

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

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

Date / Dyddiad: 8 January 2016

Dear Councillor,

PARTNERSHIPS AND GOVERNANCE OVERVIEW AND SCRUTINY COMMITTEE

A meeting of the Partnerships and Governance Overview and Scrutiny Committee will be held in the Council Chamber, Civic Offices, Angel Street, Bridgend on **Thursday, 14 January 2016 at 2.00 pm.**

AGENDA

1. Apologies for Absence
To receive for 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 - 10
To receive for approval, the minutes of the meeting of the Partnerships and Governance Overview and Scrutiny Committee dated 2 December 2015
4. Forward Work Programme Update 11 - 14
5. Medium Term Financial Strategy 2016-17 to 2019-20 15 - 56

INVITEES:

Andrew Jolley - Assistant Chief Executive – Legal and Regulatory Services (LARS)
Councillor C E Smith - Cabinet Member - Regeneration and Economic Development
Arron Norman - Finance Manager, Social Services, Wellbeing, Resources and LARS

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:

N Clarke
E Dodd
EM Hughes
M Jones

Councillors

JR McCarthy
HE Morgan
AD Owen
D Patel

Councillors

M Thomas
RL Thomas
KJ Watts
C Westwood

Agenda Item 3

PARTNERSHIPS AND GOVERNANCE OVERVIEW AND SCRUTINY COMMITTEE - WEDNESDAY, 2 DECEMBER 2015

MINUTES OF A MEETING OF THE PARTNERSHIPS AND GOVERNANCE OVERVIEW AND SCRUTINY COMMITTEE HELD IN COMMITTEE ROOMS 2/3, CIVIC OFFICES ANGEL STREET BRIDGEND CF31 4WB ON WEDNESDAY, 2 DECEMBER 2015 AT 2.00 PM

Present

Councillor N Clarke – Chairperson

E Dodd
HE Morgan
C Westwood

EM Hughes
AD Owen

M Jones
RL Thomas

JR McCarthy
KJ Watts

Officers:

Kym Barker	Scrutiny Officer
Tracy Bell	CCIS & Schools MIS Support Team Leader
Andrew Rees	Senior Democratic Services Officer - Committees

Invitees:

Councillor PJ White	Cabinet Member Adult Social Care Health and Wellbeing
Councillor H Townsend	Cabinet Member Childrens Social Services and Equalities
Councillor CE Smith	Cabinet Member Economic Development and Regeneration
Susan Cooper	Corporate Director Social Services and Wellbeing
Andrew Jolley	Assistant Chief Executive Legal & Regulatory Services and Monitoring Officer
Randal Hemingway	Head of Finance and ICT
Tracy Bell	CCIS & Schools MIS Support Team Leader

23. APOLOGIES FOR ABSENCE

Apologies for absence were received from the following Member / Officer for the reasons so stated:

Councillor M Gregory – Other Council Business
Ness Young – Corporate Director Resources – Leave.

24. DECLARATIONS OF INTEREST

Councillor M Jones declared a personal interest in agenda item 6 – Corporate Commissioning Project as a Director of the Winston Partnership Limited which has a commercial relationship with the Bridgend Community Safety Partnership.

25. APPROVAL OF MINUTES

RESOLVED: That the minutes of the Partnerships and Governance Overview and Scrutiny Committee of 29 October 2015 were approved as a true and accurate record.

26. 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 14 January 2016 and sought confirmation

of the information and invitees required for the subsequent meeting to be held on 5 April 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 14 January 2016 and the invitees to attend to attend the meeting;
- (2) Determined the invitees to be invited to attend the meeting on 5 April 2016 and that an item on Depot Rationalisation be added to the Forward Work Programme and scheduled for the meeting on 5 April 2015.

27. THE WELSH COMMUNITY CARE INFORMATION SYSTEM (WCCIS)

The Scrutiny Officer introduced a report which updated the Committee on the implementation of the Welsh Community Care Information System (WCCIS) since Cabinet approved the signing of the Master Services Agreement and Deployment Orders on 31 March 2015.

The Corporate Director Social Services and Wellbeing reported that BCBC had led the procurement of a national Community Care Information System which supports both health and social care and which will go live on 1 April 2016. She highlighted the importance of the system being implemented to work alongside the Social Services and Wellbeing (Wales) Act 2014 to be introduced on 6 April 2016 and which will bring into place an assessment framework. She stated that CareWorks Limited had been appointed as the successful tenderer to deliver the new information system across local authorities and the NHS in Wales. The set up cost for the procurement was funded by a capital grant from the Welsh Government. In addition to the national infrastructure there was a requirement for this Council to purchase the software to replace the existing DRAIG product which would cease to be supported beyond April 2016. The Corporate Director Social Services & Wellbeing informed the Committee that CareWorks was also the supplier of the DRAIG system and had given an assurance that they would continue to provide support until the new system was fully operational.

The Corporate Director Social Services & Wellbeing informed the Committee that the procurement of the system had been driven by the integration of health and social care and the need for it to be citizen centred which allowed professionals to access and share information. She stated that BCBC had signed up first for implementation of the system and would be followed by Ceredigion and Powys Councils. She informed the Committee there are currently a variety of health and social care systems serving local authorities and health boards and trusts. The procurement was structured to provide an all Wales system with a national specification.

The Corporate Director Social Services & Wellbeing informed the Committee that the system had been shaped by its users and she outlined the benefits of the system. In terms of the governance arrangements a National WCCIS Board had been established

to oversee the strategic implementation. Bridgend was represented by the Corporate Director Social Services & Wellbeing and the Corporate Director Resources with the Head of Finance and ICT and the Head of Adult Social Care as alternates. The Project Board is chaired by the Corporate Director Social Services & Wellbeing, whilst Tracy Bell, CCIS & Schools MIS Support Team Leader of the ICT Department manages the project with representatives from the NHS and CareWorks on the Project Board.

The Corporate Director Social Services & Wellbeing informed the Committee of the Transfer of Information process from DRAIG to the WCCIS which would be undertaken by CareWorks. The process of data transfer would be governed by a National Migration Strategy which had been developed with CareWorks with input from local authorities and health boards. She stated that the full benefit for service users in terms of a single citizen record and easier information sharing would be dependent on all agencies adopting WCCIS. Arrangements will be put in place to ensure the transfer of information is undertaken appropriately and that training is in place for practitioners. The Corporate Director Social Services & Wellbeing informed the Committee that she was positive that WCCIS will be more effective but there was a significant need to be mindful that social work staff are already stretched.

The Committee questioned the access arrangements to the system by patients. The Corporate Director Social Services & Wellbeing informed the Committee that patients would not be given access to the WCCIS as the system is to be used by practitioners. Patients requiring access to their records would have to do so through a Freedom of Information Act request. The Corporate Director Social Services & Wellbeing informed the Committee that communication would be made with all regarding the implementation of the WCCIS and the Social Services and Wellbeing (Wales) Act 2014. The CCIS & Schools MIS Support Team Leader informed the Committee that a Social Worker inputting a patient number to the system would only be able to access basic information, care plans received by the patient and assessments which was dependent on the level of service the individual was receiving. The Corporate Director Social Services & Wellbeing also informed the Committee that Social Workers and District Nurses are working together regarding access to the system. Hospitals would have access to the system for bed management allocation and acute services. Version 5.1 of the system would bring about functionality for use by hospitals. The CCIS & Schools MIS Support Team Leader informed the Committee that Version 5 of the system will go live on 1 April 2016 and confirmed that Version 5.1 would have bed management and referrals as part of its functionality. The Cabinet Member Adult Social Care Health and Wellbeing stated that he was privileged that Bridgend was taking the lead with the procurement and implementation of WCCIS. The Committee questioned whether all medical records would be held on the system. The CCIS & Schools MIS Support Team Leader informed the Committee that only medical records for community services would be held on the system.

The Committee questioned whether training on the system for a month was sufficient as well as the timescale for implementing the Social Services and Wellbeing Act. The CCIS & Schools MIS Support Team Leader informed the Committee that practitioner workshops had already been held during November and that online training and webinars were being considered. She stated that the Swift Consortium are assisting with training 600 – 700 users and Ceredigion Council had offered to provide a member of staff to deliver training.

The Committee praised the work being carried out to implement the system and its integration with health and social care but expressed concern that BCBC had been the only organisation to have signed up to WCCIS. The Corporate Director Social Services

and Wellbeing stated that a number of local authorities and health boards had indicated their willingness to sign up and that ABMU were yet to sign up.

The Committee questioned the security of 24/7 access to records and expressed concern that records could be reviewed at any time, by which emergency services and the level of access which could be viewed. The CCIS & Schools MIS Support Team Leader commented that it would be the Emergency Duty Team which would have access to WCCIS. There would also be different levels of access by users to the system. The Committee also expressed at the security aspects of out of hours access to the system. The Corporate Director Social Services and Wellbeing informed the Committee the Emergency Duty Team required access to WCCIS out of hours. She stated that the Corporate Director Education and Transformation is leading the MASH project which is a collaboration involving the police and health and social care to work from one hub.

The Committee referred to WCCIS being based on Microsoft technology with a common user interface and questioned whether there was potential for a security breach. The CCIS & Schools MIS Support Team Leader commented that there would be different levels of access to WCCIS. She stated that staff working in Adult Social Care would not have access to Childrens Services records and different levels of security would be in place according to roles and there would be appropriate restrictions in place to ensure that the system would lock down for someone who should not have access to the system. The Committee questioned how a member of staff in another authority would have access to a service user's records. The CCIS & Schools MIS Support Team Leader commented that a member of staff in another authority would be able to establish that the service user is known to this Council and that the allocated worker would receive an alert if the "break glass" function was affected.

The Committee questioned the number of authorities / health boards that would be signed up by 1 April 2016. The Corporate Director Social Services and Wellbeing informed the Committee that this Council would be the only party signed up to WCCIS by 1 April 2016, it was anticipated that Ceredigion Council would be signing up in June / July 2016. It had been very clear to all local authorities and health boards by the Minister that they would have to sign up to WCCIS. She stated that DRAIG would no longer be supported from 1 April 2016. The Head of Finance and ICT confirmed that DRAIG would no longer be supported beyond 31 March 2016 and that many local authorities were still signed up to the SWIFT system on contracts of varying lengths and those authorities would not wish to pay for two systems at the same time. He stated that it would take time to get all local authorities on board and the Board would determine when authorities would go on to WCCIS. The Corporate Director Social Services and Wellbeing stated that a Deployment Order would need to be signed which is for 8 years duration with an option to extend annually up to 4 years. She stated that health boards had not yet signed up as the health functionality for hospitals was not currently on WCCIS.

The Committee questioned whether there is a data migration strategy as it was keen to see the reputation of the authority remaining intact. The CCIS & Schools MIS Support Team Leader informed the Committee that work was currently in progress on a data migration strategy and that some data on DRAIG would remain in an archive.

The Committee questioned whether the Council would bear the risk for the total cost of the system over a period of eight years and queried whether it was protected against any further costs relating to the potential need to update software/hardware or to upgrade the system. The Head of ICT and Finance informed the Committee that the duration of the contract was for a period of 8 years with an option to extend for a period

of up to 4 years. He stated that the supplier had significant developer costs and that future developments may not be covered and if changes were needed they would have to be made on the basis of being subject to a commercial agreement. Changes to the already detailed specification which had been developed in conjunction with practitioners from social work and the health service would need to be agreed by the National Board.

The Committee questioned whether the Council would be at risk of incurring additional costs as a result of hardware / software upgrades to the system. The Head of Finance and ICT informed the Committee that the costs are fixed up front any additional costs were unlikely to be significant. The Corporate Director Social Services and Wellbeing informed the Committee that some authorities may be locked in to contractual arrangements with their existing supplier which ranged from 18 months to 8 years. The CCIS & Schools MIS Support Team Leader informed the Committee that the system had an emphasis on flexibility and it was possible for authorities to adapt the system by adding fields to suit their needs. The Committee questioned whether the Council was protected from an increase in costs. The Corporate Director Social Services and Wellbeing informed the Committee that the National Board would hold CareWorks to account. The CCIS & Schools MIS Support Team Leader informed the Committee that the contract with CareWorks stipulated that it would include updates which for provide statutory changes. The Corporate Director Social Services and Wellbeing stated that CareWorks had set themselves the target of signing up all 22 local authorities to WCCIS.

The Committee questioned would authority receive some financial benefit due to being the first authority to sign up and use the system. The CCIS & Schools MIS Support Team Leader informed the Committee the authority would not be the first to go live as it was already in use in the USA, England and in Ireland. There would be no financial benefit from this but that the Authority will be able to share lessons learned and cascade training to support other local authorities.

The Committee questioned whether the Council would continue to pay for DRAIG. The Head of Finance and ICT stated that the Council would not pay twice and payments for DRAIG would cease after 31 March 2016. The Committee requested an explanation of the profile of expenditure over the duration of the contract. The Head of Finance and ICT informed the Committee that the expenditure profile had been set by the Project Team.

The Committee questioned whether the system would be tested using live data. The CCIS & Schools MIS Support Team Leader informed the Committee confirmed that live data would be used in testing the system. Testing would take place in 4 phases but the data contained in the DRAIG system would not be used in WCCIS.

The Committee questioned the security aspects of using WCCIS as part of homeworking. The CCIS & Schools MIS Support Team Leader informed the Committee that Social Workers are already engaged in homeworking and they would have to log in to the system securely and sign confidentiality clauses.

The Committee thanked the invitees for their contributions.

Conclusions

The Committee noted the report which provided Members with an update on the progress of the implementation of WCCIS.

- Members praised the work being carried out to implement the system.
- Members were concerned that at the time of the meeting BCBC was the only LA signed up to the system. The Officer explained two LAs were due to sign up and

that others would be likely to do so when their contracts with DRAIG expire. Other LAs are tied into contracts of varying lengths, for example those using SWIFT have time left to run on the contracts ranging from 18 months to four years.

- Members were also concerned that at the time of the meeting AMBU had not yet signed up to the system and some services, such as District Nurses, were dependent on AMBU sign up to enable them to use the system. The Officer said that sign up by ABMU and other agencies was likely to be imminent but that some agencies and LAs were waiting to see what happens with BCBC first.
- Members noted the Go Live deadline of 1 April and the short period of time left for staff training in using the new system as well in preparation for the Social Services and Wellbeing Act. The Officer acknowledged this and said that some training had already taken place.
- Members queried which 'emergency services' would have access to the system and to the data/information held on it. The Officer responded that this referred to BCBC emergency services rather than police, fire service etc.
- Members queried whether BCBC would receive some financial benefit due to being the first authority to use the system. The Officer responded that there would be no financial benefit from this but that the Authority will be able to share lessons learned and cascade training to support other LAs.
- Members noted the total cost of the system over a period of eight years and queried whether BCBC are protected against any further costs relating to the potential need to update software/hardware or to upgrade the system. The Officer responded that it was likely that any significant costs in respect of future developments may not be covered.

Recommendations

- The Committee are adamant that a letter be sent from Bridgend County Borough Council to the responsible Assembly Minister regarding the current apathy regarding signing up to WCCIS by other Local Authorities and health agencies and that, whilst acknowledging that other LAs may have time left on current contracts with other providers, the responsible AM needs to be firm and clear in conveying the message that commitment and sign up to WCCIS is essential to improving the sharing of information across approved organisations/bodies and also throughout the whole of Wales.

Further Information Requested

- The Committee request clarification on any potential additional costs which might result from the implementation of the WCCIS system regarding any upgrade etc. over the lifetime of the contract.

28. CORPORATE COMMISSIONING PROJECT

The Assistant Chief Executive Legal and Regulatory Services reported on an update on the current status of the Corporate Commissioning Project. He stated that progress on the project had not been as planned owing to the loss of key personnel such as project managers; the lead procurement officer and ICT development of the contracts register software support. The authority had also found it necessary to extend a variety of contracts however this course of action leads to inefficiency due to the loss of market testing. However the delays in the project had allowed time for the development of a corporate projects register, which has enabled a better understanding of spend and future demand and significant savings had been through the use of e-tendering and e-auctioning.

The Assistant Chief Executive Legal and Regulatory Services reported on the areas which are intended to be pursued by the project. In respect of the Corporate Procurement Team, an appointment had been made to the post of Corporate Procurement Manager. He stated that in order for the Transformation Agenda and corporate projects within the Medium Term Financial Strategy to be implemented it was important for procurement and commissioning to be recognised as a strategic part of the authority as opposed to a service team in one department. He stated that it was the intention in the next financial year to move to a category lead structure.

The Assistant Chief Executive Legal and Regulatory Services also reported on that County Borough Supplies is a long standing joint service between four authorities which historically has been self-funding and has not been a drain of resources on any of the partner authorities. He stated that it is necessary for the Joint Service to move to new premises due to the development needs of the authority and there was therefore an opportunity to change the business model. New premises have been located and negotiations ongoing on the lease. The Assistant Chief Executive Legal and Regulatory Services informed the Committee that it had recently been informed by Rhondda Cynon Taff County Borough Council that it wished to withdraw from the Joint Service which would significantly affect the viability of the service. The authority had also been informed that another authority was likely to take a similar decision to withdraw from the Joint Service. The Assistant Chief Executive Legal and Regulatory Services outlined the number of staff working in County Borough Supplies. The Cabinet Member Economic Development and Regeneration informed the Committee that County Borough Supplies has not been a liability and working in accordance with its business plan.

The Assistant Chief Executive Legal and Regulatory Services informed the Committee that the Corporate Contracts Register was now complete and now required application across the authority. There is an option to use the Bravo Solutions Contract Register facility which could also be used by schools.

The Assistant Chief Executive Legal and Regulatory Services reported that the use of the Welsh Government portal would be a fundamental part of the Corporate Commissioning Project with the next stage to ensure the authority has access to all purchasing frameworks via a catalogue hosting system and is free to use. This provides access to a variety of framework agreements. He also informed the Committee that the use of purchasing cards is being rolled out incrementally across the authority. The use of the card enables the authority to be able to claim a rebate for all expenditure. The Committee questioned whether there was evidence of misuse of purchasing cards. The Assistant Chief Executive Legal and Regulatory Services commented that the number of cards issued is limited and that use is monitored.

The Assistant Chief Executive Legal and Regulatory Services informed the Committee that there remained work to be done on E-auctions, however £1m of savings had been derived through the commissioning of school transport through this mechanism. He stated that E-Tendering is used for the majority of Invitation to Tender and quotes by the Corporate Procurement Team. The next step is to roll out E-tendering to the whole authority which would be assisted by the use of the Corporate Contracts Register.

The Committee thanked the invitees for their contribution.

Conclusions

The Committee noted the report which provided Members with an update on the status of the project.

- Members were informed of recent changes relating to the status of plans for County Borough Supplies.
- Members queried the status of the Corporate Contracts register, the Assistant Chief Executive - Legal & Regulatory Services responded that access to this would be rolled out to Directorates and that there is an option to make use of the Bravo Systems Contract Register facility which will enable access 'all Wales' working. This could also include schools.
- Members queried whether there is any evidence of misuse regarding Purchase Cards. The Assistant Chief Executive - Legal & Regulatory Services responded that the number of cards issued is limited and that use is monitored.
- The Committee recommend that, due to very recent changes to the status of plans for County Borough Supplies, this item remains on the Forward Work Programme and that an update is provided when further information on changes to the way services are provided is available.

29. URGENT ITEMS

There were no urgent items.

The meeting closed at 4.12 pm

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO PARTNERSHIPS AND GOVERNANCE OVERVIEW AND SCRUTINY COMMITTEE

14 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 Committee's meeting to be held on 5 April 2016;
- b) present a list of further potential items for prioritisation by 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 19 June 2015, the Partnerships and Governance Overview and Scrutiny Committee determined its Annual Forward Work Programme for 2015-16.

4. Current Situation / Proposal

Meetings of the Partnership and Governance Overview and Scrutiny Committee

4.1 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 5 April 2016.

Topic	Invitees	Specific Information Requested	Research to be Undertaken by the Overview & Scrutiny Unit
Public Engagement	Councillor C E Smith, Cabinet Member - Regeneration and Economic Development Andrew Jolley - Assistant Chief Executive Gary Jones - Head of Democratic Services	Progress on the development of an internal mechanism to better enable members of the public to engage in scrutiny activity.	tbc
Depot Rationalisation	Councillor C E Smith, Cabinet Member - Regeneration and	To provide an update to the Committee on	tbc

	Economic Development Zak Shell, head of Neighbourhood Services	the progress of the Depot Rationalisation Project. - This item has been moved from the CEL FWP due to a change of focus.	
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4.2 The table below lists potential items which are put to the Committee for reprioritisation as appropriate.

Topic	Proposed Date	Specific Information Requested	Research to be Undertaken by the Overview & Scrutiny Unit
Information Report - Local Service Board Scrutiny Panel Feedback	To be confirmed	The remit of the Committee includes the consideration of the performance of Bridgend's Local Service Board (LSB), in accordance with guidance and to achieve this Local Service Board Scrutiny Panel has been set up in order to scrutinise the LSB's performance. Committee are to receive feedback reports annually.	tbc

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 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 Partnerships and Governance 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 wellbeing in the County Borough of Bridgend.

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

6. Equality Impact Assessment

6.1 None

7. Financial Implications

7.1 None.

8. Recommendations

The Committee is asked to:

- (i) Note the topics due to be considered at the meeting of the Committee for 5 April 2016 and confirm if it requires any additional specific information to be provided by the invitees listed or the Overview & Scrutiny Unit;
- (ii) Revisit and consider the list of future potential items for the Committees Forward Work Programme and reprioritise as the Committees feels appropriate.

Andrew Jolley,
Assistant Chief Executive – Legal & Regulatory Services

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Background Documents: None

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO PARTNERSHIPS AND GOVERNANCE OVERVIEW AND SCRUTINY COMMITTEE

14 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:

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

	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
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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
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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

Contact Officer :
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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
			£000s	£000s
Education	Integrated Working	To mitigate the reduction in the Families First grant from Welsh Government	223	
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
Communities	Public Transport	To mitigate the reduction in a specific grant from Welsh Government. The obligation on Local Authorities to administer passes has not diminished however the support from Welsh Government has dropped from £3 to £1 per pass.	70	
Communities	Waste	To mitigate the reduction in the Single Environment grant from Welsh Government, which provides financial support for waste collection and recycling activities.	186	
Resources	Welsh Language	To meet the costs of implementation of the Welsh Language Standards. Failure to comply with the standards will result in a fine of £5,000 for each standard no adhered to.	1,150	258
Resources	Homelessness	A new Emmaus facility for the homeless has opened in the county borough. As the accomodation is classed as exempt, the full rental cost must be met by the authority whereas only the level agreed by the rent officer can be recovered from the Department for Work and Pensions (DWP), leaving a shortfall	143	
Resources	Benefits	In line with other local authorities, there has been an increase in the financial value of overpayments in housing benefits, regardless of reason/fault, as both the overpayment rate has increased and the level of housing benefit has risen with rents. A proportion of overpayments cannot be reclaimed from DWP	220	
Total Budget Pressures			2,290	327

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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
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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		

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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

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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

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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

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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

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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

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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		

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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

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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

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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

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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

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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
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	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**

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Appendix 1: Shaping Bridgend's Future Consultation Report

Background Documents

None

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