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Bridgend County Borough Council



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Gwasanaethau Gweithredol a Phartneriaethol / Operational and Partnership Services

Deialu uniongyrchol / Direct line /: 01656 643148
Gofynnwch am / Ask for: Mr Mark Anthony Galvin

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

Dyddiad/Date: 13 December 2016

Dear Councillor,

COMMUNITY, ENVIRONMENT AND LEISURE OVERVIEW AND SCRUTINY COMMITTEE

A meeting of the Community, Environment and Leisure Overview and Scrutiny Committee will be held in Committee Rooms 2/3, Civic Offices, Angel Street, Bridgend, CF31 4WB on **Monday, 19 December 2016 at 2.00 pm.**

AGENDA

1. Apologies for Absence
To receive apologies for absence from Members.
2. Declarations of Interest
To receive declarations of personal and prejudicial interest (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 a meeting of the Community Environment and Leisure Overview and Scrutiny Committee dated 20 October 2016.
4. Forward Work Programme Update 11 - 14
5. Medium Term Financial Strategy 2017-18 to 2020-21 15 - 64

Invitees:

M. Shephard – Corporate Director Communities
Z. Shell – Head of Neighbourhood Services
S. Pryce – Head of Regeneration, Development and Property Services
J. Norman – Finance Manager Education, Communities and Transformation
Councillor H. Williams – Deputy Leader

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

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transacted at the meeting as a matter of urgency.

Yours faithfully

P A Jolley

Corporate Director Operational and Partnership Services

Councillors:

DK Edwards

L Ellis

CA Green

CJ James

Councillors

CL Jones

JR McCarthy

HE Morgan

G Phillips

Councillors

JC Spanswick

JH Tildesley MBE

KJ Watts

R Williams

Agenda Item 3

COMMUNITY, ENVIRONMENT AND LEISURE OVERVIEW AND SCRUTINY COMMITTEE - THURSDAY, 20 OCTOBER 2016

MINUTES OF A MEETING OF THE COMMUNITY, ENVIRONMENT AND LEISURE OVERVIEW AND SCRUTINY COMMITTEE HELD IN COMMITTEE ROOMS 2/3, CIVIC OFFICES ANGEL STREET BRIDGEND CF31 4WB ON THURSDAY, 20 OCTOBER 2016 AT 2.00 PM

Present

Councillor JC Spanswick – Chairperson

DK Edwards
JR McCarthy

CA Green
JH Tildesley MBE

CJ James
KJ Watts

CL Jones
R Williams

Apologies for Absence

HE Morgan and G Phillips

Officers:

Susan Cooper	Corporate Director - Social Services & Wellbeing
Zak Shell	Head of Neighbourhood Services
Mark Shephard	Corporate Director – Communities
Andrew Thomas	Group Manager, Sport and Active Wellbeing
Julie Ellams	Democratic Services Officer

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor H E Morgan and Councillor G Phillips.

2. DECLARATIONS OF INTEREST

None.

3. APPROVAL OF MINUTES

RESOLVED

That the minutes of the meeting of the Community, Environment and Leisure Overview and Scrutiny Committee of 27 September 2016 be approved as a true and accurate record. .

4. HEALTHY LIVING PARTNERSHIP PROJECT

The Group Manager-Sport, Play and Active Wellbeing introduced Simon Gwynne, Partnership Manager HALO and Scott Rolfe, Chief Executive HALO to the Committee. The HALO representatives then presented a report informing the Committee of the end of year performance of Halo Leisure Ltd with regard to the eight leisure centres and swimming pools they managed on behalf of the Council within the Healthy Living Partnership Programme. The report also advised the Committee of the service objectives set for 2016/17 and the areas of focus within the service development plan.

The report provided detail on the fourth annual year of performance and the objectives identified for year five of the contract. There were 11 years remaining of the original 15 year contract. The completion of the capital works supported the achievement of performance targets including increased levels of participation, improved customer

experience and investment into assets. The report also covered the three corporate priorities and how HALO was working to respond to them.

In partnership with Public Health Wales, the National Exercise Referral Scheme successfully supported 1,186 people to access services including people with chronic conditions. The "over 60" Free Swimming initiative continued to achieve the highest participation rates in Wales with 83,000 visits. This supported the loneliness and isolation reduction targets of the Ageing Well plan for Bridgend.

HALO supported social services by providing 214 looked after children with free membership to leisure facilities with evidence suggesting 86% were regularly making use of this support. The Access to Leisure programme supported the removal of price as a barrier with 1962 people making use of the support.

The partnership contributed to achieving financial efficiencies linked to the medium term financial strategy with further reductions expected over the next three years.

Halo Leisure continued to coordinate the aquatic development programmes with 100% of primary schools now engaged in the intensive schools swimming model.

Recruitment and retention of membership was a core business target and during 2015/16 there were 12,157 members representing 12% growth from the previous year.

Positive results were received following a staff survey and HALO Leisure remained a significant employer of a workforce that included 278 people and 123 full time equivalents. It had also developed an Apprenticeship programme and currently there were two apprentices in place with plans to commence support for two additional posts within Bridgend.

Members noted that an Advisory Panel was in place with representation including Public Health Wales, Sport Wales and the Chair of the Community, Environment and Leisure Overview and Scrutiny Committee and compared the arrangement to the one in place for Porthcawl Marina where there was no Local Member representation on the Harbour Board. Members were advised that their comments were noted however this was an advisory body and not part of the board structure and no decisions were taken apart from where there was a surplus on a contract.

The Committee referred to the National Exercise Referral Scheme and asked for further information on how it linked to the outdoors particularly when the scheme had been completed. The Group Manager-Sport, Play and Active Wellbeing Activity explained that this point had been recognised at both local and national level and that in order to cope with demand, other options such as this had to be explored.

The Cabinet Member, Adult Social Care, Health and Wellbeing explained that within the Llynfi Valley, LV20 had been set up. He chaired the Physical Activity and Wellbeing Group which worked closely with HALO regarding outdoor activity.

The Committee requested further information regarding the Ageing Well plan. They were advised that the plan was aimed at older people in Wales particularly men over 60 and encouraged building networks including swimming and other activities. Staff had been trained in different areas and there were innovative new plans including support from Community Transport. Staff had also been given dementia training.

Members were pleased with the number of Looked After Children taking up free membership to leisure facilities. The Committee asked to see a breakdown in the

numbers of Looked After Children that had taken up the free membership offer and asked for further information on how often they used the facilities and what activities they participated in. Officers responded that they could not supply the information at the time and would send to Members after the meeting

The Committee asked how HALO were promoting the message that price was not a barrier to participation for disadvantaged groups. Members were advised that the website promoted the message and numbers had increased as a result of this as well as providing a broader range of activities

The Chief Executive HALO confirmed that swimming badge schemes were still run for primary school children in addition to the intensive block bookings and also junior learn to swim schemes were well publicised. The 12% increase in membership covered corporate, individual and family membership.

Members commented that other authorities were closing down leisure facilities and that BCBC were fortunate to be in this position.

The Committee asked for further information regarding the long term absences recorded and how they were being managed. The Chief Executive HALO explained that most incidents of long term sickness were unique but if repeated, staff were sent for occupational assessments. Members congratulated HALO on the average of 6.5 days per FTE even though this was an increase on the previous year.

Members requested further information of staff on casual contracts, to include a breakdown of how many staff have them, what hours on average they work and at what times of the year and what positions they include. The Chief Executive HALO explained that they tried to avoid zero contracts unless it suited staff and that most of their casual workers had full time jobs elsewhere. He added that the casual workers were usually swim/gym instructors that worked on a seasonal basis

The Committee requested further information regarding what happened to the staff following completion of the apprenticeship scheme. Members were advised that HALO only recruited an apprentice where they could guarantee a job at the end, subject to performance.

Members asked for information regarding the net promoter score. They were advised that this was an evaluation tool popular in the retail sector used to evaluate how likely a person was to recommend services to other people. It allowed benchmarking and was a way of highlighting areas that needed to be developed such as Pyle Leisure Centre. Members requested further information on the improvements needed to Pyle Swimming Pool and the reasons behind their low net promoter score and how the concerns were being addressed. Officers agreed to circulate this to Members after the meeting. Members also asked to be notified about any changes to services such as closures before work commenced so that they had the information available if contacted by residents.

Members asked for further information on the Summary of Accidents report in that there were two reported incidents in Maesteg. Members requested information on whether these were staff or customer related incidents and what they specifically related to.

Members thanked HALO and the officers for the update.

Conclusions

Members welcomed the report and thanked representatives from HALO and staff in the Social Services and Wellbeing Directorate for the comprehensive and informative report to the Committee. Members wished to congratulate all those involved in the delivery of the contract and hoped the high standards would continue.

Members also welcomed the apprenticeship scheme, whereby it was confirmed by Officers, that upon successful completion of apprenticeship there was a guaranteed suitable offer of employment.

Further Information

The Committee asked to see a breakdown in the numbers of Looked After Children that have taken up the free membership offer and asked for further information on how often they use the facilities and what activities they participate in.

Members requested further information of staff on casual contracts, to include a breakdown of how many staff have them, what hours on average they work and at what times of the year and what positions they include.

Members asked for further information on the Summary of Accidents report in that there were two reported incidents in Maesteg. Members would like information on whether these were staff or customer related incidents and what they specifically related to.

Members requested further information on the improvements needed to Pyle Swimming Pool and the reasons behind their low net promoter score and how the concerns were being addressed.

5. HIGHWAY SERVICES REVIEW

The Corporate Director Communities presented a report advising Members of the impact of the Council's Medium Term Financial Strategy on Highway Services. Between 2011/12 and 2015/16 there had been ongoing savings to meet reductions in public funding resulting in a reduction in the Highways and Transportation services budget of £2.5 million. This had resulted in a reduction in staff and service levels at varying degrees in different sections.

Members requested that the budget reduction in the Highways and Transportation for 2011/12 to 2015/16, (£2.5m) as detailed in the report be presented to Members as a percentage so they were able to better understand the scale of the reductions so far.

The report also listed proposals that would have to be considered if there were further reductions to Highway Services budgets. Various solutions were being considered to mitigate the impact, including regional collaborations eg City Deal and Regional Transport Authority.

The Committee asked how the authority mitigated against the inability of the service to deal with service requests, FOI requests and correspondence. The Corporate Director Communities explained, for example, that two staff dealt with highway comments on planning applications. If one staff member was off the burden fell on the other officer or work was escalated upwards. This meant there was less capacity for more strategic managerial work which meant external agencies such as Capita were used more than envisaged. The Group Manager – Highway Services added that any absence quickly impacted on the remaining staff requiring a new person to make a decision, not always with the necessary background knowledge or experience and recruitment was also a massive issue in some areas, for example in Engineering. The ability to respond to

enquiries was stretched and backlogs had increased. Members remained concerned at the reduction in staffing levels and stated that they were concerned that they were at a worryingly low level whereby the service would soon be unable to respond to statutory service requests. The Cabinet Member-Communities explained that she had been making this point vociferously and that this area dealt with 80% of member referrals and had disproportionately high percentage budget cuts compared to any other 'front facing' service in the Council.

Members asked if the impact on residents was taken into account when considering the removal of a bus service. They were advised that a matrix originally devised by Rhonda Cynon Taff was used which looked at issues such as isolation and proximity of other services or alternatives before removing a service. BCBC had removed some services; other authorities had removed 100% of subsidies because this was a non-statutory area. Officers advised that previously engagement held with the bus operators, when services had been cut, had resulted in them agreeing to run 7 of the 12 services that had been cut, commercially, and that work was still being undertaken on the remaining 5. The commercial sector had tried to pick up the services where the cost per passenger was relatively low.

Members asked if there were any plans to reduce the hours when street lights were in use and when the introduction of LED units would be extended to cover the whole of the County. The Group Manager – Highway Services explained that street lighting was not a statutory service and there was no further programme of change planned to replace the remaining 12,000 units as the original funding had come from Welsh Government Local Government Borrowing Initiative [LGBI]. The position with street lighting would form part of the budget consultation but further cuts were likely to be proposed.

The Committee asked for more information regarding school crossing patrol provision and noted that discussions had taken place with some Town and Community Councils but not with the individual schools and asked why this was and if discussions were planned. The Group Manager – Highway Services explained that they were in the process of engagement with some Town and Community Councils but not at this stage with individual schools. If and when a particular school crossing was at risk the relevant Town and Community Council could liaise with the relevant school as necessary. Members suggested that some Town and Community Councils could be in a position to fund certain services and encouraged further engagement with them so funding opportunities were not missed.

The Cabinet Member-Communities gave the example of Sarn Cemetery where the Community Council paid a contractor to cut the grass on a number of occasions and this made a huge difference. Members recommended that BCBC approach Town and Community Councils for discussions as to what support and contribution they were able to offer towards Community Services that were at risk due to budget pressures. Members recommended that Town and Community Councils were provided with a "menu" of services to include financial information on the costs for Community Services at risk such as hazing gangs, grass cutting, school crossing patrols, weed spraying, street lighting and winter maintenance.

The Corporate Director Communities explained that care should be taken with TUPE and the possible implications and also the importance of adequate insurance was in place. He also explained that it was not always simple to continue to provide the service even if a town and community council made a financial contribution if as part of making a cut the Council had already made its staff redundant or if economies of scale did not allow the council to do this cost effectively if only a few town and community councils wanted to pay for a particular service.

The Committee asked if the cost of hiring in specialised plant/vehicles or contract staff to deal with severe weather had been calculated and compared to the saving from losing one unit. The Group Manager – Highway Services explained that this would only be required as an emergency response and therefore would fall outside the normal budget.

The Committee asked if it was necessary for 2 officers to deal with Highways planning applications. The Corporate Director Communities explained that the workloads were split so both were required to work on the applications and attend the meetings of the Development Control Committee. He added that the section had just about managed to get the planning applications back to the Committee for recent meetings within the deadline due to a few large planning applications being received but there was a lack of resilience and this could lead to the failure to meet deadlines and complaints in the future

Members asked for the latest position regarding parking. The Corporate Director Communities explained that there were a number of issues relating to decisions made previously which meant that current budgets and income projections were not achievable. A fundamental review of car park charges was required for both elected Members, staff and the public. This also linked to increased residents only parking in the Bridgend area. Members supported the proposal of a full review of Parking and suggested this item be placed on the Committee Forward Work Programme for 2017. The Committee raised the issue of weed control and the number of complaints received and that this could be a false economy along with not investing in highways maintenance. Members raised the importance of liaising with the Town and Community Councils again. Members recommended a review of the proposal to reduce weed spraying to annually as the savings linked to the proposal did not justify the long term risk. Members also raised the issue of missing road signs and suggested that the Town and Community Councils might be in a position to help with this. The Group Manager – Highway Services explained that there was a budget for this and any problems should be referred via the member referral system.

The Corporate Director Communities explained that BCBC had been in an agreement and Joint Venture [JV] with Capita Symonds since 2008 , together with RCT and Merthyr CBC, there was break clause in October 2018, but one year's notice was required to be given. A decision had to be taken whether to continue with the current arrangement for the remaining 5 years of the agreement or alternatively to consider bringing the relevant services back in house, establishing a regional collaboration or setting up a new procurement for a private sector partner. There was merit in reviewing the position and establishing the best way forward for Bridgend.

The Committee thanked the officers for the update.

Conclusions

Members remained concerned at the reduction in staffing levels and stated that they were at a worryingly low level in some areas whereby potentially the service would soon be unable to respond to statutory service requests.

Members supported the proposal of a full review of Parking and suggested this item be placed on the Committee Forward Work Programme for 2017.

Recommendations

Members recommended that BCBC approach Town and Community Councils for discussions as to what support and contribution they are able to offer towards Community Services that were at risk due to budget pressures.

Members recommended that Town and Community Councils are provided with a “menu” of services to include, where possible, financial information on the costs for Community Services at risk such as hazarding gangs, grass cutting, school crossing patrols, weed spraying, street lighting and winter maintenance.

Members recommended that communication between the Local Authority and Town and Community Councils should include the Clerk so that matters can be taken before full Town Council as necessary. Similarly requests to Bridgend County Borough Council from Town and Community Councils should ordinarily come through the clerk.

Members recommended a review of the proposal to reduce weed spraying to annually as the savings linked to the proposal did not justify the long term risk.

Further Information

Members requested that the budget reduction in the Highways and Transportation for 2011/12 to 2015/16, (£2.5m) as detailed in the report to be presented to Members as a percentage so they were able to better understand the scale of the reductions so far.

6. FORWARD WORK PROGRAMME UPDATE

The Scrutiny Officer presented a report which detailed the items to be considered at the next meeting of the Committee and sought confirmation of the information and invitees required.

RESOLVED That the Committee

- i) Requested that the MTFs item on 19 December 2016 include percentage cuts across the various directorates for information.
- ii) Requested that the next Highways Update be presented to Committee in March 2017 and that the Cultural Partnership Project be brought forward to January 2017.

7. URGENT ITEMS

There were no urgent items.

The meeting closed at 5.00 pm

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REPORT TO COMMUNITY ENVIRONMENT AND LEISURE OVERVIEW AND SCRUTINY COMMITTEE

19 DECEMBER 2016

REPORT OF THE CORPORATE DIRECTOR – OPERATIONAL AND PARTNERSHIP 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 26 January 2017; and
- b) present a list of further potential items for prioritisation by the Committee.

2. Connection to Corporate Improvement Objectives / Other Corporate Priorities

2.1 The improvement priorities identified in the Corporate Plan 2016-2020 have been embodied in the Overview & Scrutiny Forward Work Programmes. The amended Corporate Plan adopted by Council on 10 March 2016 formally set out the improvement priorities that the Council will seek to implement between 2016 and 2020. 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 28 July 2016, the Community, Environment and Leisure Overview and Scrutiny Committee determined its Annual Forward Work Programme for 2016/17.

4. Current Situation / Proposal

Meetings of the Community Environment and Leisure Overview and Scrutiny Committee

4.1 In relation to the Committee's next scheduled meeting to be held on 26 January 2016, the table below lists the items to be considered and the invitees due to attend.

Topic	Invitees	Specific Information Requested	Research to be Undertaken by the Overview & Scrutiny Unit
Cultural Partnership Project	Mark Shephard – Corporate Director Communities Susan Cooper – Corporate Director Social Services and Wellbeing Cllr Ceri Reeves – Cabinet	Update report. To return to Committee no sooner than 1 year	

Topic	Invitees	Specific Information Requested	Research to be Undertaken by the Overview & Scrutiny Unit
MREC	Member Communities Mark Shephard – Corporate Director Communities Zak Shell – Head of Neighbourhood Services Cllr Hywel Williams – Deputy Leader Robert Hughes – Senior Solicitor		

4.2 The table below lists all potential items that the Committee has considered during their planning workshop and, subject to any changes from the approval of the Annual Forward Work Programme, are put forward for reprioritisation as appropriate.

Topic	Proposed Date	Specific Information Requested	Research to be Undertaken by the Overview & Scrutiny Unit
Highways Maintenance	30 March 2017	Relates back to 2014 where there were concerns over the budget - increase in the cost of the project and the need for consultants, the disposal of land and the gaining of a capital receipt for this.	
Rhiw Gateway	30 March 2017	Late 2016/early 2017 - Measure of Success report – to include information on any impact on the town centre, footfall, how people have moved into the town centre etc.	

Corporate Parenting

4.3 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

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

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

4.5 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 Community Environment and Leisure 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.

6. Equality Impact Assessment

6.1 None

7. Financial Implications

7.1 None.

8. Recommendations

8.1 The Committee is recommended to:

- (i) Note the topics due to be considered at the meeting of the Committee 26 January 2017 and confirm if it requires any additional specific information to be provided by the invitees listed or the Overview & Scrutiny Unit;
- (ii) Determine the topics, invitees to be invited to attend and any specific information it would like the invitees to provide as well as any research that it would like the Overview & Scrutiny Unit to undertake in relation to its meeting for 26 January 2017;
- (iii) Revisit and consider the list of future potential items for the Committees Forward Work Programme and reprioritise as the Committees feels appropriate.

Andrew Jolley

Corporate Director – Operational and Partnership Services

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Bridgend County Borough Council,
Civic Offices, Angel Street, Bridgend,
CF31 4WB

Background documents: None

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO COMMUNITY, ENVIRONMENT AND LEISURE OVERVIEW AND SCRUTINY COMMITTEE

19 DECEMBER 2016

REPORT OF THE SECTION 151 OFFICER

MEDIUM TERM FINANCIAL STRATEGY 2017-18 to 2020-21

1. Purpose

- 1.1 The purpose of this report is to present the Scrutiny Committee with the draft Medium Term Financial Strategy 2017-18 to 2020-21, which sets out the spending priorities of the Council, key investment objectives and budget areas targeted for necessary savings. The strategy includes a financial forecast for 2017-21 and a detailed draft revenue budget for 2017-18.

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 2017-18.

3. Background

Corporate Plan - Policy Context

- 3.1 In March 2016, the Council approved a revised set of three priorities:

- Supporting a successful economy
- Helping people to be more self-reliant
- Making smarter use of resources

This draft MTFS has been significantly guided by these priorities. Although year-on-year reductions in Aggregate External Finance (AEF) have necessitated significant budget reductions across different service areas, the Council still plays a very significant role in the local economy of Bridgend County Borough and is responsible for annual gross expenditure approaching £400 million and is the largest employer in the county borough. The corporate plan will be presented to Council for approval alongside the MTFS 2017-21 in March 2017 and will be fully aligned with the MTFS including explicit links between resources and corporate priorities.

- 3.2 The Council's MTFS is set within the context of UK economic and public expenditure plans, Welsh Government priorities and legislative programme. The MTFS articulates how the Council plans to use its resources to support the achievement of its corporate priorities and statutory duties, including the management of financial pressures and risks over the next four years. It helps the Council to work more effectively with partners in other sectors and provides a strategy for the use of balances to meet changes in resources or demands from year to year without impacting unduly on services or Council tax payers.

3.3 The MTFS includes:

- The principles that will govern the strategy and a four year financial forecast, comprising detailed proposals for 2017-18 and outline proposals for 2018-19 to 2020-21.
- The capital programme for 2016-17 to 2025-26, linked to priority areas for capital investment and Capital Financing Strategy, which will be updated and included in the final MTFS in March 2017.
- The Treasury Management Strategy and Corporate Risk Register, which will both be updated and included in the final MTFS in March 2017.

The Financial Context

- 3.4 In the immediate aftermath of the UK's decision to leave the European Union, the newly appointed Chancellor of the Exchequer Philip Hammond announced that the government would abandon his predecessor's target of achieving a UK government budget surplus by 2019-20. While this indicatively suggests a higher level of public spending that previously expected, the Institute for Fiscal Studies reported on 8 November a worsening position of c. £25 billion by 2020 and warned of the potential requirement for further austerity measures. At the time of writing, there are currently no formal details until the Chancellor's Autumn statement on 23 November. A verbal update will be provided during the meeting.
- 3.5 The Welsh Government announced its draft budget for 2017-18 on 18 November. The most significant headline change was an extra £240 million for the Welsh NHS.

Welsh Government Provisional Local Government Settlement 2017-18

- 3.6 On 19 November Councils received the provisional Local Government Settlement. The headline figure was an overall increase of 0.1% in Aggregate External Finance (AEF). However this includes a number of specific grants which have transferred into the settlement, as well as an extra £25 million across Wales in recognition of the contribution which social services make to the success of the health service. Bridgend's funding on a like-for-like basis is a reduction of £0.5 million, or -0.3%. Unlike previous years, the draft settlement did not include funding to protect school budgets.
- 3.7 The provisional settlement compares favourably to the -3.2% "most likely" assumption that is contained within the Council's MTFS for 2017-18 and is better even than the "best" case scenario assumption of -1.5%.

Settlement Implications for 2018 to 2021

- 3.8 Whilst the 2017-18 settlement is the most favourable in recent years, the Finance Secretary Mark Drakeford sounded a note of caution to Local Authorities, advising that Councils should use a "period of relative stability" to prepare for "harder choices and more difficult times ahead".

In line with previous years, there is no indication of local government settlements for 2018-19 onwards. In the immediate aftermath of the UK's decision to leave the

European Union, there was significant turmoil in financial markets. The value of the Pound against both the Dollar and the Euro has dropped by around 15% and the Bank of England has subsequently cut interest rates by a further 0.25% from what was already at an historic low of 0.5%. There remains significant uncertainty around “Brexit” negotiations and the extent to which the UK will be able to secure unfettered access to the European single market on favourable terms. Against this background and in the absence of any further clarity from Welsh Government, the MTFs “most likely” scenario assumptions of an annual reduction in AEF of -3.2% for 2018-19, 2019-20 and 2020-21 have been maintained. Based on these assumptions the Council has an expected requirement to deliver total recurrent budget reduction requirements of nearly £34 million from 2017-18 to 2020-21.

Transfers into and out of the 2017-18 Revenue Settlement

3.9 The full picture on specific grants is not yet clear, but the draft settlement includes information on a number of transfers into and out of the Revenue Support Grant (RSG), both grant funding and for new responsibilities, which impact on the Council’s resources. Specifically:

- Delivering Transformation grant funding of £127,000 has been transferred into the RSG.
- Funding has also transferred into the RSG to support the Deprivation of Liberty Standards, the Blue Badge scheme and to deliver the Food Hygiene Rating Scheme, a total of £252,000 across Wales, £11,000 for Bridgend.
- The change in arrangements for the registration of the education workforce has resulted in a transfer out of the RSG for Bridgend of £46,000 formerly provided in respect of teacher registration fee subsidies.
- The settlement also includes additional funding for new responsibilities in respect of capital limits for residential care and financial assessments for social care, a total of £206,000 for Bridgend.
- A 6.7% reduction in the Single Environment Grant across Wales (BCBC received £2.777 million in 2016-17).

Intermediate Care Fund (ICF)

3.10 The ICF remains at £60 million across Wales for 2017-18 in the draft budget, which will again be allocated to the NHS to manage, 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 funding streams available to them”. The previous version of the MTFs assumed a 3.9% increase in Council Tax for 2017-18. However the 2017-18 draft Revenue Budget, shown in Table 7, assumes a Council tax increase of 2.9%. This change reflects the more favourable provisional settlement, and recognises the views expressed in the Council’s “Shaping Bridgend’s Future” consultation in 2015. The level of the increase seeks to strike an appropriate balance between the needs of the Council and its citizens.

Welsh Government Capital Settlement

3.12 In March 2016 Council approved a capital programme for 2016-17 to 2025-26, based on the assumption that annual Welsh Government capital funding would be flat lined from 2016-17 onwards. Council has approved revised versions of the capital programme during the financial year to incorporate budgets carried forward from 2015-16 and any new schemes and grant approvals. The draft local government capital settlement provides this Council with £6.288 million capital funding for 2017-18, which is £8,000 less than 2016-17. No indications have been given for 2018-19 or beyond.

Current Year (2016-17) Financial Performance

3.13 The in-year financial position as at the 30 September 2016 is shown below.

Table 1- Comparison of budget against projected outturn at 30 September 2016

Directorate	Original Budget 2016-17 £'000	Revised Budget 2016-17 £'000	Projected Outturn 2016-17 £'000	Projected Over / (Under) Spend Qtr 2 2016-17 £'000	Projected Over / (Under) Spend Qtr 1 2016-17 £'000
Directorate					
Education and Family Support	108,034	108,209	108,273	64	287
Social Services and Wellbeing Communities	59,697	60,534	61,277	743	249
Operational and Partnership Services	24,644	24,765	25,570	805	406
Chief Executives and Finance	14,899	14,935	13,370	(1,565)	(127)
	4,333	4,331	3,951	(380)	(251)
Total Directorate Budgets	211,607	212,774	212,441	(333)	564
Council Wide Budgets					
Capital Financing	10,128	10,128	8,834	(1,294)	0
Precepts and Levies	6,959	6,959	6,959	0	0
Sleep Ins	800	765	765	0	0
Council Tax Reduction Scheme	14,304	14,304	13,654	(650)	(400)
Insurance Costs	1,559	1,559	1,559	0	0
Building Maintenance	900	894	894	0	0
Centrally held Budget Pressures	1,394	1,394	1,394	0	0
Other Corporate Budgets	7,240	6,114	4,714	(1,400)	0
Total Council Wide Budgets	43,284	42,117	38,773	(3,344)	(400)
Total	254,891	254,891	251,214	(3,677)	164

- 3.14 The overall projected position at 30 September 2016 is a net under spend of £3.677 million, comprising £333,000 net under spend on directorates and £3.344 million net under spend on corporate budgets. This position takes account of allocations totalling £333,000 from the MTFS Budget Reduction Contingency. Directorates are seeking to identify mitigating actions to meet the balance of the budget reduction shortfalls in this financial year, and the Section 151 officer will give consideration to further allocations from the MTFS Budget Reduction Contingency in quarter 3 to meet some of these shortfalls. In the longer term, these proposals must be realised or must be met through alternative budget reduction proposals in order to deliver a balanced budget position and relieve any pressure on Council funds. These will continue to be closely monitored and draw down from this contingency fund will be made as part of the overall review of earmarked reserves.
- 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) 2017-18 to 2020-21

- 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 2017-18 to 2020-21 is led by Cabinet and Corporate Management Board (CMB) and takes into account auditors' views, the recommendations of the Budget Research and Evaluation Panel and issues arising during 2016-17, 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. 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).

4.4 Budget Narrative

- 4.4.1 The next section of this report represents a substantial addition to the MTFS. The Council aspires to improve understanding of its financial strategy, link more closely to corporate priorities and explain the Council's goal of delivering sustainable services in line with the overarching ambition of the Wellbeing of Future Generations Act. The report articulates in a transparent way the continued and significant financial investment in public services that the Council will make. It sets out how the Council aims to change particular areas of service delivery and the financial consequences of this.

4.4.2 Corporate Financial Overview

While the Council's net revenue budget is set at £257.198 million for 2017-18, its overall expenditure far exceeds this. Allowing for specific grant funded expenditure, services which are funded by the income they generate and including forecast capital expenditure in the period, the Council expects a gross budget of nearly £400 million in 2017-18. Around £170 million of this expenditure is spent on the Council's own staff including teachers and school support staff. Much of the cost of the services provided by external organisations is also wage related – these include for example waste collection agents, domiciliary care workers and foster carers.

As we look towards next year, the Council faces both reduced Welsh Government funding as well as financial pressures. We need to find additional funds to meet inescapable increases in our budget such as the apprenticeships levy or an increase to the national living wage.

As well as having reduced income to fund services, there are other pressures that squeeze resources. One of these is legislative changes. This includes regulations and legislation from Welsh Government either directly or indirectly – for example the requirements to meet the new Welsh Language standards, consultation requirements associated with making changes to schools, schools transport and indeed most services that the Council operates.

Another significant pressure arises through demographic changes. People are living longer which is good news but that also can bring increased dependency through people living with more complex or multiple conditions.

The Council has adopted a corporate plan that sets out the approaches that it will take to manage these pressures whilst continuing to ensure that, as far as possible, services can be provided that meet the needs of the Bridgend community. These approaches are:

- Though a large and complex organisation, the Council will make every effort to work as one single organisation. That means avoiding duplication, double handling of data and sharing of systems and processes. This isn't always as easy as it sounds because often different rules or opportunities apply to different services. Nevertheless acting as 'One Council working together to improve lives' is enshrined in the Council's vision.
- Wherever possible the Council will support communities and people to create their own solutions and reduce dependency on the Council. This is because it is not sustainable for the Council to continue to aspire to meet all and every need that arises and because there is capacity, talent and ideas in other parts of the community that can be encouraged to play an active and effective role. The Council has a role in encouraging and leading this approach and has adopted this as one of its underlying principles.
- The Council has agreed a principle of focusing diminishing resources on communities and individuals with the greatest need. Parts of our community have long standing problems of poverty. The solutions to this are not all in the direct control of the Council (for example the effects of changes to the welfare system) but where possible the Council has agreed that it wants to both alleviate problems in these areas and develop longer term sustainable solutions.

- The Council has three priorities that reflect these and other principles. One of these priorities is to make “Smarter Use of Resources”. This means we will ensure that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council’s priorities.

From next year, the Council will change the way it accounts for pensions. Currently, employer contributions include both the benefit which an individual employee accrues, plus an amount which the Council pays towards its historic deficit. Going forward we will change this so that directorate budgets only include costs for accruing benefits, while the deficit payments will be made centrally. No directorate will gain or lose money, but this is a prudent change agreed with our actuary, and will present a more accurate picture of the true cost of running services.

4.4.3 Education and Family Support

The Council is proposing to spend £107 million on services delivered by the Education & Family Support Directorate in 2017-18. The majority of this money will be spent by the 59 schools across the county – Schools are the biggest single area of spend as a Council. In addition to the £86 million budget annually delegated to schools, which mostly pays for the salaries of teaching and other school staff and the running costs of the facilities, (ongoing revenue expenditure), the Council has committed nearly £50 million in building and refurbishing schools as part of our 21st century school modernisation programme (one-off capital expenditure across several years).

The Council has a longer term goal to make the overall schools system more efficient – for example through making sure we have the right number of school places available in the right parts of the county. This includes allowing enough capacity for anticipated future increases in school age population. In previous years the Council has afforded a high level of protection to schools’ budgets. This has meant that whilst many services have made significant savings through efficiency or made reductions in services through cuts, we have maintained schools’ budgets year on year and in some years have increased the budgets that individual schools receive.

This year we will be asking all schools to make an efficiency saving within the year of 1%. While this is low relative to some areas, schools have less discretion than some other areas of Council expenditure. We have been consistently seeking to improve educational attainment year on year and in part that has been supported by maintaining or increasing investment in teaching and other skills. Bridgend is now well on the way to being confident that the improvements we have seen in recent years are sustainable but to take too much investment from schools would undermine that progress. We know that some schools are already in a deficit budget position, and that due to a more rigorous monitoring and scrutiny of surplus balances, the amount of surplus held by schools has substantially reduced. Each school governing body will need to be able to make the necessary efficiency savings and so alleviate pressure on a whole range of other services that the Council provides - a 1% efficiency saving by schools means that we have nearly £1 million to support other services that all children and young people, and the community benefit from.

The Council has identified “Helping People to be more self-reliant” as a corporate priority and early intervention is an important part of this – taking steps wherever

possible to prevent people becoming reliant on Council services. As well as being of great social value to individuals and communities, this approach is more cost effective: successful intervention at an early age and at an early stage can prevent needs from escalating and requiring more costly and complex help later on.

The Council is therefore continuing to invest in a range of services that give early support to children and families. 80% of these services are funded separately by typically short term grants from Welsh Government. However the short term nature of these grants and uncertainty from one year to the next means that a lot of these interventions have some fragility – for example it can be difficult to retain or recruit staff if we can't give them certainty that their role will still exist the following year. These grants include Flying Start, Families First and Communities First, European Social Fund and the Education Improvement Grant.

In seeking to protect our investment in education and early intervention the Council is making minimal changes to the services delivered at this time. However in addition to asking schools to make a 1% efficiency saving, we are also proposing the following changes in 2017-18 that are reflected in the budget:

- We want to ensure our schools catering service operates at break-even and that it does not require extra subsidy from the core Council budget. We are planning to raise a total of £100,000 through increased efficiency and commerciality and by increasing the price that pupils pay for school meals by an expected 10p per meal.
- We provide educational psychology services to schools and these are an important part in supporting children and young people most in need. In 2016-17 the Council spent £360,000 on this service. However, from 2017-18 we will be providing some parts of this service in collaboration with other Councils in the Central South Consortium. This will enable us to spend £75,000 less on this service without reducing the operational capacity of the service, with the added benefit of increasing resilience.
- We will change the model by which speech and language therapy is provided. This will involve replicating a model adopted by other local authorities and will provide a more equitable service, capacity building in schools and providing a more pupil friendly service. This will enable the Council to make savings of £75,000.
- We will continue our phased implementation of the changed learner travel policy, where we have established it is safe to do so. This will achieve £28,000 in 2017-18, and an expected incremental £67,000 for each subsequent year of the MTFS. The amount will increase over a number of years as the new policy applies to those pupils starting and changing school.
- Management of our Integrated Children's Centre will be taken on by the Early Years and Childcare Manager and through increasing efficiency and commercialism we will make a saving of £75,000.

- Further savings will be made from the business support function, which whilst increasing pressure on existing staff, will enable the Directorate to make a saving of £74,000.
- Between 2016 and 2019 we are investing in five 21st century school programmes. These programmes will see significant investment to replace Betws Primary, YGG Cwm Garw, Mynydd Cynffig Primary, Pencoed Primary and Brynmenyn Primary schools. We are continuing to invest in improving our school estate and that include creating more capacity at Heronsbridge Special School and ongoing road safety works in a number of schools.

4.4.4 Social Care and Wellbeing

After Education, the largest area of Council spend is on social care. This includes social care for children and for adults who are vulnerable or at risk. The Council recently brought the children's and adult social care teams together in order to give a stronger focus on social care as a professional discipline and to identify efficiency savings by helping these two areas to work more closely together. We have also brought the Sport, Play and Active Wellbeing team into the same directorate to better support prevention, early intervention and wellbeing approaches. Over the past three years the Council has delivered savings of over £9 million in social care and its strategy for the next few years is to manage demand and introduce new ways of working in order to lessen dependency and enable people to maximise their independence. This needs to be achieved within existing budget.

In total, the Council is proposing to spend £63 million on social care and wellbeing services. In addition to this the Council provides a range of housing services plus targeted grant funding from the Welsh Government for the Communities First Programme. Following the announcement from Carl Sargeant, Welsh Government Communities Secretary, on 13 October, there is currently a significant amount of uncertainty around the future of this programme. In the absence of any further information, the draft budget has been prepared without allowing for any changes, but it is recognised as a significant risk and any changes may need to be factored into the Council's final budget.

The Council's priority of "Helping People to be more self-reliant" is integral to our approach to Social Care and Wellbeing. Our vision is to actively promote independence, wellbeing and choice that will support individuals in achieving their full potential. The Council is responsible for the planning, commissioning, assessment and, where appropriate, the direct provision of social services. The Sport, Play and Active Wellbeing team has been able to focus on developing the wellbeing and preventative agenda for all. Going forward, the Council plans to further integrate and promote the role of sport, play and active wellbeing into new early intervention and preventative models of commissioning service delivery.

Social services is largely a demand led service and whilst the long term strategy is to enable people to be more self-reliant, the demographics show that people are living longer, often with more complex conditions than ever before. This means that there are more people living in the community who would previously have remained in hospital or entered a care home. Children's social care is also demand led and the financial pressure to meet need can fluctuate very rapidly.

Though some pressures are allowed for in planning the 2017-18 budget, we are not simply increasing the budget to meet demand. This would be unsustainable and if we increased budgets year on year to meet new demand, it would increasingly mean the Council would have to restrict other services. Therefore the Council's strategy is to transform how services are delivered.

In order to be sustainable going forward, the Council is ensuring that any changes are introduced in a planned and timely way in order to take existing and future customers with us as well as the general workforce. This work has already commenced and the budget saving proposals for 2017-18 builds on the implementation plans that are already underway. The re-modelling programmes focus on changing the culture and reviewing what has become 'custom and practice'.

The Council has already made changes. In adult social care we have changed the assessment framework in order to improve the outcomes for people who need care and support whilst also reducing the numbers of people who require long term support. The Council focuses on helping people to achieve the outcomes they want for themselves, targeting our interventions on what is missing, rather than going straight to what package of care we can give them. Plans are in place to meet over £400,000 budget reductions in 2017-18 by re-modelling two Council run residential homes for children as well as the children's residential respite unit.

Importantly these transformations are designed to both better support people and cost less. The Council has identified a number of further transformations that continue this approach and which are reflected in changes to the budget:

- Learning Disability services have benefitted from the introduction of a progression model of service delivery which is aimed at people progressing through the services to reduce their dependency with the opportunity of receiving their support from a range of different options in the community rather than from just the Council. This model has led to less dependence on day services and greater self-reliance. The success of 2015-16 and 2016-17 will be built upon in 2017-18.
- The amount that the Council pays for high cost placements in adult social care is reducing as a result of a new approach and methodology introduced into the review process. This new process is now being rolled out across the whole directorate. In 2015-16 16 high cost care home placements were reviewed using this methodology generating gross annual savings for both BCBC and ABMU of £290,000. This too will be continued in 2017-18.
- In learning disability and mental health services, there will be a reduced dependence on residential placements by targeting greater use of Shared Lives (family based care and support). This will reduce expenditure as the average weekly cost of a Shared Lives placement is only around a quarter of a week in residential placement for a person with a learning disability.
- As part of the residential care home strategy, the Council has committed up to £3 million in two new Extra Care Schemes. Extra Care housing means that people can be supported to live more independent lives than would be the case in traditional residential care. The standard charge for an extra care tenancy is again around a

quarter of a residential care placement.

- Income generation has been hard to achieve as Welsh Government legislation limits the charges for services due to the application of a cap of £60 per week for non-residential services. In addition we are currently unable to charge in Children's Services.

These measures will be taken together with continuing investment in assistive technology and investment in community coordinators (both measures intended to allow people greater control over their services and independence) and means that the Council plans to deliver budget reductions of over £2.2 million in 2017-18 whilst continuing to invest in early interventions that manage both current and future increases in demand.

4.4.5 Public Realm

Most of the Council's net budget is spent on education and social care – these are very valued services, but are naturally aimed at certain groups within our community. However, the Council's work on the public realm has a more direct and visible impact on everybody. This includes our work to maintain highways, parks and open spaces, clean our streets, collect and dispose of our waste.

In 2017-18 the Council is likely to spend around £6 million of direct Welsh Government grant on public realm services. This includes waste services, public transport, rights of way and road safety.

In addition to delivering these grant funded services the Council proposes to spend a further £17 million net budget on these services. The fact that schools have had a high degree of financial protection in previous years and that social care is hugely led by increasing demand has meant that the Council's other services have been under considerable pressure to make savings and in many cases we have had to reduce levels of service.

In addition, the costs associated with waste collection are expected to increase significantly. We have had one of the most competitively priced collection services in Wales, but the cost of changes necessary to reach increasingly ambitious statutory recycling targets means we know this will become more expensive. We expect to spend in the region of £11 million on the collection and disposal of waste in 2017-18.

Therefore a major challenge for the Council is how to continue to meet public expectations for many highly visible and tangible services when the available budget inevitably means the Council will be less able to deliver these services to the same level and frequency. These services are often the ones the public identify with their Council tax payments.

The Council's strategy is to retain and maintain the most important public services in this area whilst driving ever greater efficiency, making some service reductions where we think it will have the least impact across Council services, recognising that this still may be significant in some areas. We will encourage others to work with us or assume direct responsibility in some cases. Our proposed changes in this respect are:

- To change the way that public convenience needs are met by encouraging the transfer of more of these facilities to local Town and Community Councils to operate, and closing those of the poorest quality or lowest usage. We will mitigate these closures by introducing a local comfort scheme whereby shops and other public facilities are funded to make their facilities more readily available to public use.
- To reduce our winter maintenance budget to £277,000 (saving £60,000). This budget isn't always needed but making the reduction isn't without some risk – the more severe and extended the extreme weather conditions, the further we will have to stretch this money and in some circumstances this would affect our ability to respond as fully as we have in the past.
- We will trial a reduction of highway weed spraying from twice a year to once a year – a small efficiency saving of £15,000.
- We will plan to move in future years to a more reactive and less proactive street cleaning service in our three main town areas. This may have a very visible impact and will require close liaison with the relevant town Councils to ensure effective joint working but will result in a saving to the tax payer of £270,000.
- We will make savings in future years in energy costs by selectively dimming street lights and, in some areas shutting off street lights where they do not need to shine all night. This may save up to £500,000.
- We will generate additional income through highway permitting. This is intended to generate approximately £100,000.

Reductions in spend in these areas will allow us to protect our investment in the Council's priorities and in areas where we have far less ability to exercise control (such as children's social care). In addition we will continue to invest in initiatives that allow others to either share responsibility for the delivery of services where they are beneficiaries, for example the new Parks Pavilions key holding and cleaning arrangements will mean the Council will ensure pavilions are cleaned to a good standard, usually once a week, but responsibility for any further cleaning, opening and closing will pass to those user clubs and organisations. Further to this, Community Asset transfer (CAT) will continue to be a major tranche of the Council's strategy to transfer buildings to local community groups to operate for themselves.

4.4.6 Supporting the Economy

This is a Council Priority and as such we will increasingly collaborate with the nine other Councils that make up the Cardiff Capital Region City Deal. The City Deal is creating a £1.2 billion fund for investment in the region over the next 20 years. This investment will be targeted to focus on raising economic prosperity, increasing job prospects and improving digital and transport connectivity. In order to play an effective part in the City Deal the Council will maintain as far as possible existing investment in its transport planning, spatial planning and regeneration teams. The Council will be spending in the region of £2.1 million net a year running these services.

In addition the Council will continue to pursue the development of each of our three main towns. These include the development of Cosy Corner and the Harbour Quarter in Porthcawl, the redevelopment of Maesteg Town Hall, and the redevelopment of the Rhiw in Bridgend and the Llynfi valley. Much of this investment is not the Council's own money, but together, these schemes amount to around £20 million in total.

The Council will continue to operate a number of grant funded programmes of work to support our most vulnerable groups and those furthest away from employment, including training and skills and work support programmes such as Bridges into Work.

We propose to introduce changes that will mean that the Council spends less on some specific activities. These are:

- To focus the Council's £1.7 million economic development budget more carefully, saving £21,000 on tourism. Tourism remains an important component of the Bridgend economy but over recent years the local tourism sector has itself become stronger and is starting to take more responsibility for marketing the area itself. The Council is therefore proposing this c. 1% reduction in line with its principle of supporting people and communities to create their own solutions and reduce dependency on the Council.
- We will renegotiate current arrangements with local lifesaving clubs and the RNLI. This has potential knock-on effects for the length of season and range of beaches that will be covered by lifeguards during the year. This will bring the lifeguarding provision in line with that in other similar resorts and target a financial saving of £60,000.
- Reduce Adult Community Learning budgets, decreasing the number and type of courses available by reducing the budget by £70,000.

4.4.7 Other Services

The Council operates a number of other services which it recognises fulfil specific and important roles. In many cases these are statutory though the precise level of service to be provided is not defined in law. The most significant changes that are proposed in these areas are as follows:

Regulatory Services

The Council proposes to spend £1.8 million on this group of services that includes Trading Standards, Environmental Health, Animal Health and Licensing (Alcohol, Gambling, Safety at Sports Grounds, Taxis etc.). These services all ensure in different ways that the public is protected.

In 2015 the Council combined these services with Public Protection services in the Vale of Glamorgan and Cardiff City. This collaboration has allowed all Councils to make efficiency savings through sharing things like training and management costs. As well as allowing for financial savings, the collaboration delivers greater resilience in the service and stronger public protection across all three Council areas.

Registrars

The Council operates a registrar's service that deals primarily with the registration of Births Deaths and Marriages. The service also undertakes Citizenship ceremonies and supports researchers of family history. Councils are allowed to charge for these services, but by law are not allowed to make a profit. The Council operates these services so that they cover their own cost (i.e. they are not subsidised by the general tax payer). The Council will continue to ensure that the services are efficient and provide good service to our customers but beyond that, no significant changes are proposed that reflect in the Council's budget for the coming years.

Housing

The Council does not have any housing stock of its own but retains a number of statutory functions relating to addressing housing need and combatting homelessness. The Council's housing service also oversees the Council's work on addressing domestic abuse and on collaboration with other organisations such as the police on wider community safety. Some changes to the way that services are funded are proposed for 2017-18.

These are:

- Continue to provide domestic abuse services using Welsh Government grants rather than core budgets.
- Review the current arrangements with Shelter Cymru and recommission to make efficiency savings in non-frontline aspects of the service.

Council Tax and Benefits

Whilst not immediately recognisable as a "service" it is in fact an important part of the Council's business. If we were inefficient or ineffective in collecting Council tax, the burden of funding Council services would fall more heavily on those who do pay. The taxation service collects nearly £70 million in Council tax from around 65,000 households across the county borough. Our collection rates over the last two years have been the highest ever in the Council's history. We are determined to maintain this high level, but we are seizing the opportunity to reduce the cost of operating the service, by offering online services. We will offer a range of secure Council tax functions online, allowing residents to self-serve at a time and location convenient to them. This will allow us to reduce the cost of running the service. We will also look to implement fines for non-compliance of residents in receipt of Single Person Discounts – this power is set out in legislation.

Benefits are funded by the central UK government but the administration of Housing Benefit and the Council Tax Reduction Scheme falls to the Council. Similarly to the Council Tax service, the Council plans to make some significant savings through digitising this service. However, we are mindful that many of the people in receipt of benefits are not able to manage this online and we need to introduce this carefully.

In total we are expecting to save £300,000 over the next two years from the above measures.

4.4.8 Behind the Scenes

There are a number of things that the Council does that support the delivery of services but which themselves are not visible to the public. We need to maintain these services with sufficient capacity to support our services whilst making them as efficient and effective as possible. Over the course of 2017-18 we plan to make efficiency savings in these areas. Our approach in each of these areas is summarised as follows:

Property and building maintenance

The Council is working through the disposal of assets that it doesn't need to run or support services. This allows us to make significant investments in our capital programme – for example to build new schools. During 2017-18 the Council estimates that it will generate around £1.75 million in such sales. In addition the Council is looking for ways to develop its property portfolio so that increased revenue generation is achieved through rental income. A good example of this is Raven's Court, which the Council is aiming to lease out. This is made possible by decanting staff from that building to share space in the main civic centre which in turn is facilitated by more mobile or agile working practices.

The Council has an in house building maintenance service. This service oversees the design, build and maintenance of Council owned buildings. The Council has undertaken an efficiency review of this service and believes that by changing some existing business practices and bringing together expertise, we can realise significant efficiency savings in future years.

Legal services

The Council needs to maintain effective legal support for all of its services. At a time when the Council is trying to transform services it is often experiencing legal challenges – for example where people don't want to see changes to their local schools. The service is provided by a mix of permanent internal staff, staff shared with other Councils and expertise purchased from the private sector. One third of our in house legal team is specifically focussed on child protection cases.

The legal service also deals with Corporate Complaints and access to information through Data Protection and the Freedom of Information Act. The Council will make reductions in this budget through a reduction in planned use of legal counsel, some staffing changes and minor savings to the non-staffing budgets. In all the Council will plan to save £50,000 on this service. This may seem a small proportion of the overall budget but is against a backdrop of successive reductions in previous years – to reduce the budget further at this time would significantly impact on the Council's ability to deliver day to day services and major transformation.

Finance

The Council has a central team that manages the Council's accounts and supports the oversight and management of the Council's finances. The service fulfils certain legal requirements that ensure transparency and accountability in the way that public money is used – for example in producing accounts which are then audited.

During 2017-18 the Council will continue its existing strategy of improving the way the finance system works, making it easier to interrogate and understand the information it contains. This will make us more efficient, as well as empower budget holders from across the Council to access information directly - improving and speeding up decision making as well as freeing up resource in the finance team. We will also continue work to streamline invoice payments. This will provide an improved service, speeding up supplier payments, reducing workload across both the finance team and client departments, and will further enable more agile working.

In 2017-18 we propose to make savings in the core finance service by

- Restructuring the corporate leadership of the service by removing the post of Corporate Director of Resources saving £120,000 (we have already done this during 2016-17).
- Delivering internal efficiencies and increasing internal customers' ability to self-serve - £50,000 reduction.

Human Resources and Organisational Development

With over 6,000 employees including schools, the Council needs a dedicated human resources service. This service is relatively lean with a low ratio of HR officers to staff. The service is also responsible for equalities – including oversight of and training in the new Welsh language standards (the additional cost of these standards is spread throughout all parts of the Council).

The Council has brought the HR team together with other support services and this, together with some reductions in staffing will allow a saving in 2017-18 of £140,000. In the medium term we anticipate needing more resource to support the organisational development needed to deliver new ways of working and this will be financed from a dedicated change fund that the Council has established.

ICT

The Council will be spending around £5 million on its ICT services to support main Council activities and schools (which is provided in house or by external companies in the case of some schools). This service will be especially important in enabling changes across a range of services that in turn allow savings or improvements through more flexible working or new ways to access services.

Because of the market in the ICT sector we have struggled sometimes to recruit in this area. Therefore our strategy has been and will continue to be one of building skills and enable a career progression in-house. This includes a number of successful apprenticeship schemes and in 2017-18 we will be developing more formal training to complement the actions already undertaken.

Because we need to maintain investment in these skills to enable change we will be mostly maintaining this investment in 2017-18. However we do plan to make a reduction in the call tariff through contract renegotiation (targeting £90,000 over two years) and will make savings in some non-staff budgets for communications, supplies training and equipment (£65,000).

Digital Transformation

A significant change that the Council will be embarking on in 2017-18 is rolling out the use of digital approaches to how it engages with customers and provides some services. In 2017-18 we will be prioritising the Council Tax and Benefits services, making it easier for residents to request services and manage their accounts online. Over the next four years the Council will be investing up to £2.5 million on this digital transformation on the basis that the new approaches will be more flexible and convenient for service users but also save significant amounts of money. Some of these savings are achieved through reduced staffing levels. By taking a phased approach we aim to maximise our ability to make staff reductions through “natural wastage” thus minimising impact on staff as well as reducing the Council’s exposure to redundancy costs.

Procurement

The Council has a central team that provides procurement support across the range of services that we provide. Effective procurement is essential to ensuring good value for money across the council, but we will still continue to seek efficiencies, and are targeting £22,000 from our £300,000 investment in this team in 2017-18.

Democratic Services

The Council is a democratic organisation with 54 elected members (Councillors) who make decisions, set policy direction and oversee the general performance of the Council. Like all Councils, Bridgend has a mayor whose job is to chair meetings of the Council and represent the Council in the community (this is completely different to the elected mayors in cities like London and Bristol).

These democratic processes require support to ensure accountability and transparency in decision making and elected members are paid salaries that are set independently. In 2017-18 member salaries will make up a quarter of one percent.

In 2017 the Council will target efficiency savings in the cost of supporting democratic processes of £78,000 – but the Council also wants to make other changes to bring the Council and the decisions of elected members closer to their communities. For this reason we are proposing to assign an individual allowance to each elected member of £5,000 to spend in their local wards during 2017-18 on matters that are important to those communities. The elected member will be accountable for that expenditure to their electorate and will be expected to adhere to all the normal rules around probity that apply.

This is a significant change and will involve the Council diverting £285,000 of its budget through these local arrangements, allowing for some extra administration costs. We will review how this works in 2017-18 before considering whether to extend it into future years.

Audit

All public bodies have audit functions. Our internal audit is provided by a joint service that we share with the Vale of Glamorgan. The service carries out investigations and routine checks to ensure that the Council maintains good governance – especially as it relates to the proper accountability of money and other resources. The control

environment within the Council is strong (as measured by auditors) and so we will be reducing our spend on Internal Audit next year by £60,000 to £340,000.

In addition the Council undergoes external audit work that is set by the Wales Audit Office (WAO). The Council has little control over the fee that is set, though a good internal control environment is a strong argument for a lower fee being imposed. In 2017-18 we will discuss with the WAO how we can work together to reduce its fees.

MTFS Principles

4.5 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 2017-2021 and which Members and others can examine and judge the Council's financial performance against. The fourteen key principles are to ensure that:

1. The Council continues to meet its statutory obligations and demonstrates how it directs resources to meet the Council's corporate priorities.
2. Adequate provision is made to meet outstanding and reasonably foreseen liabilities.
3. The financial control system is sufficiently robust to support the delivery of financial plans and mitigate corporate risks.
4. Budgets will be reviewed annually to ensure existing and forecast spend is still required and to identify further efficiency savings as required to meet inescapable budget pressures.
5. Financial plans provide an optimum balance between income and expenditure for both capital and revenue.
6. All services seek to provide value for money and contribute to public value.
7. Balances are not used to fund recurrent budget pressures or to keep down Council tax rises unless an equivalent budget reduction or increase in Council tax is made in the following year in recognition that balances are a one-off resource.
8. The Council Fund balance will be maintained at a minimum of £7 million over the MTFS period and reach 2.7% of Gross Revenue Expenditure by 2019-20.
9. Capital investment decisions support the Council's corporate priorities and mitigate any statutory risks taking account of return on investment and sound option appraisals.
10. Prudential borrowing is only used to support the capital programme where it is affordable and sustainable within the Council's overall borrowing limits and the revenue budget over the long term.
11. Decisions on the treatment of surplus assets are based on an assessment of the potential contribution to the revenue budget and the capital programme.

12. Resources are allocated to deliver the Bridgend Change Programme based on clear strategic plans that are kept under review by Corporate Directors to maintain alignment with the MTFS and a MTFS Budget Reduction Contingency 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 was expanded in the previous MTFS 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. There have been allocations so far during 2016-17 in mitigation of the following proposals:

Table 2: MTFS Proposals supported by Budget Reductions Contingency Reserve in 2016-17

COM 1	MREC	£150,000
COM 11	Blue Badges	£83,000
CH 9	School Transport	£100,000
Total Allocated		£333,000

The level of this reserve will be kept under review by the Section 151 officer in light of forecast difficulties in delivering future budget reduction proposals.

MTFS Resource Envelope

- 4.6 The MTFS planning assumptions for 2018-21 are based on an annual reduction in AEF of -3.2% and an assumed increase in Council tax of 4.2% for 2018-19, 4.5% for 2019-20 and 4.5% for 2020-21 recognising the ongoing uncertainty around our funding in future years. The 2017-18 AEF figure is a reduction of -0.3% 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 3.

Table 3 – MTFS Scenarios: % Change in AEF

	2017-18	2018-19	2019-20	2020-21
	% Change	% Change	% Change	% Change
Best Scenario		-1.5%	-1.5%	-1.5%
Most Likely Scenario	-0.3%	-3.2%	-3.2%	-3.2%
Worst Scenario		-4.5%	-4.5%	-4.5%

4.7 Table 4 shows the Council's potential net budget reduction requirement based on the forecast resource envelope (paragraph 4.6), inescapable spending assumptions (paragraph 4.8) and assumed Council tax increases.

Table 4: MTFS Potential Net Budget Reductions Requirement

	2017-18	2018-19	2019-20	2020-21	Total
	£000	£000	£000	£000	£000
Best Scenario	6,187	6,286	6,103	5,914	24,490
Most Likely Scenario	6,187	9,474	9,141	8,808	33,610
Worst Scenario	6,187	11,911	11,391	10,881	40,370

Managing within the MTFS Resource Envelope

4.8 The financial forecast for 2017-21 is predicated on £33.610 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.
- Changes to energy cost inflation following a relative decrease in recent years.
- The future impact of national policies and new legislation not accompanied by commensurate funding e.g. Increases in the National Living Wage, further implementation costs of the Social Services and Wellbeing (Wales) Act, and the significant cost to large employers of the apprenticeships levy.
- Changes to employers' pension contributions, including separation of the contribution towards the historic deficit, which will be funded centrally, from the cost for future liabilities, which will be paid by directorates as a percentage of pay.
- Fees and Charges will increase by the statutory minimum or CPI (at prevailing rate, currently +0.9%) 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 increase in the living wage from April 2017.

Net budget reduction requirement

4.9 Table 5 shows the current position in respect of addressing the forecast budget reduction requirement of £33.610 million. It shows that £14.7 million of budget reduction proposals have already been identified over the period of the MTFS, including the full £6.187 million required for 2017-18. The table shows that the Council still needs to develop proposals to the value of £18.9 million and a range of options are under consideration including:

- Digital transformation of wider 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;
- Improvements to the Built Environment service

Table 5 - Risk Status of Budget Reduction Proposals 2017-18 to 2020-21

Year	GREEN: Proposal developed and deliverable	AMBER: Proposal in development but includes delivery risk	RED: Proposals not fully developed and include high delivery risk	Budget reductions Identified so far	Budget reductions not yet developed	Total Required
	£000	£000	£000	£000	£000	£000
2017-18	1,661	2,689	1,837	6,187	0	6,187
2018-19	21	3,369	1,074	4,464	5,010	9,474
2019-20	0	1,237	1,396	2,633	6,508	9,141
2020-21	0	944	512	1,456	7,352	8,808
Total	1,682	8,239	4,819	14,740	18,870	33,610
Percentage of total required	5%	25%	14%	44%	56%	100%

Risk Status Key:

RED Proposals not fully developed and include high delivery risk

AMBER Proposal in development, but includes delivery risk

GREEN Proposal developed and deliverable

4.10 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

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

Table 6 – Budget Reduction Proposals Identified 2017-18 to 2020-21

	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	Total £000	%
Making Best Use of Resources	3,441	2,161	1,484	1,241	8,327	56%
Managed Service Reductions	1,778	1,106	520	70	3,474	24%
Collaboration & Service Transformation	605	300	129	0	1,034	7%
Policy Changes	363	897	500	145	1,905	13%
Total Identified as at 14.11.16	6,187	4,464	2,633	1,456	14,740	

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

- School transport route efficiencies
- Efficiencies in school delegated budgets
- Review of the healthy living partnership contract
- Income generation from other public sector bodies
- Development of online services
- Staffing restructures

4.13 Budget reduction proposals relating to Collaboration and Service Transformation amount to 7% of the total budget reductions. These include remodelling of adult social care and delivering further budget reductions from the AWEN culture trust which has been created. Policy changes amount to 24% 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 nursery provision and a review of car park charges. The policy change proposals are subject to consultation.

4.14 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

4.15 A full consultation "Shaping Bridgend's Future" was launched in early October and runs until 1 December. This covers a broad range of budget proposals under consideration as well as seeking public views on resource allocation and priorities. The consultation includes an online survey, community engagement workshops, social media debates, community engagement stands, and meetings with third sector organisations. Members will have the opportunity to take part in a budget workshop

similar to the public engagement events to be held on 30 November. The results will be presented to Cabinet on 10 January.

2017-18 Draft Revenue Budget

4.16 The following table shows the draft revenue budget for 2017-18.

Table 7 – Draft Revenue Budget 2017-18

	Revised Budget 2016-17	Specific Transfers to/ (from) WG	Inter-Directorate Transfers	Pension Changes	Pay / Prices / Demographics	Inescapable Budget Pressures	Budget Reduction Proposals	Revenue Budget 2017-18
	£000	£000	£000	£000	£000	£000	£000	£000
Service Directorate Budgets:								
Education & Family Support								
Education & Family Support	21,308	45	76	-393	250	246	-577	20,955
Schools	86,901	-45	-256	-792	999		-869	85,938
	108,209	0	-180	-1,185	1,249	246	-1,446	106,893
Social Services & Wellbeing	60,534	342	3,138	-971	1,129	865	-2,244	62,793
Communities	24,820	131	-3,138	-406	259	1,614	-1,106	22,174
Operational & Partnership Services	14,930	3		-297	136	410	-535	14,647
Chief Executives / Finance	4,331			-129	41	26	-414	3,855
Total Directorate Budgets	212,824	476	-180	-2,988	2,814	3,161	-5,745	210,362
Corporate Budgets:								
Capital Financing	10,128		56					10,184
Levies	6,959						-35	6,924
Repairs and Maintenance	900							900
Council Tax Reduction Scheme	14,304				250		-300	14,254
Apprenticeship Levy	0					700		700
Sleep Ins	765							765
Pension Related Costs	1,258			3,148				4,406
Insurance Premiums	1,559							1,559
Other Corporate Budgets	6,194	1,113	124		-180		-107	7,144
Total Corporate Budgets	42,067	1,113	180	3,148	70	700	-442	46,836
Net Budget Requirement	254,891	1,589	0	160	2,884	3,861	-6,187	257,198

Council Tax Implications

4.17 Based on the proposed budget of £257.198 million, the Council tax increase for 2017-18 will be 2.9%.

Pay, Prices and Demographics

4.18 A national pay settlement has been agreed for National Joint Council (NJC) workers, based on an overall increase of 2.4% over two years (covering the period April 2016 to March 2018), of which approximately 0.4% is designed to meet obligations under the National Living Wage. For the majority of staff the increase is 1% for both 2016-17 and 2017-18. The same increase has been reached for Chief Officers, with teachers pay awards agreed at 1% for one year only, from September 2016, at this time.

4.19 Price inflation has been allocated to service budgets and includes provision for contractual increases in food costs, social care provision and other commitments.

These will be further reviewed for the final budget and amended where necessary with updated inflation rates.

- 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 placement agreements or adjustments which may be required to meet contractual increases where the index is set after the Council's budget is approved.

The Actuary for the Local Government Pension Fund has indicated that from 2017-18 the Council will need to pay the historic deficit element of the employer's superannuation contribution as a cash sum, rather than as a percentage of salary costs as currently happens. Consequently this funding will be deducted from directorate budgets and centralised, leaving directorates to fund only future liabilities. In addition, provision has been made for an estimated increase in employer pension contributions from 1 April 2017.

Unavoidable Pressures

- 4.21 During 2016-17 a number of unavoidable 2017-18 service budget pressures have arisen totalling £3.861 million, detailed in Appendix A. 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' Budgets

- 4.22 Unlike previous years, the draft settlement from Welsh Government did not include funding for Local Authorities to protect school budgets. The Council recognises that school funding accounts for around a third of net revenue expenditure, and that protection inevitably leads to increased pressure on other budgets. The draft 2017-18 budget includes both a 1% efficiency target for schools and allowances for inflationary and inescapable pressures to be met centrally, thus treating school budgets on an equivalent basis as other areas of the Council.

However, this is partly offset by a number of adjustments to the schools' delegated budgets, including:

- The transfer out of the RSG for Bridgend of £46,000 formerly provided in respect of teacher registration fee subsidies.
- Centralisation of the part of the employer's superannuation contribution that funds the historic deficit, as required by the fund's actuary. There will be a corresponding reduction in employer contributions payable by schools, which will now only cover the future liability.
- Reduction in the cost of business rates following the 2017 business rates revaluation.

Budget Reduction Proposals

- 4.23 Budget reduction proposals of £6.187 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.

Fees and Charges

- 4.25 Generally, income from fees and charges will be increased by CPI (at the prevailing rate, currently +0.9%) 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

- 4.26 In line with the MTFS principle 8, the Council will maintain its general fund at no less than £7 million in 2017-18. Details of the Council's earmarked reserves position as at November 2016 are shown in Table 8. These are kept under review, and will be drawn down where required, and the position will be updated in the Final MTFS report to Council in March 2017.

Table 8 – Usable Earmarked Reserves

Opening Balance 1 April 2016	Reserve	Additions	Drawdown	Closing Balance November 2016
£'000		£'000	£'000	£'000
	Corporate Reserves:-			
	Chief Executives & Finance	-	(50)	
	Communities	14	(581)	
	Education & Family Support	-	(408)	
	Operational and Partnership Services	-	(446)	
	Social Services & Wellbeing	-	(72)	
	Non-Directorate	2,000	-	
32,939	Total Corporate Reserve	2,014	(1,557)	33,396
	Directorate Earmarked Reserves:-			
1,884	Communities	1	(598)	1,287
1,278	Education & Family Support	113	(82)	1,309
708	Operational and Partnership Services	-	(196)	512
92	Chief Executives & Finance	-	-	92
1,486	Social Services & Wellbeing	-	-	1,486
5,448	Total Directorate Reserves	114	(876)	4,686
38,387	Total Usable Reserves	2,128	(2,433)	38,082

Capital Programme and Capital Financing Strategy

- 4.27 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 draft capital settlement for 2017-18, which provides general capital funding (GCF) for the Council for 2017-18 of £6.288 million of which £3.909 million is provided through un-hypothecated supported borrowing and the remainder £2.379 million as general capital grant. No indicative allocations have been provided for 2018-19, so for now it is assumed that this level of funding will remain constant for the years after 2017-18, but this will be indicative only.
- 4.28 The Programme was last revised in October 2016. Since then a review is underway to identify the Council's capital investment requirements for 2016 to 2026, 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)

4.29 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 96.5% of the 2017-18 general capital funding:

Table 9 – Current Annual Allocations of Capital Funding

	2016-17 £'000
Highways Capitalised Repairs	200
Transportation Capitalised Repairs	250
Disabled Facilities Grant	2,350
Housing Renewal Schemes	100
Special Regeneration Funding	540
Minor Works	1,100
Community Projects	100
Bridgelink / Telecare replacement	30
Street lighting / Bridge infrastructure replacement	400
Contribution to 21 st Century Schools	1,000
Total	6,070

4.30 These annual allocations are also in the process of being reviewed for any further opportunities, and any changes will be recommended in the Final MTFS report in March 2017.

Capital Programme

4.31 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 2016, updated to reflect additional schemes funded through external sources in line with financial procedure rules, which will be revised for any new schemes in the MTFS 2017-18 to 2020-21 final report.

Raising Aspirations and Improving Educational Attainment

4.32 The Schools' Modernisation 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 £24.725 million of the total costs (currently estimated at £49.489 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. The original programme budget was £44.950 million, with £22.475 million provided by the Council. Since then, both Welsh Government and the Council have agreed to provide extra funding towards the programme to meet additional costs arising from site access issues, topographical issues and general increased construction costs. In addition, the Council has provided funding of over £1.6 million for additional highways requirements to allow the schemes to progress, which are outside of the 21st Century Schools Programme. The Council has agreed that its contribution of £24.764 million will 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 £14.536 million.

4.33 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 changes to this commitment will require Council approval.

4.34 The following projects are included in the Council's approved programme, but funding for each project will not be confirmed until Welsh Government approves the final business case and sufficient capital receipts have been generated:

Table 10 – Status of 21st Century schools programme projects

Project	Current Status
Coety / Parc Derwen Primary School	Construction complete – school opened 2 nd November 2015 as per the statutory notice. In defects period.
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	Full Business Case submitted and approved. Currently formulating funding contract. A protracted tender process has resulted in a delayed start on site therefore Cabinet has approved a January 2019 opening date for YGG Cwm Garw.
Pencoed Primary School	Cabinet approved the proposal to open the school in April 2018. Strategic Outline Case and Outline Business Case have received WG approval. Tender process for the construction of the school programmed to commence on 28th November.
Brynmenyn Primary Provision	Outline Business Case approval received and the Full Business Case has been submitted to WG. Cabinet approval granted on 1 st November to accept and award the contract, subject to approval of the Welsh Government funding contract.
Mynydd Cynffig Primary School	Strategic Outline Programme approved by WG. Design progressing. Consultation is currently underway and closes on 22 nd November.
Heronbridge Special School	Design of mezzanine floor underway.

Capital Financing Strategy

- 4.35 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

- 4.36 The Council estimates that around £21 million could be generated as part of the enhanced disposals programme, which commenced in 2014, with circa £13 million already delivered (anticipated to reach £14.3 million by the end of 2016-17), and circa £6.6 million over the next 3 years (2017-2020), of which £1.75 million is expected to be realised in 2017-18. 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 excludes any receipts anticipated from the sale of the Waterton or Porthcawl Regeneration sites. Receipts are subject to the exchange of contracts, so it is prudent not to commit them until we have a contractual agreement.

Prudential Borrowing

- 4.37 Total Prudential Borrowing taken out as at 1 April 2016 was £35.08 million, of which £26.25 million was outstanding. It is estimated that the total borrowed will increase to £36.8 million by the end of this financial year.
- 4.38 Future prudential borrowing will include an estimated £5.6 million of Local Government Borrowing Initiative (LGBI) funding towards the costs of the 21st Century Schools Programme.

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 & Improvement 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.

Randal Hemingway CPFA
Head of Finance and Section 151 Officer
29 November 2016

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Background Papers:

Cabinet Report – Medium Term Financial Strategy 2017-18 to 2020-21 – 6 July 2016
Council Report – Capital Programme 2016-17 to 2025-26 – 4 October 2016

Directorate	Improvement Priority	Service Area	Description of pressure	Recurrent Pressure
				£000s
Education & Family Support	Core services & statutory functions	Education	Requirement for increased Autistic Spectrum Disorder provision in both Key Stage 2 & 3, Welsh and English	246
Social Services and Wellbeing	Core services & statutory functions	Adult Social Care	Increased legislative responsibility in respect of implementing Deprivation of Liberty Standards (DoLS)	89
Social Services and Wellbeing	Helping people to be self-reliant	Childrens services	Increased staffing cost for childrens social workers in line with NJC and Care Council for Wales recommendations	66
Social Services and Wellbeing	Helping people to be self-reliant	Childrens services	Increased contribution to Western Bay adoption partnership to meet the costs of Bridgend's proportional share of placements	430
Social Services and Wellbeing	Helping people to be self-reliant	Childrens services	Increased requirement to fund supported lodgings and "When I am ready" service in line with Social Services and Well-Being (Wales) Act 2014.	280
Communities	Core services & statutory functions	Waste	To mitigate the reduction in the Environment and Sustainable Development Grant from Welsh Government, which provides financial support for waste collection and recycling activities.	186
Communities	Core services & statutory functions	Waste	Increased budget requirement to meet cost of new waste collection contract	1,037
Communities	Core services & statutory functions	Public Realm	Ecologist post to meet statutory requirements.	42
Communities	Core services & statutory functions	Public Realm	Sustainable Urban Drainage (SUDS) officer to meet statutory requirements.	47
Communities	Core services & statutory functions	Public Realm	Reduction in fee contribution from South Wales Trunk Road Agent (SWTRA) contract	302
Operational & Partnership Services	Helping people to be self-reliant	ICT	Annual Licence costs associated with Digital Platform	125
Operational & Partnership Services	Community Action Fund	Democratic Services	£5,000 member allocation plus allowance of £15,000 for administration costs	285
Chief Executive & Finance	Helping people to be self-reliant	Finance	Increase in volume and complexity of administration for Direct Payments	26
Corporate	Core services & statutory functions	HR Payroll	Apprenticeship Levy of 0.5% on total council payroll	700
Total Budget Pressures				3,861

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Page 47	Ref.	Links to Population Outcome	Improvement Priority 2016-20	Categories	Budget Reduction Proposal	Impact	Budget 2016-17 £'000	Total Budget Reduction 2016-2021 as % of 2016-17 Budget	2016-17 Budget Reductions £000	Proposed 2017-18 £000	Indicative 2018-19 £000	Indicative 2019-20 £000	Indicative 2020-21 £000
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PROPOSED IMPROVEMENT PRIORITY

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

CATEGORIES

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

RAG STATUS KEY

RED Proposals with significant risk or at early development stage
AMBER Proposal in development but includes delivery risk
GREEN Proposal developed and deliverable

EDUCATION & FAMILY SUPPORT

CENTRAL EDUCATION & FAMILY SUPPORT

EFS1	Corporate Business	IP3	PC	Phased implementation of Learner Transport Policy regarding statutory distances for free travel.	<ul style="list-style-type: none"> Savings should occur naturally as a result of the policy application year on year, however dispersed learners and contractual pressure from operators as routes become more untenable may mean it becomes increasingly difficult to find the identified savings. Risk of price increases from Contractors 	Home to school transport - £3,860K	6%			28	67	67	75
EFS2	Wise	IP3	BUR	School transport route efficiencies.	Minimal impact. More efficient routes to be identified.	Home to school transport - £3,860K	8%	200		100			
EFS3	Wise	IP3	BUR	Achieve full cost recover on Catering Service, through a combination of efficiencies and price increase	Historic efficiencies have been identified year on year within this service, therefore the majority of the financial value is likely to be made through school meal cost increases. This will also reduce residual funds to invest in kitchen equipment/refurbishments.	775	13%			79	21		
EFS5	Wise	IP3	BUR	Removal of Nursery development grant to private settings - Nursery Development Grant which is currently used for Grants to the childcare sector and training to improve the quality of early years provision in Bridgend and to enable the childcare workforce to meet and fulfil their legal requirement .	Reduction in ability to support new start up nursery provision, which will be even more important to families if nursery education is also reduced. The grant is also used to 'prop' up private providers in the short term to enable them to 'weather' difficult times a removal of the grant could mean that small businesses will cease to be viable.	47	64%			30			
EFS7	Corporate Business	IP3	BUR	To review the Built Environment Service Level Agreement with Schools to achieve full cost recovery.	<p>SLA to be reviewed to ensure principle of full cost recovery is in place for services provided by the Built Environment service. A major risk is that schools will leave the SLA agreement with Built Environment. This is where we provide the majority of statutory maintenance to the schools.</p> <p>The risks to the authority in losing the control of the schools in relation to statutory compliance and advice/support will increase the risk to the authority substantially.</p> <p>If the schools do not take up the SLA there will be a need to reduce the staffing in the maintenance service to reflect this. This will also reduce the authority resilience in controlling our statutory responsibilities.</p>	135	55.6%	44		31			

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EFS10	Healthy & Wise	IP3	BUR	Transfer of management of the centre to Flying Start along with efficiency review of running costs of the building	Bringing Management In House and generating income from users	112	3%		75			
EFS12	Wise	IP3	BUR	Discharge IFSS (a statutory function) via the Connecting Families service which will result in a streamlining of the service and a further reduction in the management structure required to discharge our duties in the area of intensive family support.	The risks to the Authority are linked with ceasing the regional Western Bay IFSS. There are 17 staff in the regional service but 13 of these are employed by Bridgend Council. In the absence of a signed legal agreement, (which has been pursued for over a year) there may be risks for the Authority in terms of potential redundancy costs.	291	17.2%			50		
EFS13	Wise	IP3	BUR	WJEC - re-alignment of budget to reflect actual charge from WJEC.	Risk that subscription in future years increases.	32	31.3%		10			
EFS14	Wise	IP3	CST	Traded Services Schools brochure - It is proposed to revise the current approach to offering traded services under the current SLAs where such services impact upon the LAs statutory responsibilities. A new traded brochure will offer services from the LA but mandate certain services where these impact upon the LAs statutory responsibilities or where the risk to the schools, their users or LA are high	<ul style="list-style-type: none"> Relationship with schools and governing bodies may suffer SLAs with the LA may be perceived as a profit making exercise Freedom of schools to shop around and obtain best value for money is challenged 	Nil budget - new income target				20		
EFS15	Wise	IP3	BUR	Speech and language therapy - This is a proposal to delegate the Speech and Language Service to schools- School Based Model. Other Local Authorities such as Cardiff, Neath Port Talbot and Swansea have moved towards a school based model with the involvement of an SLA with Health which has proven to be a successful model. This proposal would negate the local authority's requirement to manage the service resulting in a release of the management structure of the service.	<ul style="list-style-type: none"> Likelihood of redundancy costs. Risk if period of consultation is extended. Subject to outcome of consultation . 	334	22.5%		75			
EFS16	Wise	IP2	BUR	Reduction in Central Budget for 1:1 for Primary Schools - This has been successfully done with Secondary Schools. There is difficulty in recruiting and retaining SNSA's and supply staff is high. It is has proven to be more efficient that Secondary Schools directly appoint and manage the 1:1 support staff required for their pupils.	<ul style="list-style-type: none"> Senior Support Officers will be reduced for Complex Medical; Speech and Language and Autistic Spectrum Disorder; Behaviour and Wellbeing and Hearing Impaired Teams. Likely redundancy costs/VER for 4 Senior Support Officers and SNSA's. Period of consultation is extended. Subject to outcome of consultation. 	555	18.0%			100		

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EFS19	Wise	IP3	CST	YOS Team - The amalgamation of the 3 local authority Youth Offending teams of Neath Port Talbot, Swansea and Bridgend in 2014 has already achieved savings for the Local Authorities simultaneously managing reductions in grant funding. This shows the effectiveness of bringing the services together across a regional footprint. Performance has been maintained whilst significant savings have been made. However, in order to make further savings the service would need to undergo further staff reorganisation.	This proposal is at a very early stage with significant risk attached. Any potential changes will be subject to discussions and agreement with partners Neath Port Talbot and Swansea which have not yet been held.	356	22.5%				80		
EFS23	Corporate Business	IP3	BUR	Staff vacancy management - It is proposed to implement strong vacancy management arrangements within the Directorate. This will ensure that all posts that progress to recruitment have been robustly challenged and vacant posts which cannot be justified will not be filled	<ul style="list-style-type: none"> • Posts that become vacant may be critical. • Service resilience becomes partly dependent on longevity of current postholders. • Natural succession of staff into more senior positions is potentially stalled, impacting retention and morale • Service delivery becomes potentially at risk. • Demand overload for staff expected to pick up the 'slack'. • Challenge from Unions over additional responsibilities/operation tasks without consideration of financial recompense for staff. • Further restructures likely as teams reduce. • Morale of staff may be affected. 	£18,350k gross staff budget	0%				50		
EFS24	Corporate Business	IP3	BUR	It is proposed to undertake a restructure to Business/Management Support to look for efficiencies.	<ul style="list-style-type: none"> • Business Support resilience will be affected. • Ability to undertake, minute and support investigations are affected. • Central management arrangements for Business/Management Support will be impacted by loss of roles. 	344	49.4%		74		96		
EFS25	Wise	IP3	CST	Education Psychology - This proposal is predicated on losing the post of Lead Education Psychologist. Through Collaboration with other Local Authorities in the Consortia the role of the Lead Education Psychologist could potentially be shared. The Education Psychology part of this role will remain to ensure there is no reduction in EP capacity. The management capacity is what would be potentially lost.	Risk that if no other partners wish to collaborate this proposal cannot be pursued.	360	21%			75			
Total Education and Family Support										577	484	67	75

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SCHOOLS												
SCH1	Wise	IP3	BUR	Removal of Protection to Schools Budgets	The £869,000 saving per annum represents a 1% efficiency per annum against individual schools budgets. Risk of increased school deficit positions. Implementation will be a matter for individual schools - potential to result in some teacher redundancies. If efficiency is made solely from staffing budgets, this could range from a minimum of 1 teacher in our larger Primary Schools to 5 teachers in our larger Comprehensive schools over the 4 year MTFS period	£86,901k total Individual Schools Budget	4%		869	869	869	869
				Total Schools					869	869	869	869
				Total Education & Family Support Directorate					1,446	1,353	936	944

SOCIAL SERVICES & WELLBEING

Theme 1 - Remodel Service Delivery												
ASC3	Healthy & Wise	IP2	PC	Link the work on the new assessment framework to the new national eligibility criteria as part of the Social Services and Wellbeing Act	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. The project management approach and the deployment of a change team is working well. This is part of the transformation agenda. Project plan with targets and timescales in place. If savings achieved over the indicative amount, this will be used to offset other areas in the SS&WB MTFS which are more at risk.	20,797	4%	662	150			
ASC7	Healthy & Wise	IP2	CST	Reprovision and remodelling of Shared Lives	The saving will reduce dependence on residential placements to a Shared Lives setting for all adults. There will always be a need for residential placements which places pressure on this saving however work is currently progressing with the new provider to identify individuals that would benefit from this type of service model. A project plan is in place and targets are set.	1383	7%	50	50			
ASC9	Healthy & Wise	IP3	CST	Review Continuing Health Care (CHC)-eligible cases to secure appropriate contribution to packages of care	This is managed as one of the work streams under the Changing the Culture Project Board overseen by the Remodelling Adult Services Board. As this is about individual assessment and individual cases which can change over time it is difficult to give an accurate projection. 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.	20,797	1%	118	100			

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ASC17	Healthy & Wise	IP2	MSR	Managed Service Reductions Residential & Respite Care	A review of the level of residential respite care provided to individuals may impact on the level of service received. Figures are based on a 13% reduction in current levels of demand and spending.	5,777	13%		414	335		
ASC18	Healthy & Wise	IP2	PC	Development of Extra Care Housing	Development of Extra Care as an alternative to Residential Care, to meet the future needs of Bridgend Residents.	2,017	33%			660		
SSW2	Healthy & Wise	IP2	PC	Develop and implement personalised budgets	To develop personalised budgets across Adults and Children. This could potentially see a reduction in the types of services being commissioned as individuals explore new ways of meeting their social care outcomes. No further work completed at present as it is too early. Strategy to be developed during 2017/18.	Approx. £23m commissioned services	N/A				263	
CH25	Healthy & Wise	IP2	BUR	Reduction in Safeguarding LAC numbers and related reduction in costs	It is envisaged that costs can be reduced if children at risk can be identified early and alternative support be provided instead of them becoming 'Looked after'. Continues to be a priority however, unpredictable at this stage.	10,439	8%	357	260	260		
SSW4	Healthy & Wise	IP3	CST	New models of service delivery within AWEN cultural trust.	Implementation will be delivered by the Awen Trust and this is outlined in the partnership agreement. Any changes to service levels to deliver savings will have to be agreed between the Council and Awen.	3138	22%	250	101			
SSW3	Healthy & Wise	IP3	PC	Redesign respite and emergency services, including a review of transition services	Redesign respite and emergency services across Adults and Children Services. Work ongoing and business case in development.	1,073	22%			100	100	
Theme 1 - Remodel Service Delivery - sub-total									1,075	1,355	363	0

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Theme 2 - Service Efficiencies												
ASC12	Healthy & Wise	IP3	BUR	Continued efficiencies within LD Day Services	A staff restructure is being implemented and an options appraisal for the future management arrangements of the service is being produced. Contingency plan in place.	1,662	9%	36	120			
HL2	Healthy	IP3	BUR	Review Healthy Living Partnership Contract	Decisions would be needed following presentation of options and consideration of financial penalties. The management fee has been reduced via reprofiling of capital and other costs e.g. utilities have also contributed to savings.	1,835	28%	181	308	20		
Theme 2 - Service Efficiencies - sub-total									428	20	0	0
Theme 3 - Income Generation												
ASC10	Healthy & Wise	IP3	BUR	Develop income stream for specialist Mental Health placements at Glyn Cynffig	There is currently a service review underway for this care provision, one of the areas being explored could be the potential generation of income for the directorate from other public sector organisations . New model of service being designed, requires significant work to ensure future sustainability.	100	88%	15	73			
Theme 3 - Income Generation sub-total									73	0	0	0
Theme 4 - Prevention and Wellbeing												
SSW1	Healthy & Wise		MST	Impact of the Prevention and Wellbeing agenda	Part of the whole system remodelling programme for Social Services. The annual impact of the introduction of the prevention and wellbeing agenda, including the impact of the Community resource team /Reablement services, the increase in the use of Assistive Technology, the development of the Council Wide Local Community Co-ordination and development of personalised budgets. There is a risk of demographic growth especially with older people with mental health needs. There has been an increased focus on developing the Prevention and Wellbeing agenda over the last 6 months - specifically the establishment of a community co-ordinator. Early indication is that this post has enabled 25 people to be diverted away from statutory services. The service is now recruiting 2 further community co-ordinators so that each community network area will have a post. It is too early to be confident about the potential savings hence the red RAG status.	Directorate Wide	N/A		668			
Theme 4 - Prevention and Wellbeing sub-total									668	0	0	0
Total Social Services & Wellbeing Directorate									2,244	1,375	363	0

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COMMUNITIES												
COM1	Corporate Business	IP3	MSR	Public conveniences - Reductions to the budget for Public Toilet provision Introduction in 17/18 of mobile public toilet cleaning attendants to service the public toilets in Bridgend Porthcawl and Maesteg followed by nearly full budget saving against the service and closure or transfer to T&CC in 18/19. A budget will be retained to support the Authority's comfort scheme. This will be used to grant fund businesses that open their toilets to the general public	Failure to secure public support following consultation. Failure to secure the required outcomes through staff consultation required to achieve the savings or non-transfer to Town and community councils. Timescales identified when set against the requirements of consultation and approval to proceed time scales mean achieving the full savings in the years identified is very challenging.	166	62%			103		
COM3	Corporate Business	IP3	BUR	Review of Highways maintenance/DLO Services - collaborative overhead saving working with another local authority. (Budget of £6.087k reflects full budget for Highways Maintenance/Street lighting/ Highways Management/ Network Management / Rights of Way/ and the DSO. These budgets are impacted by additional savings targets identified below.	Such collaborative working could be introduced but there would need to be agreements in place such as memorandum of understanding as to the scope of such works (e.g. where the person operates from, priorities to host or party sharing service. This might also lead to redundancy costs. It is likely there would be no visible impact to the public.	6,087	9%	417			150	
COM4	Place	IP3	BUR	Review of School Crossing Patrol service in line with GB standards.	This proposal builds on the 2015/16 budget reduction to cut the school crossing patrol budget by 50% and focus on those sites where there is greatest assessed risk based on the GB standard. Potential redundancy costs. Impact on high risk routes to gain full saving. Potential to impact on learner travel budget if route is deemed unsafe due to lack of SCP and the need for the Education Directorate to provide transport.	66	30%				20	
COM5	Place	NONPTY	MSR	Reduction to Winter Maintenance Budget	As a Highways Authority, BCBC has a statutory duty to maintain the highway in a safe condition. This reduction will see fixed hire of gritters for fixed period and the risk is if the winter period extends there would be an overspend against the revised budget. In snow events the ability to deal with a wider response would be impacted, with resilience diminished.	337	18%		60			
COM6	Place	NONPTY	MSR	Reduction of current weed spraying to one spray per annum	A reduction of 50 % from two sprays per annum to one will result in greater weed growth on the highway network including pavements. The risk is that weeds cause an accelerated deterioration in the highway asset requiring more extensive and expensive repair in the long term.	30	50%		15			
COM7	Place	NONPTY	MSR	Technical Surveys - Reduction in budget to cover only costs of SCRIM/SCANNER and a number of other required inspections	The digital scanning of the highway network can be reduced to cover the minimum required for Welsh Government purposes. The risk is that we do not have information to best inform our highway maintenance programme to direct funding where it is most needed.	20	25%		5			
COM8	Place	NONPTY	MSR	Reduction in road marking maintenance	This proposal will result in less frequent maintenance and re-marking of line painting on roads and potentially may impact on road safety and enforcement.	100	10%		10			

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COM9	Corporate Business	IP3	BUR	Removal of Security budget Waterton	A technological solution is being sought to remove the need for the current security arrangements. This is dependent on works to implement changes to depots.	20	100%		20			
COM10	Corporate Business	IP3	CST	Fleet - This is an efficiency savings based on savings expected to be delivered through joint procurement, increased commerciality, economies of scale and administrative efficiency	To implement joint procurement will require capital investment on an invest to save basis.	-51	N/a - Fleet has a net income budget				93	
COM11	Place	IP3	MSR	Other cleaning - Removal in 19/20 of 4 area cleaner streets teams - The loss of this support will shift the balance of the service from which is generally recognised where litter is collected on a proactive basis to one where litter is picked up reactively with the remaining street cleaning operatives responding only to prioritised complaints, fly tipping and bin emptying. The service reduction identified for 2020/2021 will see the removal of 1 of the councils 3 7.5 tonne street cleaning sweepers. The vehicle currently supports street cleaning in the early mornings in each of the 3 main town centres	Under this proposal the council will be at risk of falling short of the minimum statutory requirements laid down in the Environmental Protection Act and other relevant legislation. The loss of this vehicle and its operative will remove any resilience from the service and lead to higher levels of street litter and detritus. The vehicle currently supports street cleaning in the early mornings in each of the 3 main town centres if a vehicle is lost from the service a decision will need to be taken on which town centre is to lose the services of this vehicle Failure to secure the required outcomes through staff consultation needed to achieve the savings. Timescales identified when set against the requirements of staff consultation mean achieving the full savings in the years identified will be challenging.	1,201	22%			200	70	
COM12	Place	IP3	PC	Broad review of car park charging including staff and elected member parking passes	Potential public impact if displaced cars move from Council car parks to residential streets. Balance needs to be struck between increasing income to meet budget targets but not impacting adversely on town centre trade and footfall. Also potentially some 'attrition' in the use of Council managed carparks, leading to reduced income but this is accounted for in the estimates. Likelihood of elected members and staff users leaving the current scheme due to increase in costs. The proposal is intended to be part of a 'holistic' parking strategy that will include additional residents only parking around Bridgend Town Centre so that on street alternatives for parking will be more difficult to find.	1119	4%		50			
COM13	Healthy and Wise	IP2	CST	Transfer of directly operated centres and review of grant support to voluntary organisations	BCBC retain two directly operated centres - transition to voluntary organisations would save direct costs. Reliant on new organisations forming. Centres are very popular where closure would have significant reputational risk.	86	45%		39			
COM14	Healthy and Wise	IP3	MSR	Reduction in Adult Community Learning provision	ACL provision has already reduced significantly from 2014 to 2015 following 40% cut in WG funding. Further saving reduces scope of provision further.	177	40%		70			
COM15	Healthy and Wise	IP3	MSR	Street lighting - combination of shut off and dimming which will be based on risk assessments that are yet to be carried out but will be based on keeping lighting on key strategic sites and junctions.	Risk of community safety and public concern. Risk of unlit road side obstructions. Potential for unlit routes to impact on learner travel routes that may then fail audits and require educational transport. Potential impact on town centre economic vitality and CCTV coverage for anti-social behaviour.	1,482	34%			250	250	

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COM16	Place	IP3	MSR	<p>A substantial cut of 25% was made to the service in 2015/16 on top of savings in previous years, limiting the scope for further reductions. 2017/18 - £21k – A reduction in the BCBC tourism marketing budget, and reducing the mobile TIC budget, for the financial year 2017/2018.</p> <p>2018/19 -£40k cut in commissioning budget to support 3rd Sector with Community Asset Transfer. This is part of the Strategic Regeneration Fund.</p> <p>2019/20 -£20k reduction in the Events budget in 2019/20. It is not possible to reduce the budget prior to this due to existing commitments (Urdd, Women's Open, Senior Open, Town Centre Events programme). This is a part of the SRF match-funding budget.</p>	<p>These cuts will result in further erosion of support for the tourism sector in the Country Borough, and limiting the extent to which the Council is able to harness the economic potential of major events, including the Urdd, Elvis Festival Women's Open, Senior Open etc. as well as major tourism investment such as the Wales Coastal Path and Porthcawl's historic Harbour Quarter, including the Maritime Centre. By 2019/20 the Council's ability to work with Welsh Government's Major Events Unit, and bring major events to the County Borough, will be severely compromised. The tourism sector currently accounts for 4,000 jobs locally, and is a sector that has shown consistent growth, both locally and nationally, in the last 5 years. The £40k cut in the commissioning budget will limit the package of support that is currently available to support the Third Sector with Community Asset Transfer in 2018/19. The impact of this could result in either the inability to safeguard community services, and/or failure to realise savings elsewhere in the Council. As a permanent reduction in the SRF budget, it will also result in a long term reduction in the Council's ability to match-fund regeneration projects.</p>	1,756	5%		21	40	20	
COM17	Place	IP3	BUR	Reduction to core budget for Civil Parking Enforcement Team.	Risk that income will drop in future years leaving potential shortfall.	231	22%		50			
COM18	Place	IP3	BUR	<p>Reductions to the budget for the Materials Recovery and Energy Centre (MREC) Introduction in 17/18 of savings achieved through the current procurement being undertaken with Neath Port Talbot CBC for the provision of new operator arrangements for the MREC facility at Crumlyn Burrows.</p>	<p>Failure to secure a new operating contractor through a compliant tender and procurement exercise for the MREC facility would result in this saving being undeliverable.</p> <p>Failure to reach agreement with NPT on the Councils financial contribution to the costs of supporting the MREC.</p> <p>Intervention by the Welsh Government and or changes in legislation in the waste management sector.</p>	4,047	5%		200			
COM19	Place	IP3	PC	Permitting Scheme road works net of existing income of £95,000	Implementation of permitting Scheme - risk that Welsh Government do not approve the scheme.	New income target	N/a - Fleet has a net income budget		100			
COM20	Place	IP3	MSR	Highways Dept Management Structural Savings Target	Less resources for highway inspections, less resilience for response to highway issues.	6,087	2%			50	50	
COM21	Place	IP2	BUR	Rights of Way - removal of contribution to Coity Walia	If this funding is removed, there is a potential implication on street scene for removal of fly tipping. In addition, the maintenance costs of the common would revert back to ROW.	21	100%		21			
COM22	Place	NONPTY	MSR	Carriage way resurfacing - move to reactive service	No carriageway re-surfacing purely carriageway patching reactive repairs.	215	100%		215			
COM23	Place	NONPTY	MSR	Gully cleanings reduce frequency	To achieve this there will be staffing/plant reductions. Risk of water hazard not being dealt with and implications for insurance claims. Reduced resilience in severe weather events.	186	22%		40			
COM24	Place	IP3	BUR	AD procurement - Reduction in budget through savings in the treatment of the Councils domestic food waste, through a joint procurement exercise with the City and County of Swansea (CCS) for the treatment of food waste by anaerobic digestion (AD)	<p>Failure to secure a compliant tender and to close the procurement with a provider.</p> <p>Intervention by the Welsh Government which prejudices the procurement.</p> <p>Failure to agree and implement a MOU between CCS and BCBC.</p>	318	31%		100			

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	COM25	Place	NONPTY	MSR	Reduced focus on rear lanes overgrowth and footpaths in rural areas	To achieve this there would need to be a reduction in teams which have already decreased from 4 to 2. Further reduction/non-attendance at rear lanes will result in greater weed growth on the adopted highway network. The risk is that weeds cause an accelerated deterioration in the highway asset requiring more extensive and expensive future repair. From a reputational perspective, this will be of concern to residents and members.	183	16%		30			
	COM26	Place	IP2	CST	Target full cost recovery of shop mobility	Explore different funding options including partnership or 3 rd party funding. Risk that failure to secure external funding could result in the service having to close.	16	100%				16	
	COM27	Place	IP3	MSR	Removal of Subsidised bus services	Potential reputational risk. Requirement for consultation and EIA. Risk of isolation of communities. Risk of no commercial services to fill the gap in terms of early or later services thus could be a barrier to employment, healthcare, education and services for the community. Risk that WG reconsider their element of the bus subsidy for Bridgend.	320	59%			188		
	COM29	Place	IP3	MSR	Seek commercial partner to operate bus station to achieve full cost recovery	Failure to achieve this could result in bus station closure, impacting on city region, connectivity hub, and potential impact on air quality due to relocation of buses.	149	94%			140		
	COM31	Corporate Business	IP3	BUR	To rationalise the core office estate - Secure tenant for Raven's Court and move staff into the Civic Offices, in order to generate a rental income and save on running costs.	Proposal is dependent on the property market and tenant may not be secured. Whilst there has been tenant interest, to date it has not been possible to complete on the lease with two successive tenants. The property may need to be split and marketed on this basis. This may result in less attractive terms to the council.	216	113%	195		25	25	
	COM32	Healthy	IP3	MSR	Review of Lifeguard services to consider length of season and beach coverage.	Removing the lifeguard service would reduce support for rescues, assists, advice, first aid and lost children. Partnership with lifeguarding clubs would increase voluntary patrolling arrangements alongside paid cover for school holiday periods.	128	65%	23	60			
					Total Communities Directorate					1,106	796	824	70

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CHIEF EXECUTIVES

FINANCE

CEX1	Corporate Business	IP3	BUR	To reduce the number of Finance and accountancy staff	delivery through process efficiencies and upskilling of internal customers. Further staffing reductions may put at risk financial control environment as well leave no resilience in the event of staff sickness, meaning potential to have higher agency fees.	2027	7%	51	50	50		
CEX2	Corporate Business	IP3	CST	To reduce the number of Internal Audit hours commissioned from joint service	Reduced internal audit capacity within the Council focused increasingly on statutory work only, increasing risk of failure of internal controls.	403	25%	19	60		20	
CEX3	Corporate Business	IP3	CST	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 a mixture staff reductions and freed capacity to focus on recovery work from putting council tax and some benefits on line.	2198	16%	60	150	150		
CEX4	Corporate Business	IP3	BUR	To secure reductions in External Audit Fees	Agreed reduction in external audit fees in line with reduced number of audit days.	420	36%	87		33	33	
CEX5	Corporate Business	IP3	BUR	To recover grant audit fees from grant/reduced scope if grants brought into RSG	Plan to negotiate with Welsh Government/ WAO to ensure audit of grants covered by grant. Expected reduction in grants in future years should also reduce pressure on net budget.	47	64%			15	15	
CEX6	Corporate Business	IP3	MSR	To reduce the number of corporate directors	Deletion of Director of Resources post. Reduction allows for increased cost of Director of OPS vs Assistance Chief Executive.	700	17%		120			
CEX11	Corporate Business	IP3	BUR	Implement fines for non return of Single Person Discounts	Statutory fine of £50 not currently implemented. Based on 1,000 case per annum less 0.5 FTE administration cost assumed.	N/A	N/A		34			
				Total Chief Executives					414	248	68	0

OPERATIONAL AND PARTNERSHIP SERVICES

OPS1	Wealthy / Healthy	IP3	CST	Public Protection Collaboration	The project is intended to reduce costs and maintain resilience. It is important that the project provides proportionate savings to the Directorate budget cuts to avoid other services taking disproportionate cuts. Agreement of the partner authorities is required to effect savings as even if savings are made from a reduced service to Bridgend it is likely that this will impact on other authorities.	1,454	25%	181	20	50		
OPS2	Corporate Business	IP3	BUR	Restructure of Legal, Democratic and Procurement.	Legal Services already a mix of collaboration, joint service, internal service and procured. Cost of service significantly lower than external so care needs to be taken not to increase costs overall. Democratic Services: Reduction of support staff will require change to Committee Structure. Procurement team restructure completed.	2,736	12%	70	150	100		

Budget Reduction Proposals 2017-18 to 2020-21

Page Ref.	Links to Population Outcome	Improvement Priority 2016-20	Categories	Budget Reduction Proposal	Impact	Budget 2016-17 £'000	Total Budget Reduction 2016-2021 as % of 2016-17 Budget	2016-17 Budget Reductions £000	Proposed 2017-18 £000	Indicative 2018-19 £000	Indicative 2019-20 £000	Indicative 2020-21 £000
Housing												
OPS3	Place	NONPTY	MSR	Non staff Budget, Review Service Level Agreements and Staffing.	Will require use of grant funding. Requires re-negotiation of SLA.	885	11%	50.94	50			
Total Housing									50	0	0	0
Human Resources												
OPS4	Corporate Business	IP3	BUR	To reduce number of staff in HR, OD and Communications and business support	Planned savings in process of realisation. Management costs reduced due to amalgamation of roles and unification of Business Support services within new Directorate. Future staff savings possible due to Digitisation project but concern in relation to capacity to support HR advisor functions.	2,500	11%	95	140	50		
OPS5	Corporate Business		CST	Non Staffing		869	1%		10			
Total Human Resources									150	50	0	0
ICT												
OPS6	Corporate Business	IP3	BUR	Call tariff efficiency	Future years work to rationalise software but consultation required within Directorates in respect of specialist software. Budget re-alignment required to offset overspend in some areas.	1423	20%	192	40	50		
OPS7	Corporate Business	IP3	BUR	Review non staff budgets for communications, supplies training and equipment	Fewer resources to provide ICT support and infrastructure.	999	7%		65			
Total ICT									105	50	0	0
Transformation												
OPS8	Corporate Business	IP3	BUR	Staff restructure	A small performance team so large impact even with small staff changes. The Transformation team is central to the delivery of the corporate projects.	238	25%		60			
Total Operational & Partnership Services									535	250	0	0

Page Ref.	Links to Population Outcome	Improvement Priority 2016-20	Categories	Budget Reduction Proposal	Impact	Budget 2016-17 £'000	Total Budget Reduction 2016-2021 as % of 2016-17 Budget	2016-17 Budget Reductions £000	Proposed 2017-18 £000	Indicative 2018-19 £000	Indicative 2019-20 £000	Indicative 2020-21 £000
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CORPORATE / COUNCIL WIDE

CWD1	Corporate Business	NONPTY	PC	Reduction in Levies	This will require discussions with levying authorities e.g. Fire and Rescue Authority and Coroners to secure reductions in levies, in line with overall reductions in public sector funding. Based on assumption of annual 1% efficiency target, with 0.5% in first year	6,959	4%	23	35	70	70	70
CWD2	Corporate Business	NONPTY	BUR	Reduction in other Corporate budgets including pay and price provision.	Impact to be determined depending on economic climate, inflationary rates etc.	10,194	8%		107	92	272	372
CWD3	Corporate Business	NONPTY	BUR	Reductions in Insurance Premiums	Reduction in the annual amount put aside to increase the estimated cost to the Council of the outstanding liability for Employer's Liability, Public Liability and Property.	1,559	18%	100		80	100	
CWD4	Corporate Business	NONPTY	BUR	Reduction in provision for Council Tax Reduction Scheme	Budget underspent by £520k in 2015-16. Impact will need to be monitored as this budget is demand led.	14,304	6%	300	300	200		
				Total Corporate / Council Wide					442	442	442	442

				GRAND TOTAL REDUCTIONS					6,187	4,464	2,633	1,456
				ESTIMATED BUDGET REDUCTION REQUIREMENT (MOST LIKELY)				7,477	6,187	9,474	9,141	8,808
				REDUCTION SHORTFALL					0	5,010	6,508	7,352

1,661	21	0	0
2,689	3,369	1,237	944
1,837	1,074	1,396	512
6,187	4,464	2,633	1,456

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	Corporate Priority	Financial Year										
		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	2016-2026 £'000
Non-Operational Assets	Smarter Use of Resources	480	-	-	-	-	-	-	-	-	-	480
Community Projects	Smarter Use of Resources	191	100	100	50	50	50	50	50	50	50	741
Culture												
Bryngarw House	Core Services & Statutory Functions	5	-	-	-	-	-	-	-	-	-	5
Healthy Living Minor Works - Newbridge Fields	Core Services & Statutory Functions	25	-	-	-	-	-	-	-	-	-	25
Berwyn Centre	Core Services & Statutory Functions	200	-	-	-	-	-	-	-	-	-	200
Total Communities		34,988	9,665	7,721	7,385	5,570	4,450	4,450	4,450	4,450	4,450	87,579
Operational & Partnership Services												
Investment in ICT	Smarter Use of Resources	300	-	-	-	-	-	-	-	-	-	300
Digital Transformation	Smarter Use of Resources	550	1,950	-	-	-	-	-	-	-	-	2,500
Council Suite Infrastructure Upgrade	Smarter Use of Resources	19										19
Total Operational & Partnership Services		869	1,950	-	-	-	-	-	-	-	-	2,819
Unallocated		-	-	-	-	696	1,816	1,816	1,816	1,816	1,816	9,776
Total Expenditure		47,121	42,029	10,129	7,513	6,296	6,296	6,296	6,296	6,296	6,296	144,568
Expected Capital Resources												
General Capital Funding												
General Capital Funding - General Capital Grant		2,382	2,379	2,379	2,379	2,379	2,379	2,379	2,379	2,379	2,379	23,793
General Capital Funding - Supported Borrowing		3,914	3,909	3,909	3,909	3,909	3,909	3,909	3,909	3,909	3,909	39,095
Capital Receipts - Schools		1,410	12,437	55	98	-	-	-	-	-	-	14,000
Capital Receipts - General		10,966	761	87	766	8	8	8	8	8	8	12,628
Earmarked Reserves		9,112	2,750	100	50	-	-	-	-	-	-	12,012
Revenue Contribution		36	935	-	-	-	-	-	-	-	-	971
Prudential Borrowing (Unsupported)		1,720	-	-	-	-	-	-	-	-	-	1,720
Local Govt Borrowing Initiative (21st Century Schools)		-	2,597	1,323	-	-	-	-	-	-	-	3,920
Loan - WG		2,400	-	-	-	-	-	-	-	-	-	2,400
Sub-Total General Capital Funding		31,940	25,768	7,853	7,202	6,296	6,296	6,296	6,296	6,296	6,296	110,539
External Funding Approvals												
WG - Flying Start		32	-	-	-	-	-	-	-	-	-	32
WG - Other		331	2,250	60	-	-	-	-	-	-	-	2,641
WG - 21st Century Schools		2,700	13,023	-	-	-	-	-	-	-	-	15,723
WG - Vibrant & Viable		2,269	-	-	-	-	-	-	-	-	-	2,269
WG - CADW		500	-	-	-	-	-	-	-	-	-	500
S106		1,303	228	-	-	-	-	-	-	-	-	1,531
Transport Grant		1,695	-	-	-	-	-	-	-	-	-	1,695
Heritage Lottery Fund (HLF)		370	395	1,119	311	-	-	-	-	-	-	2,195
Big Lottery		262	-	-	-	-	-	-	-	-	-	262
EU		127	365	1,097	-	-	-	-	-	-	-	1,589
Other		5,592	-	-	-	-	-	-	-	-	-	5,592
Sub-Total External Funding Approvals		15,181	16,261	2,276	311	0	0	0	0	0	0	34,029
Total Funding Available		47,121	42,029	10,129	7,513	6,296	6,296	6,296	6,296	6,296	6,296	144,568
Funding Shortfall/Surplus		-	-	-	-	-	-	-	-	-	-	-

Glossary of terms

WG - Welsh Government

EU - European Union

S106 - Section 106 of the Town and Country Planning Act 1990

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