities Directorate | | 24,884 | 22.1% | 1,476 | 1,336 | 2,092 | 611 | 1,469 |

RESOURCES

FINANCE

| | | | | | | | | | | |
|------|-----|--|---|-------|-----|-----|-----|-----|----|--|
| RES1 | 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 | 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 | 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 | 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 | | |

Budget Reduction Proposals 2016-17 to 2019-20

| Page Ref. | Categories | Budget Reduction Proposal | Impact | Budget 2015-16 £'000 | Total Budget Reduction 2016-2020 as % of 2015-16 Budget | 2015-16 Savings Achieved £000 | Indicative 2016-17 £000 | Indicative 2017-18 £000 | Indicative 2018-19 £000 | Indicative 2019-20 £000 |
|------------------------------|------------|---|--|----------------------|---|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| RES27 | 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 | BUR | To secure reductions in External Audit Fees | Agreed reduction in external auditor's fees | 420 | 21% | 0 | 87 | | | |
| RES33 | 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 | 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 | | | |
| Total Finance and ICT | | | | 7,531 | 20% | 191 | 597 | 605 | 325 | 15 |
| HUMAN RESOURCES | | | | | | | | | | |
| RES12(b) | 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 | 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 | BUR | To publish County Bulletin and Bridgendors 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 | BUR | To reduce DBS checks budget | A reduction in net budget is possible due to a sustained reduction in demand | 100 | 10% | | 10 | | | |
| Total Human Resources | | | | 3,926 | 4% | 197 | 151 | 0 | 0 | 0 |

Budget Reduction Proposals 2016-17 to 2019-20

| Page Ref. | Categories | Budget Reduction Proposal | Impact | Budget 2015-16 £'000 | Total Budget Reduction 2016-2020 as % of 2015-16 Budget | 2015-16 Savings Achieved £000 | Indicative 2016-17 £000 | Indicative 2017-18 £000 | Indicative 2018-19 £000 | Indicative 2019-20 £000 |
|---|------------|--|---|----------------------|---|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| PROPERTY (ESTATES AND BUILT ENVIRONMENT) | | | | | | | | | | |
| RES19 | 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 | 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 | 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 | 47% | | 195 | | | |
| RES30 | 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 | 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 | | |
| RES40 | 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 | 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 | | |
| | | Total Property | | 2,431 | 40% | 145 | 457 | 445 | 50 | 25 |
| N/A | N/A | Proposals under consideration or not yet developed within Resources Directorate | | | | | | 531 | 960 | 1302 |
| | | Total Resources Directorate | | 14,548 | 37.6% | 533 | 1,205 | 1,581 | 1,335 | 1,342 |

Budget Reduction Proposals 2016-17 to 2019-20

| Page Ref. | Categories | Budget Reduction Proposal | Impact | Budget 2015-16 £'000 | Total Budget Reduction 2016-2020 as % of 2015-16 Budget | 2015-16 Savings Achieved £000 | Indicative 2016-17 £000 | Indicative 2017-18 £000 | Indicative 2018-19 £000 | Indicative 2019-20 £000 |
|-----------|------------|---------------------------|--------|----------------------|---|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|-----------|------------|---------------------------|--------|----------------------|---|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|

LEGAL & REGULATORY SERVICES

| | | | | | | | | | | |
|-------------------|-----|--|---|--------------|--------------|------------|------------|------------|------------|------------|
| LRS1 | 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 | 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 | 3416 | 2% | 268 | 70 | | | |
| LRS3 | BUR | Increase income targets Registrars | Unlikely but must retain ongoing monitoring of income | 0 | 0% | | 66 | | | |
| LRS4 | BUR | Staff reductions already made | Reduction in capacity | 3416 | 3% | | 81 | | | |
| LRS5 | 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 | | | | | | 587 | 69 | 328 |
| Total LARS | | | | 6,043 | 30.5% | 554 | 398 | 721 | 144 | 578 |

CORPORATE / COUNCIL WIDE

| | | | | | | | | | | |
|-----|-----|---|--|-------------------|-----|-----|-----|-----|-----|-----|
| CS1 | BUR | Rationalise and reduce voluntary sector funding by 10% | Minimal Impact | Cross directorate | | 78 | 33 | | | |
| CS3 | 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 | BUR | Review capital financing budgets, including increase in investment income | Reduce the amount of interest paid on investments and increase the amount of interest generated from external investments. | 10,315 | 9% | 200 | 300 | 216 | 150 | 300 |

Budget Reduction Proposals 2016-17 to 2019-20

| Page Ref. | Categories | Budget Reduction Proposal | Impact | Budget 2015-16 £'000 | Total Budget Reduction 2016-2020 as % of 2015-16 Budget | 2015-16 Savings Achieved £000 | Indicative 2016-17 £000 | Indicative 2017-18 £000 | Indicative 2018-19 £000 | Indicative 2019-20 £000 |
|-----------|------------|---|--|----------------------|---|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| CS7 | 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 | 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 | 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 | 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 | | | | | | 91 | 932 | 615 |
| | | Total Corporate / Council Wide | | 38,861 | 10.6% | 602 | 956 | 1,047 | 1,182 | 915 |

| | | | | | | | | | | |
|--|--|-------------------------------|--|----------------|--------------|--------------|--------------|---------------|--------------|--------------|
| | | GRAND TOTAL REDUCTIONS | | 252,201 | 14.5% | 3,865 | 7,495 | 10,190 | 9,697 | 9,167 |
|--|--|-------------------------------|--|----------------|--------------|--------------|--------------|---------------|--------------|--------------|

| | Total Costs to 31-3-15 | October 2015 | New Approvals | Vire | Slippage | Revised 2015/16 | Indicative | | | | | | | | | | Total to 2025/26 |
|---|------------------------|---------------|---------------|----------|---------------|-----------------|--------------|---------------|--------------|----------|----------|----------|----------|----------|----------|----------|------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | £'000 |
| Children's | | | | | | | | | | | | | | | | | |
| Pen Y Fai Primary School | 6,765 | 474 | | | | 474 | | | | | | | | | | | 474 |
| Mynydd Cynffig Primary School Extension | 2 | 10 | | | -10 | - | 675 | 3,188 | 1,029 | 6 | | | | | | | 4,898 |
| Mynydd Cynffig Primary Highways Works | | | | | | | 700 | | | | | | | | | | 700 |
| Y Dderwen Comprehensive School | 39,278 | 210 | | | | 210 | | | | | | | | | | | 210 |
| Coety/Parc Denwen Primary School | 3,051 | 5,405 | | | -96 | 5,309 | 200 | | | | | | | | | | 5,509 |
| Tondu Primary School Temporary Accommodation | 353 | 29 | | | | 29 | | | | | | | | | | | 29 |
| West Park Pry School Temporary Accommodation | 0 | 250 | | | | 250 | | | | | | | | | | | 250 |
| Additional Learning Needs | 3,107 | 894 | | | -66 | 828 | 65 | | | | | | | | | | 893 |
| Garw Valley South Primary Provision | 315 | 969 | | | -435 | 534 | 3,983 | 4,628 | 541 | | | | | | | | 9,686 |
| Pencoed Primary School | 0 | 1,061 | | | -961 | 100 | 1,300 | 7,229 | 171 | | | | | | | | 8,800 |
| Gateway to the Valleys Primary Provision | 1 | 1,040 | | | -699 | 341 | 1,685 | 5,957 | 166 | | | | | | | | 8,149 |
| Flying Start Provision | 685 | 281 | | | | 281 | | | | | | | | | | | 281 |
| Ysgol Y Ferch O'r Sger | 192 | 8 | | | | 8 | | | | | | | | | | | 8 |
| Ysgol Bro Ogwr | 276 | 24 | | | | 24 | | | | | | | | | | | 24 |
| Héronsbridge Special School | 0 | - | | | | - | - | 1,000 | 500 | | | | | | | | 1,500 |
| Schools Modernisation Retentions | 0 | - | | | | - | 707 | | | | | | | | | | 707 |
| Studio 34, Pyle | 0 | 74 | | | | 74 | | | | | | | | | | | 74 |
| Litchard Primary School | 2,995 | 170 | | | | 170 | | | | | | | | | | | 170 |
| Children's Directorate Minor Works | 0 | 1,332 | | | | 1,332 | | | | | | | | | | | 1,332 |
| Total Children's | 57,020 | 12,231 | 0 | 0 | -2,267 | 9,964 | 9,315 | 22,002 | 2,407 | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 43,694 |
| Wellbeing | | | | | | | | | | | | | | | | | |
| Adult Social Care | | | | | | | | | | | | | | | | | |
| Celtic Court Purchase and Refurbishment | 1,202 | 1,209 | | | | 1,209 | - | - | - | - | - | - | - | - | - | - | 1,209 |
| Adult Social Care Minor works | 0 | 80 | | | | 80 | | | | | | | | | | | 80 |
| Care Standards Act | 218 | 89 | | | | 89 | - | - | - | - | - | - | - | - | - | - | 89 |
| Sports Facilities | | 87 | | | | 87 | | | | | | | | | | | 87 |
| Glan yr Afon Resource Centre | 0 | 143 | | | | 143 | - | - | - | - | - | - | - | - | - | - | 143 |
| Total Wellbeing | 1,420 | 1,608 | 0 | 0 | 0 | 1,608 | - | - | - | - | - | - | - | - | - | - | 1,608 |
| Communities | | | | | | | | | | | | | | | | | |
| Street Scene | | | | | | | | | | | | | | | | | |
| Highways Maintenance(Capitalised Repairs) | 0 | 200 | | | | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 2,200 |
| Transportation Minor Works(Capitalised Repairs) | 0 | 250 | | | | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 2,750 |
| Local Govt Borrowing Initiative (Highways Infrastructure) | 5,552 | 646 | | | | 646 | - | - | - | - | - | - | - | - | - | - | 646 |
| Local Govt Borrowing Initiative (Street Lighting) | 1,285 | 402 | | | | 402 | - | - | - | - | - | - | - | - | - | - | 402 |
| Road Safety | 0 | 241 | | | | 241 | - | - | - | - | - | - | - | - | - | - | 241 |
| Unadopted Highways | 0 | 50 | | | | 50 | | | | | | | | | | | 50 |
| Fleet Vehicles | 0 | 283 | | | | 283 | - | - | - | - | - | - | - | - | - | - | 283 |
| Joint Vehicle Maintenance Lift Ramp | 0 | 46 | | | | 46 | | | | | | | | | | | 46 |
| Parks Pavilions | 72 | 10 | | | | 10 | 977 | - | - | - | - | - | - | - | - | - | 987 |
| Playground at Ffordd yr Eglwys | 0 | 75 | | | | 75 | - | - | - | - | - | - | - | - | - | - | 75 |
| Highways Street Infrastructure | 0 | 1,250 | | | | 1,250 | - | - | - | - | - | - | - | - | - | - | 1,250 |
| Residents Parking Bridgend Town Centre | 16 | 136 | | | | 136 | - | - | - | - | - | - | - | - | - | - | 136 |
| Street Scene Minor Works | 0 | 14 | | | | 14 | - | - | - | - | - | - | - | - | - | - | 14 |
| Bridgend Recreation Car Park | 0 | 115 | | | | 115 | | | | | | | | | | | 115 |
| Shop mobility | 0 | 105 | | | | 105 | | | | | | | | | | | 105 |
| Transport Grant Schemes | 0 | 1,038 | | | | 1,038 | - | - | - | - | - | - | - | - | - | - | 1,038 |
| Coychurch New Cremators | 220 | 840 | | | | 840 | | | | | | | | | | | 840 |
| Asda Land Compensation | 26 | 19 | | | | 19 | | | | | | | | | | | 19 |
| Regeneration & Development | | | | | | | | | | | | | | | | | |
| Bridgend Digital | 105 | 21 | | | | 21 | - | - | - | - | - | - | - | - | - | - | 21 |
| Bridgend Town Centre Infrastructure Programme | 0 | 182 | | | | 182 | | | | | | | | | | | 182 |
| Special Regeneration Funding | 0 | - | | | | - | 271 | 540 | 540 | 540 | 540 | - | - | - | - | - | 2,431 |
| Bridgend Townscape Heritage Initiative | 1,916 | 381 | | | | 381 | 40 | - | - | - | - | - | - | - | - | - | 421 |
| Maesteg Townscape Heritage Initiative | 2,149 | 12 | | | | 12 | - | - | - | - | - | - | - | - | - | - | 12 |
| Porthcawl Townscape Heritage Initiative | 61 | 598 | | | | 598 | 225 | 35 | 35 | - | - | - | - | - | - | - | 893 |

| | Total Costs to 31-3-15 £'000 | October 2015 £'000 | New Approvals £'000 | Vire £'000 | Slippage £'000 | Revised 2015/16 £'000 | Indicative | | | | | | | | | | Total to 2025/26 £'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 | | |
| Transport Grant | | 1,211 | | | | 1,211 | - | | - | - | - | - | - | - | - | - | - | 1,211 |
| EU | | 104 | | | | 104 | - | | - | - | - | - | - | - | - | - | - | 104 |
| S106 | | 3,628 | | | 131 | 3,759 | 504 | | - | - | - | - | - | - | - | - | - | 4,263 |
| Other Contributions | | 1,019 | | | | 1,019 | 450 | 450 | - | - | - | - | - | - | - | - | - | 1,919 |
| Sub-Total External Funding Approvals | | 16,313 | 0 | 0 | -36 | 16,277 | 11,511 | 10,755 | 1,358 | - | - | - | - | - | - | - | - | 39,901 |
| Total Funding Available | | 40,223 | 0 | 0 | -3,447 | 36,776 | 31,862 | 26,677 | 7,730 | 6,288 | 6,288 | 6,288 | 6,288 | 6,288 | 6,288 | 6,288 | 6,288 | 147,061 |
| Funding Shortfall/Surplus | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

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

S106 - Section 106 of the Town and Country Planning

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

15 DECEMBER 2015

REPORT OF THE CORPORATE DIRECTOR RESOURCES

OUTCOME OF THE CONSULTATION 'SHAPING BRIDGEND'S FUTURE'

1.0 Purpose of Report

- 1.1 The purpose of this report is to inform Cabinet of the outcome of the 'Shaping Bridgend's Future' consultation which asked citizens to share their views on the council's corporate priorities and on a number of key budget proposals being considered over the Medium Term Financial Strategy (MTFS) period.
- 1.2 This report provides an overview of the budget consultation activities, analysis and key findings.

2.0 Connection to Corporate Improvement Objectives / Other Corporate Priorities

- 2.1 The 'Shaping Bridgend's Future' consultation sought to obtain views on a revised set of corporate priorities as well as specific budget reduction proposals across council directorates. In addition the allocation of financial resources determines the council's ability to meet its corporate objectives. As such the report links to all corporate priorities.
- 2.2 Decisions on the MTFS will influence the extent to which the council can deliver against its corporate priorities.

3.0 Background

- 3.1 Over the next four years Bridgend County Borough Council is expecting to have to make budget reductions of up to £50 million. Despite the financial challenges ahead, the council is determined to deliver its vision of working together to improve lives across the county borough.
- 3.2 In addition to questions on the proposed corporate priorities, respondents were also asked, using budget sliders, to share their views on 12 key budget proposals being considered between 2016-17 and 2019-20, including: nursery services; residential and respite care; complex homecare support; lifeguard services; holiday support for people with a learning difficulty; highways maintenance and direct labour; reduction of supported bus services; looked after children; regeneration; cleaning service; parks and open spaces and online services.
- 3.3 Budget consultation exercises were undertaken in 2013/14 and 2014/15. This 'Shaping Bridgend's Future' consultation exercise has built on the knowledge gained from the previous two consultations and further developed the consultation to include new ways for people to participate and engage with the council.

- 3.4 The budget consultation overview, document and survey was made available between 28 September 2015 and 22 November 2015. The survey was available to complete online through a link on the council's website or by visiting: www.bridgend.gov.uk/future
- 3.5 The consultation aimed to reach the following key stakeholders: citizens, schools, BCBC cabinet members/councillors, local businesses, the third sector, BCBC staff, trade unions, town and community councils, partner organisations, equality groups, youth services/council and local media.
- 3.6 Communication and promotional activities included a radio campaign with Bridge FM, various press release/editorials in the Gazette and other local media, a social media/web campaign, development of three short films, poster/sign campaign, direct marketing to key target audiences e.g. businesses, youth council, internal communications campaign for staff and elected members.
- 3.7 Methods of engagement included a survey (available online and hard copy at all local libraries), engagement events and town centre engagement stands, social media debates, a dedicated Citizen's Panel survey, meetings with representative groups e.g. Bridgend Association of Secondary Heads.

As part of the engagement and town centre events, citizens could also fill in comment cards and take part in a coin game to prioritise budget proposals.

Responses were also welcome via letter, email or telephone.

- 3.8 A target was set for this consultation exercise of 1400 responses to represent c.1% of the population of Bridgend County Borough.

4.0 Current Situation / proposal

- 4.1 The attached consultation report (appendix 1) sets out in detail the views expressed by those who participated.
- 4.2 Overall, the council has received 1819 responses via the various consultation mechanisms identified in 3.7. A breakdown of these is documented in the consultation report.
- 4.3 The response rate can be summarised as:
- 989 responses to the surveys were received in total including responses gathered through the Citizens' Panel outlet – of the responses received there were 753 online submissions and 204 paper versions returned. The remaining 32 responses were received from the community engagement events.
 - Of the 989 responses, 424 surveys were received directly from the Citizens' Panel – 220 were received online and 204 paper versions.
 - In total, there were 495 interactions at the public community engagement events across the county borough. This figure is a combination of 167 comment cards and 247 counter game interactions received at the engagement stands and 81 from attendees at engagement workshops.
 - During two social media question and answer sessions there were a total of 167 interactions from Twitter and 85 interactions from Facebook, being seen a total of

79,861 times on Twitter and 49,811 times on Facebook respectively. During the consultation period there were a total of 334 interactions using social media.

- No comments were received by letter, email or telephone call.

4.4 Headline figures and themes include:

- All three proposed corporate priorities received strong support, with at least 80 per cent of respondents agreeing. 71 per cent however, believed the priorities are also missing important factors. Streamline the council; workforce and processes (39 responses), public transport, highways and infrastructure improvements (27 responses), and support local businesses and offer free parking (23 responses) were the three most suggested themes put forward by respondents.
- There was minority support for increasing council tax in order to keep services running (only 31% agreed). Providing some council services through other organisations (76%), focusing services on the vulnerable (65%) and introducing charges to maintain some services (52%) all received support from the majority of respondents.
- The majority (68%) believe schools should be expected to make efficiency savings. However, 73 per cent believe some services should be protected over others. In particular, care of older people, services for disabled people and primary schools were the three most popular areas to protect.
- 11 of the 12 budget proposals were supported by the majority of respondents. Online services were the most popular – a combination of 87 per cent either agreed with the proposal or chose to increase the proposed reduction. Highway maintenance was the least supported proposal with 48 per cent either agreeing with the proposal or increasing the proposed reduction.
- There was a high level of consistency when respondents chose to reduce/(increase) specific proposals. The most common alternative was to cut elsewhere/(spend elsewhere), followed by increasing/(lowering) council tax.

4.5 Report conclusions

4.5.1 The overall response rate is very positive, exceeding the target of 1,400 set. In comparison we have received 1338 more interactions than the previous year's combined responses (survey, simulator, event attendance and social media replies) Direct comparisons:

- Survey completions (general and Citizens' Panel) of 989 this year compared with 382 last year across both the separate survey and budget simulator;
- Social media replies/comments of 334 this year compared to 28 last year (It is important to note this year's results cover the whole consultation period not just the actual debate as we did last year);
- Event attendance of 81 this year compared to 71 last year (across six events)

Survey completions are able to measure demographic information which allows us to understand which stakeholders have engaged with us. Key statistics are:

| Age | Number |
|-------------------|---------------|
| Under 18 | 35 |
| 18 – 24 | 25 |
| 25 – 34 | 82 |
| 35 – 44 | 154 |
| 45 – 54 | 185 |
| 55 – 64 | 181 |
| 65+ | 202 |
| Prefer not to say | 64 |
| Total | 884 |

4.5.2 The majority of respondents responding very positively to budget consultation, with the proposed three new priorities receiving strong support. There was strong support for protecting some budgets over others, and of the 12 budget proposals, 11 received majority support, and the least supported received 48%

4.5.3 The least support was to raise council tax to protect services, which received a positive response from 31%. In addition, the consultation has identified some additional priorities for consideration which are set out in paragraph 4.4 above.

4.5.4 Electronic methods such as online survey, films and social media have received larger levels of engagement and interaction compared to more traditional methods such as events and paper-based surveys. The evening engagement events on the whole continued to receive poor attendance, however the introduction, this year, of the engagement stands in town centres has proved successful. Other local authorities have better attendance at evening engagement events so there is a need to review the differences and pro-actively respond to that for next year as well as build on the success of the social media debates.

5.0 Effect upon Policy Framework and Procedure Rules

5.1 There are no proposed changes to the policy framework and procedure rules.

6.0 Equality Impact Assessment

6.1 An Equality Impact Assessment has been carried out and no equality issues have been identified. Budget reduction proposals pursued will be subject to the appropriate equality impact assessment prior to implementation. .

7.0 Financial Implications

7.1 The consultation report seeks to inform and aid cabinet members' decisions on the future direction of the council and how to meet the challenging budget constraints in the years ahead.

8.0 Recommendation

8.1 Cabinet is recommended to note the outcome of the consultation with interested parties as detailed in the attached consultation report.

**Ness Young CPFA
Section 151 Officer and Corporate Director - Resources
15 December 2015**

**Contact Officer: Randal Hemingway
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Appendix 1: Shaping Bridgend's Future Consultation Report

Background Documents

None

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