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

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



Rydym yn croesawu gohebiaeth yn Gymraeg.

Rhowch wybod i ni os mai Cymraeg yw eich dewis iaith.

We welcome correspondence in Welsh. Please let us know if your language choice is Welsh.



Dear Councillor,

CABINET

A meeting of the Cabinet will be held in the Committee Rooms 1/2/3, Civic Offices Angel Street Bridgend CF31 4WB on **Tuesday, 14 February 2017 at 2.30 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.
3. **Medium Term Financial Strategy 2017-18 to 2020-21** 3 - 174

To present Cabinet with the Medium Term Financial Strategy 2017-18 to 2020-21, which includes a financial forecast for 2017-21, a detailed revenue budget for 2017-18 and a Capital Programme for 2017-18 to 2026-27.
4. **Corporate Plan 2016-20 - Reviewed for 2017-18** 175 - 210
To seek Cabinet endorsement of the Council's reviewed Corporate Plan 2016-20 for 2017-18 prior to submission to Council for approval.
5. **Urgent Items**
To consider any items of business that by reason of special circumstances the chairperson is of the opinion should be considered at the meeting as a matter of urgency in accordance with paragraph 2.4 (e) of the Cabinet Procedure Rules within the Constitution.

Yours faithfully

P A Jolley

Corporate Director Operational and Partnership Services

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Councillors:

HJ David
CE Smith

Councillors

HJ Townsend
PJ White

Councillors

HM Williams
CL Reeves

Agenda Item 3

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

14 FEBRUARY 2017

JOINT REPORT OF THE CHIEF EXECUTIVE AND SECTION 151 OFFICER

MEDIUM TERM FINANCIAL STRATEGY 2017-18 to 2020-21

1. Purpose

- 1.1 The purpose of this report is to present Cabinet with the Medium Term Financial Strategy 2017-18 to 2020-21, which includes a financial forecast for 2017-21, a detailed revenue budget for 2017-18 and a Capital Programme for 2017-18 to 2026-27.

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 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.

- 3.2 The Council's Corporate Plan is being presented to Council for approval alongside the MTFS 2017-21 and the two documents are aligned to each other, enabling the reader to make explicit links between the Council's priorities and the resources directed to support them. These linkages are further strengthened by the addition of the Budget Narrative below.

3.3 Budget Narrative

- 3.3.1 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 narrative 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.

3.3.2 Corporate Financial Overview

While the Council's net revenue budget is set at £258.093 million for 2017-18, its overall expenditure far exceeds this. Allowing for specific grant funded expenditure and services which are funded by the income they generate, 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.

3.3.3 Education and Family Support

The Council is proposing to spend £108 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 £87 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 £24.7 million in building and refurbishing schools as part of our 21st century school modernisation programme (one-off capital expenditure across several years, match funded with £24.7 million of Welsh Government funding).

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. The Council however recognises that schools, like other services, face financial pressures which they cannot avoid. The Council will provide additional central funding to meet nationally agreed pay awards and price inflation – the net impact of the 1% efficiency target and this extra funding means that schools budgets overall will see a very small increase.

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 a small increase in the price of a 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.

3.3.4 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 £65 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. The Welsh Government has recently indicated that no decision has been made on the future of Communities First and a decision will not be taken until the current engagement programme is complete. Consequently, irrespective of any decision on the future of Communities First, funding at current levels will be maintained until end June 2017, with any changes taking place thereafter. Any changes beyond this date represent an unquantifiable risk to the Council.

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, which is due to increase to £70 per week from April 2017. 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.

3.3.5 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:

- In recognition of the Council's vital role in maintaining the public realm and in response to wider Member concerns over the cumulative impact of historic budget reductions, the 2017-18 budget includes the creation of a new and recurrent fund earmarked for this purpose. This will be allocated by the Corporate Director – Communities on areas of greatest need and while specific investment plans have not been finalised, indicatively the fund may be directed towards such areas as highways and other public realm maintenance, match

funding for Town and Community Council schemes, renovation of playgrounds by way of example. Where a proposed investment is in direct contrast with a planned future MTFS reduction, consideration will be given to mitigating the reduction from the fund.

- To change the way that public convenience needs are met by the transfer of more of these facilities to local Town and Community Councils to operate, and closing those of the poorest quality or where there is no appetite for transfer. 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 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 explore different options to make savings in future years in energy costs, prioritising energy efficiency measures, but where these are not possible, we will consider selectively dimming street lights or, in some areas reducing operating hours where they do not need to shine all night. We aim to save up to £500,000 in this way, but we are mindful of the impact both on traffic safety as well as community safety.
- 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 element of the Council's strategy to transfer buildings to local community groups to operate for themselves.

3.3.6 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 increased strength of the local tourism sector has made this saving possible, as the sector 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.

3.3.7 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 Civil Partnership and 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 targeting savings £300,000 over the next two years from the above measures, though are mindful of the public consultation finding that over 40% of respondents did not want digitisation to be at the expense of traditional contact methods.

3.3.8 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, 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 turnover 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.

4. Current Situation

4.1 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.

4.2 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 2017-18 to 2026-27, linked to priority areas for capital investment and Capital Financing Strategy.
- The Treasury Management Strategy 2017-18 and Corporate Risk Register.

The Financial Context

4.3 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 than 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. The UK government has therefore set new fiscal targets which aim for 2% underlying deficit and debt falling by 2020, and a balanced budget as soon as possible thereafter.

4.4 The Welsh Government announced its final budget for 2017-18 on 20 December. The most significant headline change was an additional £136 million of capital funding for affordable housing development, flooding schemes and regeneration projects. There was also an additional £10 million revenue funding announced for social services plus £6 million to support homelessness prevention. The Welsh Government also announced an additional £10 million of revenue funding, through a special grant, to support high street retailers, pubs and restaurants with business rates, following the 2017 revaluation.

Welsh Government Final Local Government Settlement

- 4.5 On 21 December, Councils received the Final Local Government Settlement. The headline figure was an overall increase of 0.2% in Aggregate External Finance (AEF) from 2016-17. However, whilst this takes into account a number of transfers into the settlement, it also includes funding for a number of additional responsibilities placed on local authorities, along with funding for town centre car parks and school transport. This is in addition to an extra £25 million across Wales in recognition of the contribution which social services make to the success of the health service. There is an actual cash increase in AEF from 2016-17 of £123,000, due to the additional funding included in the settlement. However, Bridgend's funding on a like-for-like basis is a reduction of £0.6 million, or -0.3%. Unlike previous years, the final settlement did not include funding to protect school budgets.

Settlement Implications for 2018-2021

- 4.6 Whilst the 2017-18 settlement is the most favourable in recent years, the Finance Secretary Mark Drakeford has 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 currently 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 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 £33 million from 2017-18 to 2020-21.

Transfers into and out of the 2017-18 Revenue Settlement

- 4.7 The full picture on specific grants is still not yet clear, particularly at an individual authority level, but the final 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.
- The final settlement includes new funding of £235,000 (£6 million across Wales) in recognition of the particular pressures around homelessness prevention.
- A 6.7% reduction in the Single Environment Grant across Wales (BCBC received £2.777 million in 2016-17).
- Welsh Government has also provided through the settlement £46,000 for school transport and £131,000 to support town centre car parking. The specific details of how this funding is to be used have not yet been received.

Intermediate Care Fund

4.8 The ICF remains at £60 million across Wales for 2017-18 in the final budget, which will again be allocated to the NHS to manage, working in partnership with local authorities.

Council Tax

4.9 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 2017-18 final Revenue Budget, shown in Table 9, includes a Council tax increase of 2.9%. The level of the increase seeks to strike an appropriate balance between the needs of the Council and its citizens.

Welsh Government Capital Settlement

4.10 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 final 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

4.11 The in-year financial position as at 31 December 2016 is shown in Table 1 below.

Table 1 – Comparison of budget against projected outturn at 31 December 2016

Directorate/Divisions	Original Budget 2016-17 £'000	Revised Budget 2016-17 £'000	Projected Outturn 2016-17 £'000	Projected Over / (Under) Spend Qtr 3 2016-17 £'000	Projected Over / (Under) Spend Qtr 2 2016-17 £'000
Directorate Budgets					
Education and Family Support	108,034	108,209	108,061	(148)	64
Social Services and Wellbeing	59,697	60,534	61,370	836	743
Communities	24,644	24,786	24,812	26	805
Operational and Partnership Services	14,899	14,952	12,963	(1,989)	(1,565)
Chief Executives and Finance	4,333	4,237	3,987	(250)	(380)
Total Directorate Budgets	211,607	212,718	211,193	(1,525)	(333)
Council Wide Budgets					
Capital Financing	10,128	10,128	11,296	1,168	(1,294)
Precepts and Levies	6,959	6,959	6,960	1	0
Sleep Ins	800	765	495	(270)	0
Council Tax Reduction Scheme	14,304	14,304	13,418	(886)	(650)
Insurance Costs	1,559	1,559	1,559	0	0
Building Maintenance	900	881	800	(81)	0
Centrally held Budget Pressures	1,394	1,349	10	(1,339)	0
Other Corporate Budgets	7,240	6,228	2,272	(3,956)	(1,400)
Total Council Wide Budgets	43,284	42,173	36,810	(5,363)	(3,344)
Appropriations to / from Earmarked to Reserves					
Total	254,891	254,891	254,473	(418)	(3,677)

- 4.12 The overall projected position at 31st December 2016 is a net under spend of £418,000, comprising £1.525 million net under spend on directorates and £5.363 million net under spend on corporate budgets, offset by net transfers to earmarked reserves of £6.470 million. This position takes account of allocations totalling £528,000 from the MTFS Budget Reduction Contingency. The projected under spend is significantly reduced from the quarter 2 position as a result of the decision to establish a number of new earmarked reserves in quarter 3.
- 4.13 The net budget for the financial year has been set assuming full implementation of the current year budget reduction requirements across the Council's budget which amount to £7.477 million. Where proposals to meet this requirement have been delayed or are not achievable directorates have been tasked with identifying alternative proposals to meet their requirements such as vacancy management, or bringing forward alternative budget reduction proposals.
- 4.14 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.

Medium Term Financial Strategy (MTFS) 2017-18 to 2020-21

- 4.15 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.
- 4.16 The development of the MTFS 2017-18 to 2020-21 has been led by Cabinet and Corporate Management Board (CMB) and has taken into account auditors' views, the recommendations of the Budget Research and Evaluation Panel and issues arising during 2016-17, underpinned by the ongoing aim to embed a culture of medium term financial planning closely aligned with corporate planning.
- 4.17 Implementation of the MTFS will continue to be led by Cabinet and CMB, supported by financial and performance data. As usual Cabinet and CMB will seek to ensure that it is widely understood by internal stakeholders (Members, employees and Unions) and external stakeholders (citizens, businesses and partners).

Scrutiny and Challenge

- 4.18 As stated in paragraph 4.16, Cabinet and CMB continue to seek to embed a culture of medium term financial planning within the Council. Against that background, further efforts have been made this year to secure greater involvement of stakeholders in the development of the MTFS and the Corporate Plan. "Shaping Bridgend's Future" an eight week consultation was undertaken during October and November 2016 and included an online survey, community engagement workshops, social media debates, community engagement stands and a meeting with third sector organisations. Members had the opportunity to take part in a budget workshop similar to the public engagement events. The results have been presented in a separate Cabinet report and are therefore not detailed here. 1.8% of the population (2,533 responses) responded to the consultation with positive support for the majority of proposals put forward. The response rate (18 per 1000) is considered in statistical terms to be a valid sample size and is a 65% increase on the response rate last year which is welcomed.
- 4.19 The majority of respondents agreed with the idea of protecting some services over others, with schools and social services being the most popular areas for protection. Equally the majority of respondents felt that schools should be expected to make efficiency savings too. Overall, 10 of the 11 budget reduction proposals put forward received majority support, with the weakest support for automated services at the expense of traditional contact methods. A full list is given below in Table 2 below.
- 4.20 In addition to the public consultation, Cabinet and CMB have been working with the Budget Research and Evaluation Plan over the last six months to facilitate the budget planning process. The draft budget report approved by Cabinet in November has also been scrutinised by the Council's Overview and Scrutiny Committees resulting in a report from the Corporate Resources and Improvement (CRI) Committee. Cabinet has considered the CRI Committee's recommendations and a response to these is provided in Schedule A.

Table 2 – Budget Reduction Proposals consultation response

Rank	Proposal	Disagree (%)	Neither (%)	Agree (%)
1	The Council should look to collaborate on services with other authorities where possible savings could be made	7	7	86
2	Reviewing our arts, culture and libraries partnership	7	9	85
3	The Council should look to increase vigilance on checking resident eligibility to all council tax discounts or exemptions	11	12	77
4	Surplus school places	12	13	75
5	Adult social care reform	14	16	70
6	Street lighting provision	22	11	67
7	Reviewing our leisure facilities partnership	20	19	61
8	Joining service locations together	17	25	58
9	Increasing cost to use playing fields	28	14	58
10	Increasing cost of school meals	32	13	54
11	The Council should automate more services to save money, even if this means losing traditional methods of contract	44	14	42

- 4.21 Cabinet and CMB have reflected on the responses received from the public consultation and the CRI Committee and has made a number of changes to its budget reduction proposals as a result. In particular budget reductions impacting on the public realm have been significantly reduced. The proposal to cease proactive resurfacing has been removed (£215,000), gully cleaning frequency will not be reduced (£40,000), and weed spraying will be maintained at the current level (£15,000), as will management of rear lanes and footpaths overgrowth (£30,000). Furthermore, the budget includes a new fund to be targeted towards public realm improvements, with a recurrent budget of £400,000.

MTFS Principles

- 4.22 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 3: 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
RES29	Raven's Court	£195,000
Total Allocated		£528,000

This reserve has been restored to its original level in quarter 3 by the Section 151 officer in light of increasing challenges in delivering future budget reduction proposals.

MTFS Resource Envelope

- 4.23 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 Final Settlement. However, these assumptions, together with forecast pressures and risks are all subject to change, not least due to continuing economic uncertainty as well as national legislative and policy developments. The MTFS will be regularly reviewed against service performance and external economic and fiscal information to ensure that early action can be taken as necessary to keep it and the Corporate Plan on track. In view of the uncertainties, the MTFS has been developed taking into account possible resource envelope scenarios, based on percentage changes in AEF shown in Table 4.

Table 4 – MTFS Scenarios: % Change in AEF

	2017-18	2018-19	2019-20	2020-21
	% Change	% Change	% Change	% Change
Best Scenario		-1.50%	-1.50%	-1.50%
Most Likely Scenario	-0.30%	-3.20%	-3.20%	-3.20%
Worst Scenario		-4.50%	-4.50%	-4.50%
Most Likely Net Budget	£258.093m	£255.048m	£252.539m	£250.365m

Managing within the MTFS Resource Envelope

- 4.24 The financial forecast for 2017-21 is predicated on £32.844 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.
 - Fees and Charges will increase by the statutory minimum or CPI (at prevailing rate, currently +1.6%) 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.
- 4.25 For 2017-18, the MTFS includes an additional £2.167 million for the above known pressures. In addition, each year consideration is given to any inescapable unforeseen Directorate pressures that cannot be accommodated within existing budgets. £5.063 million of inescapable pressures have emerged during 2016-17 and are explained in more detail in paragraph 4.43 below. In total, the Council has unavoidable pressures of £7.230 million in 2017-18.
- MTFS Budget Reduction Requirement**
- 4.26 Table 5 below shows the Council's potential net budget reduction requirement based on the forecast resource envelope (paragraph 4.23 above), inescapable spending assumptions (paragraph 4.25 above) and assumed Council tax increases.
- Table 5 – Budget reduction scenarios**
- | | 2017-18
£000 | 2018-19
£000 | 2019-20
£000 | 2020-21
£000 | Total
£000 |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|---------------|
| Best Scenario | 5,852 | 6,284 | 5,883 | 5,699 | 23,718 |
| Most Likely Scenario | 5,852 | 9,474 | 8,923 | 8,595 | 32,844 |
| Worst Scenario | 5,852 | 11,914 | 11,174 | 10,670 | 39,609 |
- 4.27 Cabinet and CMB are working together to develop plans to meet the most likely scenario above. In the event of the worst case materialising in any year, the budget shortfall would have to be met from the Council Fund and or a further increase in Council Tax while additional budget reduction plans could be developed. Should the best case scenario arise then Cabinet and CMB would look to reduce the impact on services as well as Council Tax.
- 4.28 Table 6 shows current progress on identifying budget reduction proposals.

Table 6 – 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	2,393	2,774	685	5,852	0	5,852
2018-19	174	3,666	624	4,464	5,010	9,474
2019-20	50	1,437	1,146	2,633	6,290	8,923
2020-21	0	1,014	442	1,456	7,139	8,595
Total	2,617	8,891	2,897	14,405	18,439	32,844
Percentage of total required	8%	27%	9%	44%	56%	100%

RED Proposals not fully developed and include high delivery risk

AMBER Proposal in development, but includes delivery risk

GREEN Proposal developed and deliverable

- 4.29 The 2017-18 proposals have been amended since the Draft Budget report to reflect the removal of a number of proposals in response to the budget consultation, as outlined in paragraph 4.45. A number of proposals for 2018-19 onwards require further information and analysis and so are not sufficiently well developed to be included at this point in time. Proposals currently under consideration include:

- The wider digital transformation of Council services;
- Efficiencies in the built environment service and the creation of a corporate landlord function;
- Income generation opportunities;
- Further reductions in employee numbers;
- Reconfiguration of post 16 education provision;
- Working with partners to protect sustainable community facilities; and
- Review of nursery education provision.

- 4.30 Cabinet and CMB have given a commitment to try and find at least 50% of the budget reductions through smarter use of resources rather than by cutting the quality or level of services. This gets incrementally harder to achieve, but as Table 7 shows the plans set out in this report will deliver 58% of the required budget reductions through efficiency measures, such as:

- 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

Table 7 – Budget Reduction Proposals 2017-18 to 2020-21

	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	Total £000	%
Making Best Use of Resources	3,449	2,161	1,484	1,241	8,335	58%
Managed Service Reductions	1,478	1,106	520	70	3,174	22%
Collaboration & Service Transformation	605	300	129	0	1,034	7%
Policy Changes	320	897	500	145	1,862	13%
Total Identified to date	5,852	4,464	2,633	1,456	14,405	

- 4.31 Budget reduction proposals relating to Collaboration and Service Transformation amount to 7% of the total budget reductions. These include remodelling of adult social care, digital transformation and delivering further budget reductions through the Shared Regulatory Services. Policy changes amount to 13% and include reducing services to the statutory minimum as well as cutting some discretionary services. These include eligibility criteria for adult social care, school transport and a review of car park charges. The policy change proposals are subject to consultation.
- 4.32 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 tight vacancy management, redeployment, early retirements and voluntary redundancies, but some compulsory redundancies will continue to be necessary. Over the MTFS period, the Council will need to ensure there are sufficient funds in the corporate redundancy budget and service reconfiguration earmarked reserve to meet VER costs.

Corporate Risk Assessment

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

2017-18 Net Budget Requirement

- 4.34 The net budget requirement is the amount of budget the Council requires to fulfil its functions. It is calculated using the previous year's budget as the baseline, adding any inescapable budget pressures and subtracting any budget reduction proposals.
- 4.35 The financing of the net budget comes from the Welsh Government settlement and Council Tax income. Table 8 summarises the 2017-18 budget requirement and how it will be financed.

Table 8 – Net Budget Requirement

	2017-18 £'000
2016-17 Net Budget (Table 1)	254,891
2017-18 Pressures (Para 4.25)	7,230
2017-18 Budget Reductions (Table 5)	-5,852
Transfers and New Responsibilities (para 4.7)	1,824
2016-17 Net Budget Requirement	258,093
<i>Financed by:</i>	
2016-17 Net Budget (Table 1)	254,891
Net Increase in AEF (para 4.5)	123
Council tax increase of 2.9% (para 4.38) plus change in tax base	3,079
2017-18 Net Funding Total	258,093

2017-18 Revenue Budget

- 4.36 Table 9 presents the detailed net revenue budget for 2017-18. This includes specific grants transferring into the settlement as outlined in paragraph 4.7.

Table 9 – Revenue Budget 2017-18

	Revised Budget 2016-17 £'000	Specific Transfers to/ (from) WG £'000	Inter- Directorate Transfers £'000	Pay / Prices / Demographics £'000	Inescapable Budget Pressures £'000	Budget Reduction Proposals £'000	Revenue Budget 2017-18 £'000
Service Directorate Budgets:							
Education & Family Support							
Education & Family Support	21,308	45	224	249	263	-577	21,512
Schools	86,901	-45	-256	1,205		-869	86,936
	108,209	0	-32	1,454	263	-1,446	108,448
Social Services & Wellbeing	61,345	342	3,138	1,237	865	-2,244	64,683
Communities	24,822	131	-3,286	259	2,738	-806	23,858
Operational & Partnership Services	14,944	238		192	410	-535	15,249
Chief Executives / Finance	4,233			41	26	-414	3,886
Total Directorate Budgets	213,553	711	-180	3,183	4,302	-5,445	216,124
Corporate Budgets:							
Capital Financing	10,128						10,184
Levies	6,959				61		7,020
Repairs and Maintenance	900						900
Council Tax Reduction Scheme	14,304			250		-300	14,254
Apprenticeship Levy	0				700		700
Sleep Ins	271						271
Pension Related Costs	1,258						1,258
Insurance Premiums	1,559						1,559
Other Corporate Budgets	5,959	1,113	124	-1,266		-107	5,823
Total Corporate Budgets	41,338	1,113	180	-1,016	761	-407	41,969
Net Budget Requirement	254,891	1,824	0	2,167	5,063	-5,852	258,093

- 4.37 The net budget will be funded by:

Table 10 – Net Budget Funding

	£	%
Revenue Support Grant	141,610,389	54.87
Non Domestic Rates	46,027,476	17.83
Council Tax Income	70,455,437	27.30
Total	258,093,302	100%

Council Tax Implications

- 4.38 The implications in terms of the Council Tax increase (excluding Police & Crime Commissioner for South Wales and Community Council precepts) are shown in Table 11.

Table 11 – Council Tax Increase 2017-18

2016-17 Average Band D	£1,297.78
2017-18 Average Band D	£1,335.42
% Increase	2.90%
Weekly Increase	£0.72

Pay, Prices, Pensions and Demographics

- 4.39 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.
- 4.40 Price inflation has been allocated to service budgets and includes provision for contractual increases in food costs, social care provision and other commitments. 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.
- 4.41 The Council has historically made pension deficit contributions as part of its overall employer contributions, currently set at 21.3% of pensionable pay. It was foreseen in the draft budget that the Actuary would require that the deficit contributions would need to be made as a lump sum payment in future. The Council has agreed with the actuary that this change is not necessary. There is no true financial impact on the Council, or on individual directorates, but this explains a presentational difference between Table 9 in the draft and final budgets. The overall contribution rate of 21.3% remains unchanged for the next triennial period.

Schools' Budgets

4.42 Unlike previous years, the final 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 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. Taken together, there is a small increase in overall school budgets.

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.
- Reduction in the cost of business rates following the 2017 business rates revaluation.

Unavoidable Pressures

4.43 The final schedule of unavoidable pressures is attached at Appendix A and presents a number of recurrent pressures, totalling £5.063 million. The November Draft Budget report explained that budget pressures identified at that time were subject to change before the Final Budget. The main changes are:

- A new pressure of £598,000 in respect of the local authority's contribution to the Cardiff Capital Region City Deal. This funding will provide a revenue contribution to meet Bridgend's share of the overall £120 million local authority capital funding requirement.
- An additional pressure of £94,000 to meet the project management and joint committee costs associated with the City Deal.
- Amendments to the pressures for Autistic Spectrum Disorder provision and the new Waste Collection contract following receipt of additional information.
- A new pressure of £61,000 to meet unavoidable pressures faced by the South Wales Fire and Rescue Authority, for which the Council is subject to an annual levy.
- A new pressure of £400,000 in respect of public realm works.

4.44 Funding was set aside as a budget pressure to pay for the implementation of the Welsh Language Standards in the MTFS 2016-17 to 2019-20. A number of standards were under appeal, so the actual cost could not be determined with accuracy, but were estimated to be significant. The outcome of the appeals is still awaited, along with the appeal against additional standards introduced from September 2017. Should these appeals be unsuccessful the Council would have to meet the costs in the short term from a combination of corporate contingency (normally reserved for emergencies such as extreme weather events) or the Council Fund until recurrent funding could be identified either from further budget reductions elsewhere or Council Tax increases.

Budget Reductions

4.45 Budget reduction proposals totalling £5.852 million have been identified from service

and corporate budgets to achieve a balanced budget. These are detailed in Appendix B. There are a number of changes since the draft budget including:

- Removal of CWD1 Reduction in Levies, £35,000 for 2017-18, following notification by the South Wales Fire and Rescue Authority of an increase of 1% in levy due to unavoidable pressures. This has also led to a need for an additional budget pressure of £61,000.
- Recognition that the budget reduction proposals in respect of Learner Transport are not likely to be fully delivered in 2017-18, due to increases in the number of pupils requiring transport and work required on determining safe routes to schools, so more realistic targets have been included in Appendix B. Consequently the balance of budget reductions required will now be met through a reduction in the budget for the Development Team, following identification of an alternative funding source for this service.
- Removal of the following reductions from the Communities directorate following the consultation and scrutiny process:

COM6	Weed spraying	£15,000
COM22	Carriageway resurfacing	£215,000
COM23	Gully cleaning	£40,000
COM25	Rear lanes overgrowth	£30,000

Corporate Budgets

- 4.46 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

- 4.47 As a minimum, income from fees and charges will be increased by at least CPI (at the prevailing rate, currently 1.6%) plus 1%, subject to rounding, or in line with statutory requirements. Schedules of fees and charges will be reported separately, as usual, under Delegated Powers. New charges or charges that have been included in the 2017-18 budget and are above the general increase are shown in Appendix C.
- 4.48 Council approved a corporate income generation policy in March 2016 which policy aims to set a consistent approach across Council services and outline key principles to be applied. As a key principle, where a decision has been taken to charge for a service, the Council will aim for full cost recovery, except where there is a conscious decision which is consistent with Council priorities, recognising that the service would then be subsidised by Council tax payers.

MTFS Support for Corporate Priorities

- 4.49 Appendix D details the Directorate Base Budgets for 2017-18. The MTFS supports the delivery of the Council's corporate priorities and Table 12 below summarises Directorate budgets which will be used to support these and core services and statutory functions. A more detailed analysis is shown in Appendix E.

Table 12 – 2017-18 Budget by Corporate Improvement Priority

Budget 2017-18 Corporate Improvement Priorities			
Directorate	Corporate Improvement Priorities	Core Services & Statutory Functions	Total
	£'000	£'000	£'000
Education & Family Support	8,508	13,004	21,512
Schools	35,364	51,572	86,936
Social Services and Wellbeing	46,561	18,122	64,683
Communities	3,955	19,903	23,858
Operational and Partnership Services	1,897	13,352	15,249
Chief Executive's and Finance	232	3,654	3,886
Corporate Budgets	138	41,831	41,969
NET BUDGET REQUIREMENT	96,655	161,438	258,093

Council Reserves

- 4.50 The Council's Reserves and Balances Protocol attached at Appendix F sets out the principles used to assess the adequacy of reserves, the rationale for establishing reserves and the arrangements for monitoring reserves. For the last three years, the Council has maintained its Council Fund at a minimum of £7 million and at 31 March 2016 it was £7.604 million, which is 2.32% of Gross Revenue Expenditure (GRE) compared to a Welsh average of 2.96% for the same period. If the Council Fund was used to cover GRE, it would last 8.5 days compared to a Welsh average of 10.8 days. Against that background and in the face of continued uncertainty regarding the economy and public finances, it is recommended that the Council seeks to increase its Council Fund to 2.7% of GRE (£8.840 million based on 2015-16) by the end of the MTFS period. This will be monitored and will depend upon financial performance during future periods and the need to cover against specific risks as they arise through the earmarked reserves process.
- 4.51 In accordance with the Protocol, a review of the Council's financial risks, pressures and reserves was undertaken at period 6 and period 9 in 2016-17. Appendix F also sets out the forecast movement in the Council's Earmarked Reserves and the Council Fund by the end of 2016-17 and 2017-18. At this point the forecast movement to 31 March 2017 is an increase of £418,000 to the Council Fund based on the period 9 revenue monitoring and an overall reduction in Earmarked Reserves of £1.451 million on the assumption of:
- The forecast drawdown of £1,368,000 from the Directorate Issues 15-16 Reserve either by Directorates or as a result of any reserve that is no longer required being unwound;
 - The drawdown or unwinding of the current Asset Management Reserve for demolitions and the increase of the reserve to £0.5 million to allow further necessary demolitions going forward;
 - The addition to the Looked After Children Reserve of £1 million at period 9 and the drawdown of £788,000;

- The net release of £2.08 million from the Major Claims Reserve following a reassessment of outstanding liabilities;
 - The forecast drawdown of £345,000 from the Change Management fund in respect of a number of projects including the remodelling of Adult Social Care;
 - The increases of existing Earmarked Reserves and creation of new reserves that took place during the period 6 and period 9 review including increase of the MTFS Contingency Reserve back to £1 million and the creation of a Public Realm Works Reserve;
 - The reclassification of £0.5 million between the Insurance Earmarked Reserve and the Insurance Provision, the drawdown of £0.2 million towards health and safety works both partly offset by an insurance rebate of £0.17 million; and
 - The addition of £1 million into the Service Reconfiguration Reserve for Extra Care provision and £1m for redundancy costs necessary to support MTFS savings.
- 4.52 In line with the Protocol, a further review will be undertaken at the end of the current financial year and transfers made at this point taking account of the overall financial position of the Council including the final out-turn, actual accrued Council Tax income, Earmarked Reserve levels, the Council Fund level and any new pressures or risks that need to be provided for. At this time Directors will be invited to submit earmarked reserve requests to meet any specific unfunded pressures that they expect to arise in 2017-18 and these will be considered in the context of Directorate outturn positions as well as that of the Council as a whole. In advance of that process the forecast movement in reserves for 2017-18 assumes:
- An overall reduction in Earmarked Reserves of £11.654 million during 2017-18;
 - The full drawdown of a number of reserves including the Safe Routes to Schools Reserve, the Waste Management Contract and Awareness Reserves and the Property Reserve;
 - The drawdown of the Capital Programme Contribution Reserve, Capital Feasibility Reserve and Asset Management Reserve in line with the current Capital Programme expenditure profile; and
 - The drawdown of the Change Fund reserve in line with amounts allocated for the 2017-18 financial year.

It does not include the potential increase of reserves for 2017-18 as a result of fortuitous underspends within the year.

Table 13 – Summary of Usable Earmarked Reserves

Opening Balance 1 April 2016 £'000	Reserve	Movement 2016-17 £'000	Closing Balance 31 March 2017 £'000	Movement 2017-18 £'000	Closing Balance 31 March 2018 £'000
7,604	Council Fund Balance	418	8,022*	-	8,022*
38,387	Total Earmarked Reserves	(1,451)	36,936	(11,654)	25,282
45,991	Total Usable Reserves	(1,033)	44,958	(11,654)	33,304

* The increase in Council Fund balance is based on the Period 9 projection for 2016-17.

Capital Programme and Capital Financing Strategy

- 4.53 This section of the report deals with the proposed Capital Programme for 2016-17 to 2026-27, which forms part of, but extends beyond the MTFS. It also covers the Council's capital financing strategy. Both have been developed in line with the MTFS principles and reflect the Welsh Government capital settlement for 2017-18. The Programme has been revised since the draft budget report to Cabinet on 29 November to take into account proposed new capital schemes following a review of the Council's capital investment requirements.

Capital Programme 2016-17 to 2026-27

- 4.54 Appendix G sets out the proposed Capital Programme for the period 2016-17 to 2026-27. The Welsh Government capital settlement for 2017-18 provides General Capital Funding (GCF) for the Council of £6.288 million in 2017-18, of which £3.909 million is un-hypothesised supported borrowing and the remainder £2.379 million is 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 years after 2017-18, but this will be indicative only.
- 4.55 The Programme was last revised in October 2016. Since then a review has been underway to identify the Council's capital investment requirements, compared to available capital, against the following four criteria:
- Link to corporate priorities;
 - Level of risk associated with investing (in terms of impact on service delivery, ability to meet MTFS budget reductions, and prevention of building failure and closure);
 - Budgetary provision for any additional revenue costs arising from the scheme;
 - Payback period (where appropriate).
- 4.56 Following a rigorous appraisal process and a review of the limited amount of funding available, the schemes set out in Table 14 are proposed to be included within the Capital Programme for 2017-18 onwards. A number of schemes are subject to Cabinet approval of business cases and/or confirmation of external funding and will only proceed once these agreements are secured. Furthermore, there are potentially large capital pressures for which funding has not currently been identified. These include (but are not limited to) significant highways schemes, 21st Century Schools band B and a permanent depot solution. Difficult decisions may be required in future years around their prioritisation against a scarcity of funding

Table 14 – Proposed New Capital Schemes

Project Title	Scheme Outline	Total Scheme Cost £'000	Estimated BCBC Funding Required £'000	Other Funding Sources
Bridgend Science Park	Replacement of drain / roadway at Unit 1 Science Park	200	200	
Highways Retaining Wall, Bettws	Replacement Highway Retaining Wall at Bettws Road, Bettws	175	175	
Complex and Medical Needs	Accessibility works to meet complex and medical needs at 5 secondary schools.	600	600	
Cardiff Capital Region City Deal	An agreement between UK government, Welsh Government and 10 local authorities to invest £1.2 billion in the Cardiff Capital Region's infrastructure.	46,724	11,328	UK Government £35.396 million
Laptop Replacement	Replacement of laptops that are life expired	550	275	Prudential Borrowing 50%

- 4.57 Subsequent to further funding becoming available, additional projects may be added to the capital programme during the next financial year. However, this will be subject to retaining a contingency amount of capital receipts to meet any unforeseen risks.
- 4.58 The Capital Programme also contains a number of fixed annual allocations that are met from the total general capital funding for the Council. These annual allocations have been reviewed as part of the capital planning process and it is proposed that they remain at current levels for 2017-18, as follows:
- Highways and Transportation Capitalised Repairs – given the backlog of repairs and maintenance of highways it is recommended that this annual allocation be maintained at the current level;
 - Disabled Facilities Grants and Housing Renewal Schemes – Cabinet agreed in September 2015 to amend the Private Sector Housing Renewal and Disabled Adaptations Policy, which this funding supports, to amend two existing grants (Empty Homes Grant and Assistance to RSLs), and to include a new grant – the Home Security Grant to assist people suffering from domestic abuse. It is proposed to keep these allocations at existing levels;
- There has been slippage against this budget in recent years, due to delays in Occupational Therapy referrals, so the service is cautious not to reduce this budget in case it cannot meet the cost of referrals;
- Strategic Regeneration Fund (SRF) allocations are committed to projects up to 2020-21 to provide matched funding for the Welsh Government's Structural Funding Programme 2014-20. As outlined in the report to Council in July 2014 this provides flexibility in the Capital Programme to enable the Council to take advantage of and maximise external funding opportunities, mitigate funding

shortfalls which can occur between grant bid and offers stages and provide some contingency for additional spending pressures on regeneration projects.

- Minor works – The Capital Programme currently includes an allocation of £1.1 million to tackle the backlog of capital minor repairs and maintenance works in the Council's existing buildings and non-buildings infrastructure, as well as energy management, fire prevention and DDA capital schemes. There is also a £450,000 revenue budget available to meet revenue repairs and maintenance. The revenue budget was reduced by £150,000 in 2016-17 as part of the MTFS following rationalisation of administrative assets, so it is proposed to maintain the capital allocation at this level. The Corporate Property Group is responsible for allocating this funding to projects during the financial year.
 - Since 2008-09 Town and Community Councils have been able to apply for match funding from the Council for local projects and as a result a number of worthwhile community projects have been developed. In October 2015, Council agreed to increase the funding in the Capital Programme to £100,000 to support Community Asset Transfer (CAT).
 - In February 2014 Council confirmed its commitment to contribute £1 million per year from core capital funding (£5 million total across the life of the 21st Century Schools Programme), as part of the local authority matched funding contribution for the Programme.
- 4.59 This brings the total commitment to 96.5% of the 2017-18 General Capital Funding, as shown in Table 15 and leaves a balance of general capital funding of £218,000:

Table 15 – 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

Capital Programme link to the Corporate Priorities

- 4.60 Table 16 outlines how the Council is using its capital programme to support the new corporate priorities.

Table 16 – Capital Programme by Improvement Priority

Improvement Priority	Revised 2016-17 £000	2017-18 £000	2018-19 £000	2019-20 to 2026-27 £000	Total £000
1. Supporting a Successful Economy	6,705	14,611	5,631	44,751	71,698
2. Helping People to be more Self-Reliant	3,489	5,452	2,380	19,040	30,361
3. Making Smarter Use of Resources	13,968	41,951	3,198	4,738	63,855
Core Services & Statutory Functions	2,735	1,840	1,550	25,592	31,717
TOTAL	26,897	63,854	12,759	94,121	197,631

Supporting a Successful Economy

- 4.61 The proposed capital programme includes a number of projects which will help to support a successful economy by, for example, investing in the three main towns in the County Borough through infrastructure investment, regeneration and town centre developments. This also involves investing in works to ensure our highways network remains accessible, and is not hampered by road closures to towns and industrial centres. Funding has been provided to replace a highways retaining wall in Bettws, which is necessary for safety reasons and proactive investment before the infrastructure deteriorates further. This both reduces the scheme cost and helps to minimise the disruption to residents and local businesses who rely on the local road network.
- 4.62 The 2017-18 MTFS includes as its most significant addition to the capital programme, Bridgend's contribution of £11.3 million towards the overall £1.2 billion Cardiff Capital Region City Deal. Whilst specific projects have not been determined, it is clear that a successful deal will improve the connectivity, skills and job opportunities across the region, and Bridgend's citizens will share in these benefits. There is also specific investment necessary to maintain the science park, which impacts on business and employment, as well as supporting the Council's commercial income portfolio.

Supporting Vulnerable People to Remain Independent

- 4.63 Many enhancement works have been completed in our primary schools to meet the requirements of pupils with complex medical needs, including changing rooms, ramps etc. Works are now required in a number of secondary schools to meet the identified needs of a number of pupils, to improve accessibility to, and in, the schools. This will also include accessibility for other pupils, staff and visitors including out of hours users and groups. There is evidence of increasing demands in all schools across the borough, particularly with changing parental choices and new residents. This both demonstrates our commitment to equalities and supports independence in education.

- 4.64 £2.35 million of annual capital funding is allocated to Disabled Facility Grants which form a recurrent investment in helping people to be more self-reliant and remain in their own homes.

Smarter Use of Resources

- 4.65 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.
- 4.66 The programme is based on the current estimated expenditure profile over the funding period. This is an ambitious programme and it is essential that the planned capital receipts already committed and ring fenced from the sale of school sites to finance the programme are retained for this purpose. Any change to this commitment would require Council approval.
- 4.67 In the meantime, the following projects are included in the Council's approved programme, but funding for each project will not be confirmed until Welsh Government approves the final business case and sufficient capital receipts have been generated:

Table 17 – 21st Century School Programme – Band A

Project	Current Status
Coety / Parc Derwen Primary School	<ul style="list-style-type: none"> • Construction complete – school opened 2nd November 2015 as per the statutory notice. • In defects period.
Special Education Needs Provision	<ul style="list-style-type: none"> • Construction completed – school opened 15th 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	<ul style="list-style-type: none"> • WG approved the Full Business Case. • Entered into an agreement for WG funding's contribution. • Entered into a contract with Andrew Scott Ltd for the construction of the schools. • Pre-commencement planning conditions discharged.

Project	Current Status
	<ul style="list-style-type: none"> • Construction commenced on site on 16th January 17.
Pencoed Primary School	<ul style="list-style-type: none"> • Full business case has been approved by WG. • Tender process underway and due to complete on 10th February 17. • Demolition contract commenced in January 17 and due to be completed by the end of February 17.
Brynmelyn Primary Provision	<ul style="list-style-type: none"> • Contract in the process of being awarded to Bam Construction. • Pre-commencement planning conditions have been discharged. • Contractor currently mobilising with construction commencing prior to the end of February 17.
Mynydd Cynffig Primary School	<ul style="list-style-type: none"> • Outcome of the consultation process reported to Cabinet on 10th January. • Currently reviewing sites/options as approved by Cabinet. • Consultation report to be published on 17th February. • Outcome of review to be reported to cabinet on 28th February.
Heronsbridge Special School	<ul style="list-style-type: none"> • Design of mezzanine floor continuing. • Out to tender March 17.

- 4.68 There is a need to amend the budget for two of the schemes currently within the programme, and the background and reason for this is outlined below:

Brynmelyn Primary School

In June 2015 Cabinet determined to enlarge the existing Brynmelyn Primary School and to relocate the school to the site adjacent to Coleg Cymunedol Y Dderwen with effect from January 2018. Bam Construction Ltd was appointed to undertake the design of the new school via the SEWSCAP Framework and on completion of the design process Cabinet approval was received to appoint the company to construct the school. The £8.15m scheme, which is funded via the 21st Century Schools Programme and BCBC's capital programme, has been subject to the Welsh Government business case process, and has received the necessary approvals.

In recent years, the Council has entered into S106 agreements for primary education contributions from housing developers building within the Valleys Gateway area to create places at Brynmelyn Primary School. Although an amount of £228,382 had been secured via a S106 agreement and also earmarked toward BCBC's contribution in respect of the overall £8.15m cost of the scheme, the education contribution is index linked and has resulted in an increase i.e. £274,058, a net increase of £45,676. In addition, there are a further two S106 agreements for primary education contributions in place, totalling £489,390. In order to bring the project to a successful completion, it is necessary that all of the funding identified from the S106 agreements is used for the Brynmelyn Primary School project, which including the S106

agreements, result in a total project budget of £8,685,066. However, given that construction of the school will commence in the very near future, and the funding arising from the two housing developments are dependent on ‘triggers’, the majority of these contributions will not be received potentially until after the scheme is near completion or has been completed. There is also a risk to the Council that these housing developments are not progressed, and if this occurs, a further report will be brought to Cabinet indicating how the shortfall will be addressed.

Digital Transformation & ICT

When Council approved the budget in March 2016 a prudent estimate of £2.5 million was included within the capital programme, until such time as the tender process was completed and a firmer estimate of future costs known. It is now envisaged that the capital costs will not be as high as anticipated, but that there will be revenue costs to be met instead from the earmarked reserve set aside for this project, including business process reengineering and website re-design. Consequently the amount of funding held within the capital programme will be reduced by £1.5 million to £1 million total, and the balance of the earmarked reserve held to fund revenue costs.

- 4.69 Other schemes included within the programme are focused on maximising the use of ICT and other assets to provide a better quality of service at the same or reduced cost, including the replacement of life expired assets, which are now out of the support period.

Capital Financing Strategy

- 4.70 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

- 4.71 The Council estimates that around £21 million could be generated as part of the enhanced disposals programme, which commenced in 2014, with circa £14.3 million already delivered, and circa £6.7 million to be realised over the next 3 years (2017-2020). It is anticipated that £1.5 million is expected to be realised by the end of 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

- 4.72 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 £35.8 million by the end of this financial year. In addition, the resourcing of a number of schemes within the programme has been changed, for example between parks pavilions and civic offices external envelope works, but this has not changed the overall level of funding or level of prudential borrowing requirement.

- 4.73 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.

Treasury Management Strategy 2017-18

- 4.74 The Council adopted the Chartered Institute of Public Finance and Accountancy's (CIPFA's) 'Treasury Management in the Public Services: Code of Practice' 2011 Edition (the CIPFA Code) in February 2012 which requires the Council to approve a Treasury Management Strategy before the start of each financial year. In addition to the CIPFA Code, the Welsh Government (WG) issued revised 'Guidance on Local Authority Investments' in March 2010 that requires the Council to approve an Investment Strategy before the start of each financial year. The Treasury Management Strategy 2017-18 (TMS) in Appendix H fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the WG Guidance.
- 4.75 The CIPFA Code and CIPFA's 2011 'Prudential Code for Capital Finance in Local Authorities' (amended 2012) requires the Council to set a number of Treasury Management and Prudential Indicators and the TMS 2017-18 revises some of the indicators for 2016-17, 2017-18, 2018-19 and 2019-20 and introduces new indicators for 2020-21 which are detailed in Appendix H – Schedule A. The indicators either summarise the expected activity or introduce limits upon the activity, and reflect the underlying capital programme.
- 4.76 The 'Local Authority (Capital Finance and Accounting) (Amendment) (Wales) Regulations 2008', require the Council to produce and approve an Annual Minimum Revenue Provision (MRP) Statement before the start of the financial year. Where a Council finances capital expenditure by debt, it must put aside revenue resources to repay that debt in later years and this amount charged to revenue is called the Minimum Revenue Provision (MRP) and is detailed in Appendix H – Schedule B.

5. Effect on Policy Framework and Procedure Rules

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

6. Equality Impact Assessment

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

for 2017-18 proposed budget reduction proposals which may impact on certain groups of citizens within the County Borough.

7. Financial Implications

- 7.1 This report outlines the financial issues that Council is requested to consider as part of the 2017-18 to 2020-21 MTFS. The Council's Section 151 Officer is required to report annually on the robustness of the level of reserves. The level of Council reserves is sufficient to protect the Council in light of unknown demands or emergencies and current funding levels. It must be emphasised that the biggest financial risks the Council is exposed to at the present time relate to the uncertainty of Welsh Government funding, the increasing difficulty in the delivery of planned budget reductions as well as the identification of further proposals. Therefore, it is imperative that the Council Fund balance is managed in accordance with the MTFS Principle 8 in paragraph 4.22 above and essential that revenue service expenditure and capital expenditure is contained within the identified budgets.
- 7.2 The Section 151 Officer is also required to report to Council if he does not believe that he has sufficient resource to discharge his role as required by s114 of the Local Government Act 1988. Members should note that there is sufficient resource to discharge this role.
- 7.3 The budget includes estimates which take into account circumstances and events which exist or are reasonably foreseeable at the time of preparing the budget. The budget has been prepared following consultation with Members, the School Budget Forum and service managers. Subject to the risks identified in the body of the report the MTFS provides a firm basis for managing the Council's resources for the year 2017-18 and beyond.

8. Recommendations

- 8.1 Cabinet is asked to approve the MTFS 2017-18 to 2020-21 including the 2017-18 revenue budget, the Capital Programme 2016-17 to 2026-27 and the Treasury Management Strategy 2017-18 and recommend these to Council for adoption. In particular it is asked to approve that the following specific elements are forwarded to Council for approval:
- The MTFS 2017-18 to 2020-21
 - The Net Budget Requirement of £258,093,302 in 2017-18.
 - A Band D Council Tax for Bridgend County Borough Council of £1,335.42 for 2017-18 (Table 11).
 - The 2017-18 budgets as allocated in accordance with Table 9 in paragraph 4.36.
 - The Capital Programme 2016-17 to 2026-27 (Appendix G).
 - The Treasury Management Strategy 2017-18 and Treasury Management and Prudential Indicators 2017-18 to 2020-21 (Appendix H).

Darren Mepham
Chief Executive

Randal Hemingway CPFA
Head of Finance and Section 151 Officer

14 February 2017

Contact Officer:
Deborah Exton CPFA
Group Manager – Financial Planning and Budget Management
Ext.3604. E_mail: deborah.exton@bridgend.gov.uk

Background Papers:
Final Local Government Revenue and Capital Settlements 2017-18
Cabinet Report – MTFS 2017-18 to 2020-21 – 29 November 2016
Provisional Local Government Revenue and Capital Settlements 2017-18

BUDGET PRESSURES 2017-18

APPENDIX A

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.	263
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 children's 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	Increased budget requirement to meet cost of new waste collection contract.	1,069
Communities	Core services & statutory functions	Waste	Environment and Sustainable Development Grant - To mitigate the reduction from Welsh Government, which provides financial support for waste collection and recycling activities.	186
Communities	Core services & statutory functions	Public Realm	Environment and Sustainable Development Grant - To replace services displaced as a result of additional commitments placed on the authority from Welsh Government, such as the need to fund an ecologist.	42
Communities	Supporting the Local Economy	Public Realm	Public Realm fund, to be directed towards such areas of greatest need such as highways and other public realm maintenance, match funding for Town and Community Council schemes and renovation of playgrounds, by way of example.	400
Communities	Supporting the Local Economy	Public Realm	Local Authority revenue contribution to capital expenditure on the Cardiff Capital Region City Deal.	598
Communities	Supporting the Local Economy	Public Realm	Project Management / Joint Committee costs for the Cardiff Capital Region City Deal.	94
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	Fire Service Precept	Increase in precept by 1% to meet additional pressures faced by the service.	61
Corporate	Core services & statutory functions	HR Payroll	Apprenticeship Levy of 0.5% on total council payroll.	700
Total Budget Pressures				5,063

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IMPROVEMENT PRIORITY

IP1 - Supporting a successful economy

IP2 -Helping people to be self-reliant

IP3 -Smarter use of resources

NONPTY-Core services & statutory functions

CATEGORIES

BUR- Making Best Use of Resources

MSR- Managed Service Reductions

CST - Collaboration and Transformation

PC - Policy Changes

RAG STATUS KEY

RED Proposals not fully developed and include high delivery risk

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%		20	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	6%	200	40			
EFS3	Wise	IP3	BUR	Achieve full cost recovery 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		
EFS4	Wise	IP3	BUR	Reduction in budget for Development Team	Alternative funding source has been identified to enable the budget to be reduced without impacting on delivery	238	29%		68			
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			

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EFS7	Corporate Business	IP3	BUR	To review the Built Environment Service Level Agreement with Schools to achieve full cost recovery.	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. 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. 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.	135	55.6%	44	31				
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				

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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%						
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%						
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%						
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%						

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EFS24	Corporate Business	IP3	BUR	It is proposed to undertake a restructure to Business/Management Support to look for efficiencies.	• 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

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			

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640												
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			
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
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			

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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	MSR	MSR	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 year - 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 early to be overly confident about the potential savings hence the 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

COMMUNITIES

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Page 51													
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 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				
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				
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		

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Page 52													
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 - continued and accelerated investment in energy efficiency programme to upgrade street lighting, combined with shut off and dimming where upgrades are not cost effective (subject to risk assessments).	Investments subject to acceptable business case and availability of capital funding. Risk that poor business case may necessitate saving to be made through more shut off / dimming, resulting in risk to community safety and public concern, possible impact on learner travel routes , town centre night time economy and increased antisocial behaviour.	1,482	34%		250	250			

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COM16	Place	IP3	MSR	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. 2018/19 -£40k cut in commissioning budget to support 3rd Sector with Community Asset Transfer. This is part of the Strategic Regeneration Fund. 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.	These cuts will result in further erosion of support for the tourism sector in the County 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.	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	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.	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. Failure to reach agreement with NPT on the Council's financial contribution to the costs of supporting the MREC. Intervention by the Welsh Government and or changes in legislation in the waste management sector.	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				
COM24	Place	IP3	BUR	AD procurement - Reduction in budget through savings in the treatment of the Council's 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)	Failure to secure a compliant tender and to close the procurement with a provider. Intervention by the Welsh Government which prejudices the procurement. Failure to agree and implement a MOU between CCS and BCBC.	318	31%		100				
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		

Budget Reduction Proposals 2017-18 to 2020-21

APPENDIX B

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	
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						806	796	824	70

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	Future years reductions subject to negotiation with WAO and dependent upon continued control improvements	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				

Budget Reduction Proposals 2017-18 to 2020-21

APPENDIX B

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
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		

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%	51	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		
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Budget Reduction Proposals 2017-18 to 2020-21

APPENDIX B

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
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	
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. High risk as this contravenes recent trend.	6,959	3%	23	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				407	442	442	442	
				GRAND TOTAL REDUCTIONS				5,852	4,464	2,633	1,456	
ESTIMATED BUDGET REDUCTION REQUIREMENT (MOST LIKELY)												
				REDUCTION SHORTFALL				0	5,010	6,290	7,139	
								2,393	174	50	0	
								2,774	3,666	1,437	1,014	
								685	624	1,146	442	
								5,852	4,464	2,633	1,456	

Type of Charge	Comment	Detail of Revised / New Fee or Charge															
EDUCATION AND FAMILY SUPPORT DIRECTORATE																	
School Meals	<p>It is proposed to increase the cost of a meal price by 10p. The last rise was September 2013 (10p) so by the proposed implementation date of April 2017 for secondary schools and September 2017 for primary schools the LA would have had 4 years without a price increase.</p> <table border="1"> <thead> <tr> <th></th><th>Nursery</th><th>Infant</th><th>Junior</th><th>Secondary Price</th></tr> </thead> <tbody> <tr> <td>Current</td><td>£2.10</td><td>£2.10</td><td>£2.10</td><td>£2.40</td></tr> <tr> <td>Proposed</td><td>£2.20</td><td>£2.20</td><td>£2.20</td><td>£2.50</td></tr> </tbody> </table> <p>A review of school meal prices across Wales has shown that Bridgend currently charges below the average for primary meals, with the highest charge of £2.40 levied in Carmarthen and Rhondda Cynon Taff, and £2.30 charged in a number of other authorities. The lowest charge is currently £1.90 per meal.</p>		Nursery	Infant	Junior	Secondary Price	Current	£2.10	£2.10	£2.10	£2.40	Proposed	£2.20	£2.20	£2.20	£2.50	10p increase across the board
	Nursery	Infant	Junior	Secondary Price													
Current	£2.10	£2.10	£2.10	£2.40													
Proposed	£2.20	£2.20	£2.20	£2.50													
SOCIAL SERVICES AND WELLBEING DIRECTORATE																	
Adult Social Care	Whilst charges are adjusted annually in light of the anticipated year's costs of providing services, it is a requirement that the charges reflect the actual costs of delivering services. It is therefore not possible to increase costs simply on the basis of an inflationary amount. Irrespective of the calculated charges for services, the amount an individual pays for any services is based on a financial means test, and for non-residential services is capped in line with the Fairer Charges (Wales) regulations. Welsh Government is proposing an increase in the cap to £70 for 2017-18 irrespective of the total cost of all services provided to an individual.	TBA															
COMMUNITIES DIRECTORATE																	
Porthcawl Marina Mooring Fees	Plans to increase the fees for berth holders to 7.5% as part of a progressive approach to reducing the subsidy on the Marina. During 2015-16 the Marina was required to pay Business Rates which had not been the case prior to the redevelopment of the facility. The charges for berth holders remain competitive when compared to other facilities across the coast. There is also a waiting list in operation for people wanting to occupy vacant berths that arise.	7.5% increase															

Property Transaction Fees

Non-operational estate:
 Industrial Estates, Science Park and Innovation Centre: General alterations or additions / consent to under let/ consent to assign / licences to mortgage / consent to alter existing arrangements (Currently £250)

£400

Retail portfolio, markets and starter units: New lettings / general alterations or additions / consent to assign or underlet / licences to mortgage / consent to alter existing agreements (Currently £150)

£250

Disposals:

Sale Consideration	Current	Recommended
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Up to £10,000	£250	£500
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Up to £20,000	£250	£750
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Up to £50,000	£500	£750
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Up to £100,000	£500	£1,000
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Up to £500,000	£750	1%
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Up to £2,000,000	£5,000	1%
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The Council enters into property transactions with third parties on a commercial basis and charges a fee for the property surveyor and legal costs incurred. The Property surveyor fees have remained static for some years. A review of local authority property transaction fees was undertaken last year and in light of these results it is proposed that the fees are increased in line with these charges. On the face of it the uplift in fees charged is fairly substantial compared with current charges. However, even the proposed fees will not generally cover costs on many of the non-operational property management matters and lower value disposals; and private sector land owners would be likely to charge significantly more.

DIRECTORATE BASE BUDGETS BY SERVICE AREA

APPENDIX D

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	Revised Budget 2016-17	Specific Grant Transfers from WG	Inter Directorate Transfers	Pay/Prices/ Demographics	Adjustments for budget switches between and within Directorates	Inescapable Budget Pressures 2017-18	Budget Reduction Proposals 2017-18	Revenue Budget 2017-18
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
AREA OF SERVICE (AOS)								
<u>Education & Family Support</u>								
AOSCAA -INCLUSION	3,360	45		28	-445	263	-75	3,176
AOSCAB -FOUNDATION	1,086			5	7		-105	993
AOSCAC -YOUTH SERVICE	517			15	-30			502
AOSCAD -TRANSITION								0
AOSCAE -POST-14								0
AOSCAF -STATUTORY ADVICE & PSYCHOLOGY	469			5	-12		-75	387
AOSCG -EMOTIONAL HEALTH & BEHAVIOUR	1,443			5	-50			1,398
AOSCAH -SCHOOL IMPROVEMENT	966			1	-165		-68	734
AOSCAI -SCHOOLS MUSIC SERVICE								0
AOSCBA -STRATEGIC PLANNING & RESOURCES	4,105			15				4,120
AOSCBB -BUSINESS STRATEGY & SUPPORT	344			9	-8		-74	271
AOSCBC -SUPPORT FOR CHILDREN&LEARNERS	5,166		148	108	722		-139	6,005
AOSCBD -COMMISSIONING & PARTNERSHIPS	1,057			15	-19			1,053
AOSCBF -STRATEGIC MANAGEMENT	1,438						-10	1,428
AOSCBG -YOUTH OFFENDING SERVICE	356			10				366
AOSCDA -CLIENT ACCOUNTS (CHILDREN)	0							0
AOSCHB - ENERGY	103			4				107
AOSCHC - ARCHITECTS	39			7				46
AOSCHD - MECH & ENGINEERING	165			7				172
AOSCHE - SURVEYORS	445		76	13			-31	503
AOSCHF - HEALTH & SAFETY	249			2				251
	21,308	45	224	249	0	263	-577	21,512
Schools								
AOSCBE - INDIVIDUAL SCHOOLS BUDGET	86,901	-45	-256	1,205			-869	86,936
	86,901	-45	-256	1,205	0	0	-869	86,936
Social Services & Wellbeing								
AOSBAA - OLDER PEOPLE	19,633	206		787	10		-971	19,666
AOSBAB - ADULT PHYS DIS/SENS IMPAIRMENT	3,920			17	2		-67	3,872
AOSBAC - ADULTS LEARNING DISABILITIES	12,753			204	-2		-407	12,548
AOSBAD - ADULTS MENTAL HEALTH NEEDS	2,728			52	-35		-130	2,616
AOSBAF - OTHER ADULT SERVICES	216			1	-8			210
AOSBAG - ADULT SERVICES MGT & ADMIN	2,186	136		46	-9	89		2,448
AOSBEA - CHILDRENS SERVICES (SAFEGUARDING)	17,573			120	14	776	-260	18,223
AOSBBH - RECREATION AND SPORT	2,336		3,138	9	27		-409	5,101
	61,345	342	3,138	1,237	0	865	-2,244	64,683
Communities								
AOSDAA -DEVELOPMENT	301			9				310
AOSDAC -REGENERATION	1,751			17	-3	695	-81	2,379
AOSDAD -REGEN & DEVELOP-MGMT	127			1	2			130
AOSDBA -STREETWORKS	8,018			40	-10	1,287	-300	9,035
AOSDBB -HIGHWAYS AND FLEET	6,051			47	-4	756	-216	6,634
AOSDBC -TRANSPORT & ENGINEERING	911	131	-148	26	10		-100	830
AOSDBE -PARKS & OPEN SPACES	2,010			49	27			2,086
AOSDBF -STREET SCENE MGT & ADMIN	326			3	-25			304

DIRECTORATE BASE BUDGETS BY SERVICE AREA

APPENDIX D

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	Revised Budget 2016-17	Specific Grant Transfers from WG	Inter Directorate Transfers	Pay/Prices/ Demographics	Adjustments for budget switches between and within Directorates	Inescapable Budget Pressures 2017-18	Budget Reduction Proposals 2017-18	Revenue Budget 2017-18
AREA OF SERVICE (AOS)								
AOSDCA -BUSINESS UNIT	522				5			527
AOSDEA -ADULT LEARNING	177				2	1	-70	110
AOSDED -COMMUNITY CENTRES	86						-39	47
AOSDEF -CENTRAL SERVICES	3,138		-3,138					0
AOSDFA -ELECTIONS	132					1		133
AOSDGA -FACILITIES MANAGEMENT	1,258				52	-34		1,276
AOSDGB - MISC PROPERTY	1,258					1		-48
AOSDGC - PROPERTY ADMIN	831				6	-3		834
AOSDGD - COMMERCIAL INCOME	-768				2	37		-729
	24,822	131	-3,286	259	0	2,738	-806	23,858
Operational & Partnership Services								
AOSEAB -HOUSING & COMMUNITY REGEN	1,329	235			9		-50	1,523
AOSEDA -LEGAL SERVICES	2,514				37		-97	2,454
AOSEDB -DEMOCRATIC SERVICES	1,542						285	1,827
AOSEDC -SCRUTINY								0
AOSEDD -PROCUREMENT	276				2			278
AOSEEA -HR&ORGANISATIONAL DEVELOPMENT	2,155				19		-61	2,113
AOSEEB -CUSTOMER SERVICES	1,369				11		-67	1,313
AOSEEC -BUSINESS SERVICES								0
AOSEFA -ICT	3,716				91		125	-180
AOSEG A -TRANSFORMATION	239				3			220
AOSEIA -REGULATORY SERVICES	1,488	3			17		-20	1,488
AOSEIB -PARTNERSHIPS	316				3		-38	281
	14,944	238	0	192	0	410	-535	15,249
Chief Executives/Finance								
AOSAAA -CHIEF EXECUTIVE	645						-132	513
AOSAAB -INTERNAL AUDIT	372						-60	312
AOSAIB -FINANCE	3,216				41		26	-222
	4,233	0	0	41	0	26	-414	3,886
Service Base Budgets								
CAPITAL FINANCING	10,128				56			10,184
LEVIES	6,959						61	7,020
REPAIRS & MAINTENANCE	900							900
COUNCIL TAX REDUCTION SCHEME	14,304				250		-300	14,254
APPENTICESHIP LEVY	0						700	700
SLEEP INS	271							271
PENSION RELATED COSTS	1,258							1,258
INSURANCE PREMIUMS	1,559							1,559
OTHER CORPORATE BUDGETS	5,959	1,113	124	-1,266			-107	5,823
TOTAL BUDGETS	254,891	1,824	0	2,167	0	5,063	-5,852	258,093

2017-18 DIRECTORATE BASE BUDGETS IN LINE WITH CORPORATE PRIORITIES					
Service Budgets	Supporting a successful economy £'000	Helping people to be more self-reliant £'000	Smarter use of resources £'000	Core services & statutory functions £'000	TOTAL £'000
Education & Family Support	7,361	1,147	0	13,004	21,512
Schools	35,364	0	0	51,572	86,936
Social Services and Wellbeing	3	46,387	171	18,122	64,683
Communities	3,952	3	0	19,903	23,858
Operational and Partnership Services	3	1,441	453	13,352	15,249
Chief Executive's and Finance	0	0	232	3,654	3,886
Corporate Budgets	138	0	0	41,831	41,969
NET BUDGET REQUIREMENT	46,821	48,978	856	161,438	258,093

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Reserves and Balances Protocol

1. Background

- 1.1 Bridgend County Borough Council is required to maintain adequate financial reserves to meet the needs of the organisation. The purpose of this protocol is to set out how the Council will determine and review the level of its Council Fund balance and Earmarked Reserves. The policy has regard to LAAP Bulletin 99 'Local Authority Reserves and Balances', issued in July 2014.
- 1.2 The requirement for local authorities to hold financial reserves is acknowledged in statute. Reserves are one component of an authority's medium-term financial planning—other components include revenue spending plans, income forecasts, potential liabilities, capital investment plans, borrowing and council tax levels. These decisions are inter-linked. This means that, to ensure prudent financial management, some authorities will need to maintain reserves at higher levels than others.
- 1.3 Section 32 and 43 of the Local Government Finance Act 1992 require local authorities in Wales to have regard to the level of reserves needed to meet estimated spending when calculating the budget requirement. Section 25 of the Local Government Act 2003 requires:-
- the Chief Finance Officer to report to members on the budget including the adequacy of reserves; and
 - Members to have regard to the Chief Finance Officer's report in making their decisions.
- 1.4 As a result, in reviewing medium-term financial plans and preparing annual budgets, the Council will consider the establishment and maintenance of reserves for the Council Fund. The nature and level of reserves will be determined formally by the Council, informed by the judgement and advice of the Chief Finance Officer (CFO).

2. Types of Reserve

- 2.1 The Council will maintain the following usable reserves:

Nature of Reserve	Description
Council Fund	to manage the impact of uneven cash flows and unexpected events or emergencies;
Earmarked Reserves	to meet known or predicted requirements and include Insurance Reserves, Earmarked Reserves will be established on a "needs" basis, in line with planned or anticipated requirements;
Delegated School Balances	these represent the cumulative effect of over and under-spending on school delegated budgets not available to the Council;
Equalisation Reserves	to meet future Public Finance Initiative (PFI) costs arising from advance payments of Revenue Support Grant or spread the costs incurred in a particular future year over the period of the Medium Term Financial Strategy (MTFS); and
Capital Receipts Reserve	this has been shown for completeness as it forms part of the Usable Reserves of the Council. Capital Receipts are available to finance capital expenditure in future years.

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

3. Regulatory Framework

- 3.1 It is the responsibility of the CFO to advise local authorities about the level of reserves that they should hold and to ensure that there are clear protocols for their establishment and use. CIPFA do not accept the case for introducing a generally applicable minimum level of reserves either as an absolute amount or a percentage of budget. It is for the local authority to make their own judgements based on relevant local circumstances.
- 3.2 For each Earmarked Reserve there needs to be a clear protocol setting out:-
- The reason for / purpose of the Reserve
 - How and when the Reserve can be used
 - Procedures for the Reserve's management and control
 - A process and timescale for review

4. Principles to Assess the Adequacy of Reserves

- 4.1 The CFO will advise the Council on the adequacy of reserves. In considering the general reserve, or Council Fund, the CFO will have regard to:
- the strategic financial context within which the Council will be operating through the medium-term;
 - the overall effectiveness of governance arrangements and the system of internal control;
 - the robustness of the financial planning and budget-setting process;
 - the effectiveness of the budget monitoring and management process.
- 4.2 CIPFA guidance on Local Authority Reserves and Balances advises that a statement reporting on the annual review of earmarked reserves should be made to Council, at the same time as the budget is approved. Within the Council's Medium Term Financial Strategy (MTFS), there are a number of main principles that relate to reserves. These are detailed below:-

MTFS Principle 8

The Council Fund balance will be maintained at a minimum of £7 million over the MTFS period and reach 2.7% of Gross Revenue Expenditure by 2020-21

The Council Fund balance provides resources for purposes such as general contingencies and cash flow management. It acts as a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing. It acts as a contingency to cushion the impact of unexpected events or emergencies. This is in accordance with CIPFA's Guidance Note on Local Authority Reserves and Balances. The Council Fund balance at the 31 March 2016 was £7.604 million (£7.450 million 14-15). This represents 2.32% of gross revenue expenditure for 2015-16 in comparison with the All Wales average of 2.96% for the same period with the percentages ranging from 0.93% to 5.67% across Wales.

MTFS Principle 2

Adequate provision is made to meet outstanding and reasonably foreseen liabilities

The Council holds a number of earmarked reserves to cover potential liabilities or for unforeseen events and include the Insurance Earmarked Reserve and a Major

Claims Reserve. These are reviewed throughout the year and the balances are adjusted at the end of the financial year based on the most up to date information of potential outstanding liabilities. This process includes analysis of external assessments or actuary reports on the levels needed for the insurance or pension funds. The Council also holds an Insurance Provision to meet the estimated cost to the Council of outstanding liabilities for Employer's Liability, Public Liability and Property.

MTFS Principle 7

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

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

MTFS Principle 9

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

In order to support sound option appraisals a Capital Feasibility earmarked reserve has been created. Capital investment is intrinsic in the MTFS and as a result there are also Earmarked Reserves that support asset management planning, fund capital minor works in relation to health and safety. Also there is an earmarked reserve to support major schemes within the Capital Programme of the Council. Additions have been made during 2016-17 to provide for significant capital pressures over the MTFS period.

MTFS Principle 12

Resources are allocated to deliver the Bridgend Change Programme based on clear strategic plans that are kept under review by Corporate Directors to maintain alignment with the MTFS and a MTFS Budget Reduction Contingency is maintained.

The MTFS proposed the establishment of a Change Management Programme Earmarked Reserve specifically to support delivery of the Corporate Plan and MTFS. There are also some other earmarked reserves which are supporting service reconfiguration and digital transformation.

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

5. Establishment and Monitoring of Reserves

- 5.1 In considering specific reserves, the CFO will have regard to matters relevant in respect of each reserve, and will advise the Council accordingly. The process for the determination of Directorate reserves will be based upon the principles of effective financial management. The agreement of business cases will be determined by the CFO, having considered the recommendations of the Corporate Management Board.
- 5.2 Directorate Finance Officers are issued with details of how to apply for Earmarked Reserves within the Closing of Accounts Pack for the financial year. The Pack includes guidance as follows :- "For a request to be approved, there must be a firm commitment / policy decision, i.e. order raised or committee minute. The requested amount must be material and should be restricted in number to those considered to be of key importance. Subject to these criteria being met, the Directorate will be informed of whether the requests have been approved."
- 5.3 The CFO/Section 151 Officer and Group Managers Finance will review the establishment, monitoring and the level of Corporate Reserves. These include Specific Contingency Reserves, Capital Development or Asset Related Reserves and MTFS/Transformational Reserves. The meetings will examine evidence from external information such as actuary reports or insurance and risk management assessments; changes in legislation; new emerging risks or capital initiatives. The establishment of the Earmarked Reserves, both Directorate and Corporate, is authorised by CFO and reported to Cabinet within the Quarterly Monitoring Reports during the financial year and within the Statement of Accounts for any set up at the end of the financial year. The draft accounts are presented to Audit Committee in June following the end of the financial year. They are then scrutinised by External Audit and a revised post- audit Statement of Accounts is reported to Audit Committee by the end of September.
- 5.4 The CFO will monitor the drawdown of specific reserves in accordance with the agreed policy, and keep Members advised, through normal monitoring reports. Reserves can only be used once and should not be held to fund ongoing expenditure (MTFS Principle 7). This would be unsustainable as, at some point, the reserves would be exhausted. To the extent that reserves are used to meet short term funding gaps, they must be replenished in the following year. However, Earmarked Reserves that have been used to meet a specific liability would not need to be replenished, having served the purpose for which they were originally established.
- 5.5 All Earmarked Reserves are recorded on a central schedule held by the Financial Control and Closing Team which lists the various Earmarked Reserves and the purpose for which they are held and shows the estimated opening balances for the year, planned additions/withdrawals and the estimated closing balance. Any appropriations to or from Earmarked Reserves are controlled by this Team. Evidence of expenditure incurred at period 6, period 9 and year-end will be required from Directorate Finance Officers and a pro-forma will need to be completed which will be authorised by the CFO to release the funding from the Earmarked Reserves. The drawdown from reserves will be included within the Quarterly Monitoring Reports to Cabinet. Appropriate working papers for each reserve are produced at year-end and provided to the External Auditor to support the disclosures within the Statement of Accounts.

6. Summary of Specific Provisions and Balances

- 6.1 As well as the Council Fund and Earmarked Reserves, there are a number of specific provisions and balances as follows:-
- a) **Delegated School Balances**
These balances represent the cumulative effect of over and under-spending on school delegated budgets not available to the Council. Current projections suggest that these balances will be around £2.000 million by 31 March 2017 (£2.154 million at 31 March 2016).

b) Maesteg School PFI Equalisation Fund

This Fund is used to equalise the funding available from Welsh Government to meet the costs of the Unitary Charge for the Private Finance Initiative School at Maesteg over the contract period. The balance will be £3.949 million by 31 March 2017 (£3.706 million at 31 March 2016).

c) Specific Provisions

The Council holds two provisions for unforeseen events namely for Carbon Reduction Commitment and one to meet the total outstanding liability of Bridgend's self -insurance fund based on a professional analysis of the claims outstanding for Employer's Liability, Public Liability and Property. The current projections suggest that the balance on the provisions will be around £3.200 million by 31 March 2017 (£3.480 million at 31 March 2016).

7. Summary of Earmarked Reserves

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

a) Reserves Held for Directorates' Planned Developments

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

b) Specific Contingency Reserves

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

c) Capital Development or Asset Related Reserves

These reserves have been set up for a number of reasons to support the Council's Asset Management Plan and Capital Programme. They include a reserve that provides a revenue contribution to the capital programme, to enable schemes to be progressed more quickly to alleviate pressure on the revenue budget and accelerate the realisation of capital receipts that may include the costs of demolition of non-saleable surplus properties and related health and safety works, one for planned maintenance expenditure and any emergency works on the Council's buildings and establishments and one for capital feasibility studies and asset management plans.

d) Medium Term Financial Strategy/Transformational Reserve

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

e) Equalisation of Spend Reserves

These reserves ensure that expenditure that is incurred in a particular future year is smoothed over the period of the MTFS. These include the costs of elections, Building Control Costs, Special

Regeneration Fund projects and the preparation of the Local Development Plan. These have not been included within the summary below as they are simply spreading the costs of various items over financial years.

The table below sets out the forecast movement in the Council's Earmarked Reserves and the Council Fund by the end of the financial years 2016-17 and 2017-18. It is based on estimates of expenditure at period 9 projected forward to year end for 2016-17 and where expenditure is forecast for 2017-18 this is also included. It does not include the potential increase of reserves for 2017-18.

Opening Balance 1 April 2016	Reserve	Movement 2016-17 Additions/ Reclass. £'000	Draw- down £'000	Closing Balance 31 March 2017	Forecast Draw- down 17-18 £'000	Closing Balance 31 March 2018
		£'000		£'000		£'000
7,604	Council Fund Balance	418		8,022	-	8,022
	Earmarked Balances :-					
623	Car Parking Strategy	-	(296)	327	(175)	152
31	Community Safety Reserve	-	-	31	(31)	-
1,368	Directorate Issues	(167)	(1,201)	-	-	-
48	Donations Reserve Account	2	-	50	-	50
692	Highways Reserve	-	(125)	567	(125)	442
715	ICT & Finance Systems	-	(135)	580	(280)	300
824	Looked After Children	1,000	(788)	1,036	(500)	536
66	Partnership Reserve	-	(36)	30	(30)	-
76	Porthcawl Regeneration	-	-	76	(26)	50
-	Property Reserve	250	-	250	(250)	-
-	Safe Routes to Schools	200	-	200	(200)	-
285	School Projects Reserve	183	(7)	461	(348)	113
-	Waste Awareness Reserve	250	(50)	200	(200)	-
1,409	Wellbeing Projects	-	-	1,409	(409)	1,000
26	Webcasting Reserve	-	(26)	-	-	-
6,163	Reserves Held for Directorates' Planned Developments	1,718	(2,664)	5,217	(2,574)	2,643
2,035	Insurance Reserve	170	(700)	1,505	(500)	1,005
10,874	Major Claims Reserve	(2,080)	-	8,794	-	8,794
-	MTFS Budget Contingency	1,528	(528)	1,000	-	1,000
92	Waste Management Contract	-	(50)	42	(42)	-
500	Welfare Reform Bill	-	-	500	(200)	300
13,501	Specific Contingency Reserves	(382)	(1,278)	11,841	(742)	11,099
1,491	Asset Management Plan	500	(1,491)	500	(500)	-
356	Building Maintenance Reserve	(329)	(27)	-	-	-
631	Capital Feasibility Fund	(374)	(167)	90	(90)	-
5,833	Capital Programme Contribution	3,345	(1,234)	7,944	(3,348)	4,596
103	DDA Emergency Works	200	(43)	260	(200)	60
-	Public Realm Works	200	(200)	-	-	-
234	Property Disposal Strategy	40	(60)	214	(60)	154
8,648	Capital Development or Asset Related Reserves	3,582	(3,222)	9,008	(4,198)	4,810
5,625	Service Reconfiguration	2,000	(200)	7,425	(2,000)	5,425
1,950	Change Management	-	(345)	1,605	(300)	1,305
2,500	Digital Transformation	-	(660)	1,840	(1,840)	-
10,075	MTFS/Transformational Reserves	2,000	(1,205)	10,870	(4,140)	6,730
38,387	Total Earmarked Reserves	6,918	(8,369)	36,936	(11,654)	25,282

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CAPITAL PROGRAMME 2016-2027

APPENDIX G

	Corporate Priority	Total Costs to 31-3-16 £'000	Nov 2016 £'000	2016-17			Revised 2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-2021 £'000	2021-2022 £'000	2022-2023 £'000	2023-2024 £'000	2024-2025 £'000	2025-2026 £'000	2026-2027 £'000	Total 2016-2017 to 2026-2027 £'000	TOTAL Scheme £'000		
				New Approvals £'000	Vire £'000	Slippage £'000															
Education & Family Support																					
Pen Y Fai Primary School	Smarter Use of Resources	6,835	404	-	-	-	404	-	-	-	-	-	-	-	-	-	-	-	-	404	7,239
Mynydd Cynffig Primary School	Smarter Use of Resources		672	-	-	-	672	5,125	1,155	98	-	-	-	-	-	-	-	-	-	7,050	7,050
Mynydd Cynffig Primary Highways Works	Smarter Use of Resources		-	700	-	-700	-	700	-	-	-	-	-	-	-	-	-	-	-	700	700
Y Dderwen Comprehensive School	Smarter Use of Resources	39,333	155	-	-	-	155	-	-	-	-	-	-	-	-	-	-	-	-	155	39,488
Coed/Parc Derwen Primary School	Smarter Use of Resources	8,453	107	-	-	-	107	-	-	-	-	-	-	-	-	-	-	-	-	107	8,560
West Park Pry School Temporary Accommodation	Smarter Use of Resources	202	48	-	-	-	48	-	-	-	-	-	-	-	-	-	-	-	-	48	250
Additional Learning Needs	Smarter Use of Resources	4,055	64	-	-	-	64	-	-	-	-	-	-	-	-	-	-	-	-	64	4,119
Garw Valley South Primary Provision	Smarter Use of Resources	734	750	-	-	-	750	8,476	841	-	-	-	-	-	-	-	-	-	-	10,067	10,801
Garw Valley Primary Highways Works	Smarter Use of Resources		-400	-	-	-400	-	400	-	-	-	-	-	-	-	-	-	-	-	400	400
Pencoed Primary School	Smarter Use of Resources	104	750	-	-	-	750	9,763	216	-	-	-	-	-	-	-	-	-	-	10,729	10,833
Pencoed School Highways Works	Smarter Use of Resources		-310	-	-	-	310	-	-	-	-	-	-	-	-	-	-	-	-	310	310
Pencoed Artificial Pitch	Smarter Use of Resources	175	12	-	-	-	12	-	-	-	-	-	-	-	-	-	-	-	-	12	187
Brymelyn Primary School	Smarter Use of Resources	35	1,200	-	-	-	1,200	6,960	166	-	-	-	-	-	-	-	-	-	-	8,326	8,361
Brymelyn Primary Highways Works	Smarter Use of Resources		-	-	-	-	-	325	-	-	-	-	-	-	-	-	-	-	-	325	325
Flying Start Provision	Smarter Use of Resources	934	32	-	-	-	32	-	-	-	-	-	-	-	-	-	-	-	-	32	966
Heronbridge Special School	Smarter Use of Resources		-30	-	-	-	30	270	-	-	-	-	-	-	-	-	-	-	-	300	300
Schools Modernisation Retentions	Smarter Use of Resources		464	-	-	-	464	-	-	-	-	-	-	-	-	-	-	-	-	464	464
Studio 34, Pyle	Core Services & Statutory Functions		74	-	-	-	74	-	-	-	-	-	-	-	-	-	-	-	-	74	74
Maesteg Comprehensive School Highways Improvements	Smarter Use of Resources		500	-	-	-100	400	100	-	-	-	-	-	-	-	-	-	-	-	500	500
Schools Traffic Safety	Smarter Use of Resources		500	-	-	-80	420	80	-	-	-	-	-	-	-	-	-	-	-	500	500
CCYD Hub	Smarter Use of Resources		73	-	-	-	73	-	-	-	-	-	-	-	-	-	-	-	-	73	73
Children's Directorate Minor Works	Smarter Use of Resources	1,284	355	-130	-	-	225	-	-	-	-	-	-	-	-	-	-	-	-	225	1,509
Complex and Medical Needs Works in Schools	Smarter Use of Resources		-	-	-	-	-	270	270	60	-	-	-	-	-	-	-	-	-	600	600
Built Environment																				-	-
Solar Panels	Smarter Use of Resources		-40	-	-	-	40	-	-	-	-	-	-	-	-	-	-	-	-	40	40
Total Education and Family Support		62,144	7,640	-130	0	-1,280	6,230	32,469	2,648	158	-	-	41,505	103,649							
Social Services and Well-being																					
Adult Social Care																					
Extra Care Facilities	Helping People to be more Self Reliant		-3,000	-	-	-3,000	-	3,000	-	-	-	-	-	-	-	-	-	-	-	3,000	3,000
Refurbishment of Caretaker's Lodge and Heron House at Heronsbridge School	Smarter Use of Resources		286	-	-	-236	50	236	-	-	-	-	-	-	-	-	-	-	-	286	286
Modernisation and Mobilisation of the Homecare Workforce	Helping People to be more Self Reliant		72	-	-	-72	-	72	-	-	-	-	-	-	-	-	-	-	-	72	72
Bridgelinek	Helping People to be more Self Reliant		30	-	-	-	30	30	30	30	30	30	30	30	30	30	30	30	30	330	330
Adult Social Care Minor works	Core Services & Statutory Functions	78	43	-	-	-	43	-	-	-	-	-	-	-	-	-	-	-	-	43	121
Sports Facilities	Core Services & Statutory Functions		63	-	-	-	63	-	-	-	-	-	-	-	-	-	-	-	-	63	63
Glan yr Afon Resource Centre	Core Services & Statutory Functions		23	130	-	-	130	-	-	-	-	-	-	-	-	-	-	-	-	130	153
Total Social Services and Well-being		101	3,624	0	0	-3,308	316	3,338	30	30	30	30	30	30	30	30	30	30	3,924	4,025	
Communities																					
Street Scene																					
Highways Structures	Smarter Use of Resources		200	-	-	-	200	200	200	200	200	200	200	200	200	200	200	200	200	2,200	2,200
Highways Maintenance	Smarter Use of Resources		250	250	-	-	250	250	250	250	250	250	250	250	250	250	250	250	250	2,750	3,000
Replacement of Street Lighting Columns/ River Bridge Protection Measures	Core Services & Statutory Functions		400	-	-	-	400	400	400	400	400	400	400	400	400	400	400	400	4,400	4,400	
Road Safety	Supporting a Successful Economy	188	53	-	-	-	53	-	-	-	-	-	-	-	-	-	-	-	-	53	241
Unadopted Highways	Smarter Use of Resources	40	10	-	-	-	10	-	-	-	-	-	-	-	-	-	-	-	-	10	50
Fleet Vehicles	Core Services & Statutory Functions	374	500	-	-	-	500	-	-	-	-	-	-	-	-	-	-	-	-	500	874
Re-locate Household Waste Recycling Centre - West	Smarter Use of Resources		742	-	-	-738	4	1,324	-	-	-	-	-	-	-	-	-	-	-	1,328	1,328
Parks Pavilions	Smarter Use of Resources		1,000	-	-	-	1,000	-	-	-	-	-	-	-	-	-	-	-	-	1,000	1,000
Pandy Park	Smarter Use of Resources		331	418	-	-	418	-	-	-	-	-	-	-	-	-	-	-	-	418	749
Aberfields Playing Fields	Smarter Use of Resources		11	-	-	-	11	-	-	-	-	-	-	-	-	-	-	-	-	11	11
Playground at Ffordd yr Eglwys	Core Services & Statutory Functions		75	-	-	-	75	-	-	-	-	-	-	-	-	-	-	-	-	75	75
Bridge Strengthening - A4061 Ogmore Valley	Core Services & Statutory Functions		150	-	-	-90	60	340	50	2,000	-	-	-	-	-	-	-	-	-	2,450	2,450
Communities Minor Works	Smarter Use of Resources		-	-	-	253	-	253	-	-	-	-	-	-	-	-	-	-	-	253	253
Residential Parking Bridgend Town Centre	Supporting a Successful Economy	22	130	-	-	-	130	-	-	-	-	-	-	-	-	-	-	-	-	130	152
Street Scene Minor Works - Monument Repair	Smarter Use of Resources		-	9	-9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heol Simonstone/Coychurch Rd	Smarter Use of Resources		-	297	-	-	297	-	-	-	-	-	-	-	-	-	-	-	-	297	297
S106 Highways Small Schemes	Smarter Use of Resources		29	294	-180	-53	-	61	-	-	-	-	-	-	-	-	-	-	-	61	90
Bridgend Recreation Car Park	Supporting a Successful Economy		-	115	-	-	115	-	-	-	-	-	-	-	-	-	-	-	-	115	115
Transport Grant Scheme - Atn Route 2	Smarter Use of Resources	374	3	-	-	-	3	-	-	-	-	-	-	-	-	-	-	-	-	3	377
Transport Grant Scheme - A48/A473 Link Rd	Smarter Use of Resources	287	1,499	-	-	-	1,499	-	-	-	-	-	-	-	-	-	-	-	-	1,499	1,786
Transport Grant Scheme - Safe Routes to School	Smarter Use of Resources	129	500	-50	-	-	450	-	-	-	-	-	-	-	-	-	-	-	-	450	579
METRO National Cycle Network	Supporting a Successful Economy	279	193	-	-	-	193	-	-	-	-	-	-	-	-	-	-	-	-	193	472
Coychurch New Crematorium	Core Services & Statutory Functions		1,048	12	-	-	12	-	-	-	-	-	-	-	-	-	-	-	-	12	1,060

	Corporate Priority	Total Costs to 31-3-16 £'000	Nov 2016 £'000	2016-17					Indicative										Total 2016-2017 to 2026-2027 £'000	TOTAL Scheme £'000
				New Approvals £'000	Vire £'000	Slippage £'000	Revised 2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-2021 £'000	2021-2022 £'000	2022-2023 £'000	2023-2024 £'000	2024-2025 £'000	2025-2026 £'000	2026-2027 £'000			
Retaining Wall Replacement, Bettws	Smarter Use of Resources	-	-	-	-	-	-	175	-	-	-	-	-	-	-	-	-	175	175	
Drainage, Science Park	Smarter Use of Resources	-	-	-	-	-	-	200	-	-	-	-	-	-	-	-	-	200	200	
Regeneration & Development																				
Bridgend Digital	Supporting a Successful Economy	105	21	-	-	-	21	-	-	-	-	-	-	-	-	-	-	21	126	
Bridgend Town Centre Infrastructure Programme	Supporting a Successful Economy	131	-4	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	131	
Special Regeneration Funding	Supporting a Successful Economy	-	326	-77	-11	-	238	540	540	540	540	-	-	-	-	-	-	2,398	2,398	
Bridgend Townscape Heritage Initiative	Supporting a Successful Economy	2,111	226	-	43	-	269	-	-	-	-	-	-	-	-	-	-	269	2,380	
Maesteg Townscape Heritage Initiative	Supporting a Successful Economy	2,149	12	-	12	-	-	-	-	-	-	-	-	-	-	-	-	-	2,149	
Porthcawl Townscape Heritage Initiative	Supporting a Successful Economy	194	705	-20	-	-	685	35	35	-	-	-	-	-	-	-	-	755	949	
Bridgend Town Centre	Supporting a Successful Economy	8,787	3	-	-	-	3	-	-	-	-	-	-	-	-	-	-	3	8,790	
Maesteg Town Hall Cultural Hub	Supporting a Successful Economy	-	281	-	-	-	281	803	2,416	345	-	-	-	-	-	-	-	-	3,845	3,845
Business Support Framework	Supporting a Successful Economy	2,130	160	-	-	-	160	-	-	-	-	-	-	-	-	-	-	160	2,290	
Llynfi Valley Development Programme	Supporting a Successful Economy	-	2,400	-	-	-2,400	-	2,400	-	-	-	-	-	-	-	-	-	2,400	2,400	
Porthcawl Infrastructure	Supporting a Successful Economy	266	5,507	-	-	-5,507	-	5,507	-	-	-	-	-	-	-	-	-	5,507	5,773	
Town Beach Revetment Sea Defence, Porthcawl	Supporting a Successful Economy	4	567	-	-	-337	230	3,238	80	-	-	-	-	-	-	-	-	-	3,548	3,552
Porthcawl Rest Bay Waterside Cycle	Supporting a Successful Economy	19	262	-	-	-	262	-	-	-	-	-	-	-	-	-	-	262	281	
Vibrant and Viable Places	Supporting a Successful Economy	3,380	3,382	-	-	-	3,382	-	-	-	-	-	-	-	-	-	-	3,382	6,762	
Commercial Improvement Areas	Supporting a Successful Economy	18	162	-	-91	-	71	-	-	-	-	-	-	-	-	-	-	71	89	
Bridgend Town Improvement Grants	Supporting a Successful Economy	71	-71	-	71	-	-	-	-	-	-	-	-	-	-	-	-	-	71	
Rural Development Plan	Supporting a Successful Economy	-	150	-150	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Housing Renewal Area	Supporting a Successful Economy	101	373	-	-	-	373	-	-	-	-	-	-	-	-	-	-	373	474	
Housing Renewal Schemes	Supporting a Successful Economy	-	239	-	-	-	239	100	100	100	100	100	100	100	100	100	100	1,239	1,239	
Smart System and Heat Programme	Supporting a Successful Economy	-	50	-	-	-50	-	100	100	50	-	-	-	-	-	-	-	250	250	
Housing Renewal/Disabled Facilities Grants	Helping People to be more Self Reliant	2,228	3,459	-	-	-	3,459	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	26,959	29,187	
City Deal	Supporting a Successful Economy	-	-	-	-	-	-	1,888	2,360	2,832	2,832	4,248	4,248	7,079	7,079	7,079	7,079	46,724	46,724	
Property																				
Minor Works	Core Services & Statutory Functions	-	1,160	-	-200	-	960	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	11,960	11,960	
Upgrading Industrial Estates	Core Services & Statutory Functions	23	17	-	-	-	17	-	-	-	-	-	-	-	-	-	-	17	40	
Fire Precautions	Core Services & Statutory Functions	104	118	-	-	-	118	-	-	-	-	-	-	-	-	-	-	118	222	
Var Playgrounds DDA	Core Services & Statutory Functions	95	-95	95	-	-	-	-	-	-	-	-	-	-	-	-	-	-	95	
DDA Works	Core Services & Statutory Functions	116	34	-	-	-	34	-	-	-	-	-	-	-	-	-	-	34	150	
DDA Works at Civic Offices	Smarter Use of Resources	-	120	-	-	-	120	-	-	-	-	-	-	-	-	-	-	120	120	
Maximising Space and Technology / BCP	Smarter Use of Resources	1,371	101	-	-	-	101	-	-	-	-	-	-	-	-	-	-	101	1,472	
Civic Offices External Envelope	Smarter Use of Resources	5	2,545	-	-	-1,000	1,545	1,000	-	-	-	-	-	-	-	-	-	2,545	2,550	
Agile Working (Rationalisation of Admin. Estate)	Smarter Use of Resources	16	621	-	-	-621	-	621	-	-	580	-	-	-	-	-	-	1,201	1,217	
Relocation of Depot Facilities	Smarter Use of Resources	60	4,376	-	-	-4,376	-	4,376	-	-	-	-	-	-	-	-	-	4,376	4,436	
Bridgend Market	Core Services & Statutory Functions	1	19	-	-	-	19	-	-	-	-	-	-	-	-	-	-	19	20	
Non-Operational Assets	Smarter Use of Resources	520	480	-	-	-	480	-	-	-	-	-	-	-	-	-	-	480	1,000	
Community Projects	Smarter Use of Resources	367	191	-	-	-	191	100	100	50	50	50	50	50	50	50	50	791	1,158	
Culture																				
Bryngarw House	Core Services & Statutory Functions	23	5	-	-	-	5	-	-	-	-	-	-	-	-	-	-	5	28	
Healthy Living Minor Works - Newbridge Fields	Core Services & Statutory Functions	-	25	-	-	-	25	-	-	-	-	-	-	-	-	-	-	25	25	
Nantymoel Community Facilities (former Berwyn Centre)	Core Services & Statutory Functions	-	200	-	-	-	200	-	-	-	-	-	-	-	-	-	-	200	200	
Total Communities		27,746	34,988	-387	0	-15,119	19,482	27,047	10,081	10,217	8,402	8,698	8,698	11,529	11,529	11,529	11,529	138,741	166,487	
Operational & Partnership Services																				
Investment in ICT	Smarter Use of Resources	-	300	-	-	-	300	-	-	-	-	-	-	-	-	-	-	300	300	
Digital Transformation	Smarter Use of Resources	-	550	-	-	-	550	450	-	-	-	-	-	-	-	-	-	1,000	1,000	
Council Suite Upgrade	Smarter Use of Resources	-	19	-	-	-	19	-	-	-	-	-	-	-	-	-	-	19	19	
ICT Laptop Replacement (Life Expired)	Smarter Use of Resources	-	-	-	-	-	-	550	-	-	-	-	-	-	-	-	-	550	550	
Total Operational & Partnership Services		-	869	-	-	-	869	1,000	-	-	-	-	-	-	-	-	-	1,869	1,869	
Unallocated		-	-	-	-	-	-	-	-	-	696	1,816	1,816	1,816	1,816	1,816	1,816	1,816	11,592	11,592
Total Expenditure		89,991	47,121	-517	-	-19,707	26,897	63,854	12,759	10,405	9,128	10,544	10,544	13,375	13,375	13,375	13,375	197,631	287,622	
Expected Capital Resources																				
General Capital Funding																				
General Capital Funding - General Capital Grant		-	2,382	-	-	-	2,382	2,379	2,379	2,379	2,379	2,379	2,379	2,379	2,379	2,379	2,379	2,379	2,379	
General Capital Funding - Supported Borrowing		-	3,914	-	-	-	3,914	3,909	3,909	3,909	3,909	3,909	3,909	3,909	3,909	3,909	3,909	3,909	43,004	
Capital Receipts - Schools		-	1,410	-	-	-1,100	310	13,137	55	98	-	-	-	-	-	-	-	-	13,600	
Capital Receipts - General		-	10,966	-467	-215	-3,738	6,546	4,499	87	766	8	8	8	8	8	8	8	8	11,954	
Earmarked Reserves		-	9,131	-	48	-5,962	3,217	8,532	370	110	-	-	-	-	-	-	-	-	12,229	
Revenue Contribution		-	36	-	32	-	68	1,393	572	686	686	1,030	1,030	1,716	1,716	1,716	1,716	1,716	12,329	
Prudential Borrowing (unsupported)		-	1,720	-	-	-1,000	720	1,275	-	-	-	-	-	-	-	-	-	-	1,995	
Local Govt Borrowing Initiative (21st Century Schools)		-	-	-	-	-	-	4,334	1,323	-	-	-	-	-	-	-	-	-	5,657	
Loan - WG		-	2,400	-	-	-2,400	-	2,400	-	-	-	-	-	-	-	-	-	-	2,400	
Sub-Total General Capital Funding		-	31,959	-467	-135	-14,200	17,157	41,858	8,695	7,948	6,982	7,326	7,326	8,012	8,012	8,012	8,012	129,340		

	Corporate Priority	Total Costs to 31-3-16 £'000	Nov 2016 £'000	2016-17				Indicative										Total 2016-2017 to 2026-2027 £'000	TOTAL Scheme £'000
				New Approvals £'000	Vire £'000	Slippage £'000	Revised 2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-2021 £'000	2021-2022 £'000	2022-2023 £'000	2023-2024 £'000	2024-2025 £'000	2025-2026 £'000	2026-2027 £'000		
<u>External Funding Approvals</u>																			
WG - Flying Start		32	-	-32	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
WG - Other		312	-	-	-	312	2,250	60	-	-	-	-	-	-	-	-	-	2,622	
WG - 21st Century Schools		2,700	-	-	-	2,700	11,286	-	-	-	-	-	-	-	-	-	-	13,986	
WG - Vibrant & Viable		2,269	-	-	-	2,269	-	-	-	-	-	-	-	-	-	-	-	2,269	
WG - Safe Routes in Communities		500	-50	-	-	450	-	-	-	-	-	-	-	-	-	-	-	450	
WG - Porthcawl Revetment		-	-	170	-	170	-	-	-	-	-	-	-	-	-	-	-	170	
Westminster		-	-	-	-	-	1,430	1,788	2,146	2,146	3,218	3,218	5,363	5,363	5,363	5,363	5,363	35,398	
S106		1,303	-	-	-	1,303	763	-	-	-	-	-	-	-	-	-	-	2,066	
Transport Grants		1,695	-	-3	-	1,692	-	-	-	-	-	-	-	-	-	-	-	1,692	
Heritage Lottery Fund (HLF)		370	-	-	370	395	1,119	311	-	-	-	-	-	-	-	-	-	2,195	
Big Lottery		262	-	-	-	262	-	-	-	-	-	-	-	-	-	-	-	262	
EU		127	-	-	-	127	365	1,097	-	-	-	-	-	-	-	-	-	1,589	
Other		5,592	-	-	5,507	85	5,507	-	-	-	-	-	-	-	-	-	-	5,592	
Sub-Total External Funding Approvals		15,162	-50	135	-5,507	9,740	21,996	4,064	2,457	2,146	3,218	3,218	5,363	5,363	5,363	5,363	68,291		
Total Funding Available		47,121	-517	-	-19,707	26,897	63,854	12,759	10,405	9,128	10,544	10,544	13,375	13,375	13,375	13,375	197,631		
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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TREASURY MANAGEMENT STRATEGY 2017-18

Cyngor Bwrdeistref Sirol



1.0 Introduction

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

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

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

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

2.0 Economic Context and Forecasts for Interest Rates

Economic background: The major external influence on the Council's treasury management strategy for 2017-18 will be the UK's progress in negotiating a smooth exit from the European Union. Financial markets, wrong-footed by the referendum outcome, have since been weighed down by uncertainty over whether leaving the Union also means leaving the single market. Negotiations are expected to start once the UK formally triggers exit in early 2017 and last for at least two years. Uncertainty over future economic prospects will therefore remain throughout 2017-18.

The fall and continuing weakness in sterling and the near doubling in the price of oil in 2016 have combined to drive inflation expectations higher. The Bank of England is forecasting that Consumer Price Inflation will breach its 2% target in 2017, the first time since late 2013, but the Bank is expected to look through inflation overshoots over the course of 2017 when setting interest rates so as to avoid derailing the economy.

Credit outlook: Markets have expressed concern over the financial viability of a number of European banks recently. Sluggish economies and continuing fines for pre-crisis behaviour have weighed on bank profits, and any future slowdown will exacerbate concerns in this regard. Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other secured investment options available to the Council in our investment strategy; returns from cash deposits however continue to fall.

Interest rate forecast: The Council's treasury adviser Arlingclose's central case is for UK Bank Rate to remain at 0.25% during 2017-18, but there is a low possibility of a drop to close to zero, with a very small chance of a reduction below zero. The Bank of England has, however, highlighted that excessive levels of inflation will not be tolerated for sustained periods. Given this view and the current inflation outlook, further falls in the Bank Rate look less likely. A negative Bank Rate is currently perceived by some policymakers to be counterproductive but, although a low probability, cannot be entirely ruled out in the medium term, particularly if the UK enters recession as a result of concerns over leaving the European Union.

Arlingclose (Council's TM Advisers) central interest rate forecast December 2016

	Bank Rate	3 month LIBID rate	1 Year LIBID rate	5-year gilt yield	10 year gilt yield	20 year gilt yield	50 year gilt yield
Mar 2017	0.25	0.25	0.50	0.50	0.95	1.50	1.40
June 2017	0.25	0.25	0.50	0.45	0.90	1.45	1.35
Sept 2017	0.25	0.30	0.50	0.45	0.90	1.45	1.35
Dec 2017	0.25	0.30	0.50	0.45	0.90	1.45	1.35
Mar 2018	0.25	0.30	0.50	0.50	0.95	1.50	1.40
June 2018	0.25	0.30	0.50	0.50	0.95	1.50	1.40
Sept 2018	0.25	0.30	0.60	0.50	0.95	1.50	1.40
Dec 2018	0.25	0.30	0.70	0.55	1.00	1.55	1.45
Mar 2019	0.25	0.30	0.85	0.60	1.05	1.60	1.50
Jun 2019	0.25	0.30	0.90	0.65	1.10	1.65	1.55
Sept 2019	0.25	0.30	0.90	0.70	1.15	1.70	1.60
Dec 2019	0.25	0.30	0.90	0.75	1.20	1.75	1.65
Mar 2020	0.25	0.30	0.95	0.80	1.25	1.80	1.70
Average	0.25	0.29	0.68	0.57	1.02	1.57	1.47

3.0 The Council's Current Treasury Management Position

Table 1: Council's debt and investment position as at 31 December 2016

		Principal as at 31-12-16	Average Rate
		£m	%
Fixed rate long term funding	PWLB(i)	77.62	4.70
Variable rate long term funding	PWLB LOBO(ii)	- 19.25	- 4.65
Total Long Term External Borrowing(iii)		96.87	4.69
Other Long Term Liabilities(iii) (including PFI)		21.93	
TOTAL GROSS DEBT		118.80	
Fixed rate investments		36.30	0.52
Variable rate investments		6.00	0.42
TOTAL INVESTMENTS(iv)		42.30	0.51
TOTAL NET DEBT		76.50	

(i) Public Works Loan Board (PWLB)

(ii) Lender's Option Borrower's Option (LOBO)

(iii) Long term borrowing/liabilities include all instruments with an initial term of 365 days or more and long term liabilities includes the short term element of the liability

(iv) The investment totals include instant access deposit accounts which are included as "Cash" in the Council's balance sheet in the Statement of Accounts and also investments shown as "Cash Equivalents" in the Council's balance sheet that mature in 1 month or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value

Fixed rate in the above table includes instruments which are due to mature in the year and also a £3m structured deal where the change in interest rate has been agreed and fixed in advance

The £19.25 million relates to Lender's Option Borrower's Option (LOBO) loans which have a maturity date of 2054, however these may be re-scheduled in advance of this maturity date. The LOBO rate and term may vary in the future depending upon the prevailing market rates, the lender exercising their option to increase rates at one of the bi-annual trigger points and therefore the Council being given the option to accept the increase or to repay the loan without incurring a penalty. The next trigger point is July 2017 and although the Council understands that the lender is unlikely to exercise this option in the current low interest rate environment, an element of

refinancing risk remains and the Council would take the option to repay these loans at no cost if it has the opportunity to do so in the future. The long term liabilities figure of £21.93 million at 31 December 2016 includes £18.37 million for the Council's Private Finance Initiative (PFI) arrangement (for the provision of a Secondary School in Maesteg) and £2.40 million relating to a loan from the WG Central Capital Retained Fund for regeneration works within the Llynfi Valley.

Investments are anticipated to drop from £42.00 million on 31 December 2016 to between £25 and £30 million by the 31 March 2017. As in previous years this is due partly to the reduction in income collected from Council Tax and National Non-Domestic Rates in February and March 2017 and increased expenditure expected to be incurred for the capital programme.

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing. CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Forecast changes in these sums are included in the Prudential Indicators shown in **Schedule A** which shows that the Council expects to comply with this recommendation during 2016-17, 2017-18 and the following three years.

4.0 Borrowing Strategy

The major **objectives** to be followed in 2017-18 are:-

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

Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. The uncertainty over future interest rates increases the risks associated with treasury activity. As a result the Council will take a cautious approach to its treasury strategy. With short-term interest rates currently much lower than long term rates, it is likely to be more cost effective in the short term to either use internal resources or borrow short term. By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. Short term and

variable rate loans expose the Council to the risk of short term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates as shown in the Treasury Management Indicators in **Schedule A**.

The Section 151 Officer will take the most appropriate form of borrowing depending on the prevailing interest rates at the time however, with long term rates forecast to rise modestly in future years, any such short term savings will need to be balanced against the potential longer-term costs. The Council's Treasury Management advisers will assist the Council with this 'cost of carry' and breakeven analysis. No long term borrowing has been taken to date during 2016-17 and it is not expected that there will be a requirement for any new long term borrowing for the remainder of 2016-17 or 2017-18. Alternatively, the Council may arrange forward starting loans during 2017-18 where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period. In addition, the Council may borrow short term loans (normally for up to one month) to cover unexpected cash flow shortages.

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

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

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

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

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

The Council is currently maintaining an under-borrowed position. This means that the underlying need to borrow for capital purposes (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This is known as Internal Borrowing. This strategy is prudent as investment returns are low and counterparty risk is relatively high.

Debt Rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some higher

rate loans with new loans at lower interest rates, or repay loans without replacement, where this is expected to lead to an overall saving or reduction in risk.

City Deal: The City Deal will have significant capital expenditure and treasury management implications. Under the current financial model, it is envisaged that project capital expenditure will be incurred at a faster rate than Her Majesty's Treasury (HMT) grant funding, thus requiring Local Authorities to meet the shortfall in the interim which is expected to be met from internal borrowing. The financial model is still being worked on and the profile of capital spend included are not yet finalised but estimates have been included in the capital programme and this Treasury Management Strategy and updates will be reported as they become available.

5.0 Investment Strategy

Both the CIPFA Code and the WG Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, balancing the risk of incurring losses from defaults against receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

Negative Interest Rates: If the UK enters into a recession in 2017-18, there is a very small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in a number of European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Investment Balances: The Council holds surplus funds representing income received in advance of expenditure plus balances and reserves. Based on its cash flow forecasts, the Council anticipates its investment balances in 2017-18 to range between £24 million to £55 million with an average investment rate of between 0.25% to 0.50% depending on the bank rate and investment types used but this will be reviewed at half year and reported to Council. The actual balance varies because of the cash flow during the month and year as to when income is received (such as specific grant income, housing benefits subsidy and Revenue Support Grant) and payments are made (such as salaries and wages, major capital expenditure and loan repayments).

The major **objectives** to be followed in 2017-18 are:

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

The Council's investments have historically been placed in short term bank and building society unsecured deposits and local and central government, however, investments may be made with any public or private sector organisations that meet

the credit criteria detailed below. The Council is looking to diversify into more secure and/or higher yielding asset classes during 2017-18 but any new instruments used will be in full consultation with the Council's treasury management advisers.

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

Credit Rating: Investment limits are set by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

Approved Counterparties: The Council may invest with any of the counterparty types shown in Table 2 below, subject to the cash limits and the time limits shown. **These cash/time limits are per counterparty and relate to principal only and exclude any accrued interest.**

Table 2: Approved Investment Counterparties and Limits

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

Credit Rating	Banks (including building societies) Unsecured	Banks (including building societies) Secured	Government	Corporates	Registered Providers
UK Central Government	N/A	N/A	£ Unlimited	N/A	N/A
			50 Years		
UK Local Authorities *	N/A	N/A	£12,000,000	N/A	N/A
			10 Years		
AAA	£3,000,000	£6,000,000	£6,000,000	£3,000,000	£3,000,000
	5 Years	20 Years	50 Years	20 Years	20 Years
AA+	£3,000,000	£6,000,000	£6,000,000	£3,000,000	£3,000,000
	5 Years	10 Years	25 Years	10 Years	10 Years
AA	£3,000,000	£6,000,000	£6,000,000	£3,000,000	£3,000,000
	4 Years	5 Years	15 Years	5 Years	10 Years
AA-	£3,000,000	£6,000,000	£6,000,000	£3,000,000	£3,000,000
	3 Years	4 Years	10 Years	4 Years	10 Years
A+	£3,000,000	£6,000,000	£3,000,000	£3,000,000	£3,000,000
	2 Years	3 Years	5 Years	3 Years	5 Years
A	£3,000,000	£6,000,000	£3,000,000	£3,000,000	£3,000,000
	13 Months	2 Years	5 Years	2 Years	5 Years
A-	£3,000,000	£6,000,000	£3,000,000	£3,000,000	£3,000,000
	6 Months	13 Months	5 Years	13 Months	5 Years
BBB+	£1,000,000	£3,000,000	£1,000,000	£1,000,000	£1,000,000
	100 Days	6 Months	2 Years	6 Months	2 Years
None	£1,000,000	N/A	N/A	N/A	£3,000,000
	6 Months				5 Years
Pooled Funds			£6,000,000		
			Per Fund		

* excluding parish and community councils

Banks Unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. Where additional amounts received into our accounts with our own bankers are received too late in the day to make an investment the same day, the limit in the above table will not apply as this does not count as an investment.

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

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

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

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

Money Market Funds (type of pooled fund): These funds are pooled investment vehicles consisting of money market deposits and similar instruments. They have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager. Short term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts. To date the Council has not used money market funds.

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

Custodian Accounts: Investments in bonds and certificates of deposit are no longer evidenced by paper certificates and must therefore be held by a custodian. The Council will need to use a nominee account(s) with a third party for safe custody of

such investments (in the process of legal approval) and any new instruments used will be in full consultation with the Council's treasury management advisors.

Risk Assessment and Credit Ratings: Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes as they occur.

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

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

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

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

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

When deteriorating financial market conditions affect the creditworthiness of all organisations as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Specified Investments: This is an investment which offers high security and high liquidity. It is a low risk investment where the possibility of loss of principal or

investment income is negligible and satisfies the conditions below as defined by *WG Investment Guidance*:-

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

The Council defines “**high credit quality**” organisations and securities as those having a credit rating of A- or higher. For those domiciled outside of the UK, investments would only be made with a country having a sovereign rating of AA+ or higher.

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

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

All investments longer than 364 days will be made with a cautious approach to cash flow requirements and advice from the Council’s treasury management advisers will be sought as necessary.

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

Table 3: Non-Specified Investment Limits

	Category Cash limit
Total long-term investments	£15m
Total Money Market Funds	£10m
Total other pooled funds	£10m
Total investments without credit ratings (excluding Local Authorities) or rated below the Council’s definition of “high credit quality” (A-)	£ 6m
Total investments (except pooled funds) with institutions domiciled in foreign countries with a sovereign rating below AA+	£ 3m

Investment Limits:

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

Table 4: Investments Limits

	Category Cash limit
Any single organisation, except the UK Central and Local Government	£6m
UK Central Government	unlimited
UK Local Authorities (per counterparty)	£12m
Any group of organisations under the same ownership	£6m per group
Any group of pooled funds under the same management	£6m per manager
Negotiable instruments held in a broker's nominee account	£10m per broker
Foreign countries	£6m per country
Registered Providers	£5m in total
Unsecured investments with Building Societies	£6m in total

Liquidity Management: The Council forecasts on a prudent basis the maximum period for which funds may be committed therefore minimising the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. A limit of £15 million (table 3 above) has been set for 2016-17 for long term investments and this has been set with reference to the Medium Term Financial Strategy and cash flow forecast. This represents just under 30% of the maximum amount of investments that the Council anticipates to have at any one point in time during 2017-18.

6.0 Treasury Management and Prudential Indicators

The 2011 Treasury Management Code and Prudential Code require the Council to set and report on a number of Treasury Management and Prudential Indicators. **Schedule A** revises some of the indicators for 2016-17, 2017-18, 2018-19, and 2019-20 and introduces new indicators for 2020-21 to be consistent with the principles contained in the Medium Term Financial Strategy. The indicators either summarise the expected activity or introduce limits upon the activity, and reflect the underlying capital programme.

7.0 Annual Minimum Revenue Provision Statement 2017-18

Where a Council finances capital expenditure by debt, it must put aside revenue resources to repay that debt in later years. This amount charged to revenue is called the Minimum Revenue Provision (MRP). Under the Local Authority (Capital Finance and Accounting) (Amendment) (Wales) Regulations 2008, an Annual Minimum

Revenue Provision (MRP) Statement needs to be produced that details the methodology for the MRP charge. There is not a statutory minimum for the amount set aside. It needs to be considered a prudent provision to ensure that the debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits or in the case of borrowing supported by Welsh Government's Revenue Support Grant reasonably commensurate with the period implicit in the determination of that grant. This is detailed in **Schedule B**.

8.0 Performance Indicators

The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators as opposed to the treasury management and prudential indicators which are predominantly forward looking. One debt performance indicator is where the average portfolio rate of interest is compared to an appropriate average available such as the average PWLB Debt for Welsh and UK Local Authorities. The rate of return on investments can be monitored against the benchmark of the average one month London Inter Bank Bid (LIBID) rate, the average Bank Rate and the average rate of return on investments at each quarter end as compared to the average rate of Arlingclose's Welsh Local Authority Clients.

9.0 Other Items

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

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

Investment Advisers: The Council appointed Arlingclose Limited following a tender exercise in August 2016, as treasury management advisers to provide advice and information relating to its borrowing and investment activities. The quality of this service is controlled by having regular meetings with the advisers and regularly reviewing the service provided.

Investment of Money Borrowed in Advance of Need: The Welsh Government maintains that the borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity, however, the Council could potentially borrow in advance of need where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent,

the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.

The Council has an integrated Treasury Management Strategy and borrowing is not linked to the financing of specific items of expenditure. The Council's Capital Financing Requirement (CFR) as at 1 January 2017 was in excess of the actual debt of the Council (as detailed in the Prudential Indicators in Schedule A) indicating there was no borrowing in advance of need.

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

Schedule A

TREASURY MANAGEMENT INDICATORS

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

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

No.	Interest Rate Exposure	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m
	Total Projected Principal Outstanding on Borrowing 31 March	96.87	96.87	96.87	96.87	96.87
	Total Projected Principal Outstanding on Investments 31 March	30.00	24.00	17.00	13.00	8.00
	Net Principal Outstanding	66.87	72.87	79.87	83.87	88.87
1.	Upper Limit on fixed interest rates (net principal) exposure	140.00	130.00	130.00	130.00	130.00
2.	Upper Limit on variable interest rates (net principal) exposure	50.00	50.00	50.00	50.00	50.00

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

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

No	Maturity structure of fixed rate borrowing during 2017-18	Upper limit	lower limit
3.	Under 12 months	50%	0%
	12 months and within 24 months	25%	0%
	24 months and within 5 years	25%	0%
	5 years and within 10 years	50%	0%
	10 years and within 20 years	60%	0%
	20 years and above	100%	40%

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

No.		2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m
4.	Upper Limit - Total Principal Sum Invested more than 364 day days	15	10	8	6

2.0 PRUDENTIAL INDICATORS

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

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

Prudential Indicators for Prudence

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

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

No.	Prudential indicators For Prudence	2016-17 £m Proj.	2017-18 £m Est.	2018-19 £m Est.	2019-20 £m Est.	2020-21 £m Est.
1	Estimates of Capital Expenditure Non – HRA	26.90	63.85	12.75	10.41	9.13
	Total Capital Expenditure	26.90	63.85	12.75	10.41	9.13
	Financed by :-					
	Capital Grants and Contributions	12.12	24.37	6.44	4.84	4.52
	Capital Receipts	6.86	20.04	0.14	0.86	0.01
	Revenue Contribution to Capital	3.29	9.92	0.94	0.80	0.69
	Net Financing Need for Year	4.63	9.52	5.23	3.91	3.91

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

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

No.	Prudential indicators For Prudence	2016-17 £m Proj.	2017-18 £m Est.	2018-19 £m Est.	2019-20 £m Est.	2020-21 £m Est.
2	Capital Financing Requirement (CFR)					
	Opening CFR (1 April) adjusted excluding PFI & other liabilities	154.82	150.65	153.55	152.15	149.47
	Opening PFI CFR	18.79	18.24	17.64	17.00	16.31
	Opening Innovation Centre	0.72	0.66	0.60	0.54	0.45
	Opening Coychurch Crematorium	0.13	0.08	0	0	0
	Total Opening CFR	174.46	169.63	171.79	169.69	166.23
	Movement in CFR excl. PFI & other liabilities	(4.18)	2.90	(1.39)	(2.68)	(2.61)
	Movement in PFI CFR	(0.55)	(0.60)	(0.65)	(0.69)	(0.74)
	Movement in Innovation Centre CFR	(0.05)	(0.06)	(0.06)	(0.09)	(0.10)
	Movement in Crem CFR	(0.05)	(0.08)	0	0	0
	Total Movement in CFR	(4.83)	2.16	(2.10)	(3.46)	(3.45)
	Closing CFR (31 March)	169.63	171.79	169.69	166.23	162.78
	Movement in CFR represented by :-					
	Net Financing Need for Year (above)	4.63	9.52	5.23	3.91	3.91
	Minimum and Voluntary Revenue Provisions*	(9.46)	(7.36)	(7.33)	(7.37)	(7.36)
	Total Movement	(4.83)	2.16	(2.10)	(3.46)	(3.45)

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

Limits to Borrowing Activity

The Council's long term borrowing at the 31 December 2016 was £96.87million as detailed in section 3 of the Strategy. External borrowing can arise as a result of both capital and revenue expenditure and timing of cash flows. As the Council has an integrated Treasury Management Strategy there is no association between individual loans and particular types of expenditure. Therefore, the Capital Financing Requirement and actual external borrowing can be very different.

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

No.	Prudential indicators For Prudence Gross Debt 31 March	2016-17 £m Proj.	2017-18 £m Est.	2018-19 £m Est.	2019-20 £m Est.	2020-21 £m Est.
3	External Borrowing	96.87	96.87	96.87	96.87	96.87
	Long Term Liabilities (including PFI)	21.77	21.07	20.32	17.10	16.22
	Total Gross Debt	118.64	117.94	117.19	113.97	113.09

Within the Prudential Indicators, there are a number of key indicators to ensure the Council operates its activities within well-defined limits. One key control is to ensure that over the medium term, debt will only be for a capital purpose. The Council needs to ensure that external debt does not, except in the short term, exceed the Capital Financing Requirement for 2016-17 (i.e. the preceding year) plus the estimates of any additional capital financing requirement for the current and next three financial years, however 2020-21 has also been included to be consistent with the Medium Term Financial Strategy.

No.	Prudential indicators For Prudence	2016-17 £m Proj.	2017-18 £m Est.	2018-19 £m Est.	2019-20 £m Est.	2020-21 £m Est.
4	Gross Debt & the CFR					
	Total Gross Debt	118.64	117.94	117.19	113.97	113.09
	Closing CFR (31 March)	169.63	171.79	169.69	166.23	162.78

As can be seen from the above table, the Council does not have any difficulty meeting this requirement in 2016-17 and does not envisage any difficulties in the current and future years. This view takes into account current commitments, existing plans and the proposals for next year's budget.

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

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

No.	Prudential indicators For Prudence	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m
5	Authorised limit for external debt					
	Borrowing	140	140	140	140	140
	Other long term liabilities	30	30	30	30	30
	Total	170	170	170	170	170
6	Operational Boundary					
	Borrowing	105	105	105	105	105
	Other long term liabilities	25	25	25	20	20
	Total	130	130	130	125	125

Prudential Indicators for Affordability

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

The **Ratio of Financing Costs to Net Revenue Stream** indicator demonstrates the trend in the cost of capital against the total revenue amount to be met from local taxpayers and the amount provided by the WG in the form of Revenue Support Grant. The estimates of capital financing costs include interest payable and receivable on Treasury Management activities and the MRP charged to the Comprehensive Income and Expenditure Statement. The revenue stream is the amount to be met from government grants and local taxpayers. The projection has

No.	Prudential Indicators for Affordability	2016-17 Proj. %	2017-18 Est. %	2018-19 Est. %	2019-20 Est. %	2020-21 Est. %
7.	Estimate - Ratio of Financing Costs to Net Revenue Stream	5.76	4.84	4.85	4.89	4.90

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

No.	Incremental Impact of Capital Investment Decisions on Council Tax	2016-17 Proj. £	2017-18 Est. £	2018-19 Est. £	2019-20 Est. £	2020-21 Est. £
8.	Estimate - Increase in Band D Council Tax as per Capital Programme	1.54	1.51	1.51	1.51	1.51

Schedule B

ANNUAL MINIMUM REVENUE PROVISION STATEMENT 2017-18

The Annual Minimum Revenue Provision Statement needs to be approved by Council before the start of each financial year. The MRP charges for 2017-18 will be on the following bases:-

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

The MRP Charge 2017-18 based on the estimated capital financing requirement is detailed below:-

	Options	Estimated Capital Financing Requirement 01-04-17 £m	2017-18 Estimated MRP £m
Capital expenditure before 01-04-2008 and any after 01-04-2008 that does not result in a significant asset (Supported)	(i)	123.81	4.95
Capital Expenditure before 01-04-2008 (Unsupported)		-	-
Supported capital expenditure that results in a significant asset, incurred on or after 1 April 2008 (Supported)	(ii)	3.55	0.13
Unsupported capital expenditure, exercised under the Prudential Code (Unsupported)		23.29	1.54
PFI, Finance Leases and other arrangements	(iii)		
PFI School		18.24	0.60
Innovation Centre		0.66	0.06
Coychurch Crematorium		0.08	0.08
TOTAL		169.63	7.36

Equality impact assessment (EIA) screening form

Please refer to the [guidance notes](#) when completing this form.

This form has been developed to help you to identify the need for EIA when developing a new policy, strategy, programme, activity, project, procedure, function or decision (hereafter all understood by the term policy). You must also complete this form when reviewing or revising existing policies. It will also help to prioritise existing policies that may need to undergo a full EIA.

Unless they are ‘screened out’ following this initial prioritisation process, policies **will** be required to undergo full EIA in priority order. Refer to the [above](#) guidance notes on when an equality screening should happen, and some initial principles to bear in mind when getting started.

No new or revised policy should be approved unless an equality screening and, if required, a full EIA has taken place.

The following sections must be completed for all new policies:

Name of policy being screened:

Medium Term Financial Strategy (MTFS)

Brief description of the Policy:

The council’s MTFS outlines how the council plans to use its resources to support the achievement of corporate priorities and statutory duties including the management of financial pressures and risks over the next four years.

Does this policy relate to any other policies?

The council’s MTFS relates to policies across the entire remit of the work of the council as budget reductions could, potentially impact on all council services.

What is the aim or purpose of the policy?

The MTFS helps the council to work more effectively with partners in other sectors and provides a strategy for the use of balances to meet changes in resources or demands year on year without impacting unduly on services or council tax payers.

Who is affected by this policy (e.g. staff, residents, disabled people, women only?)

Impacted by this policy potentially will be council staff, all residents of the county borough, visitors, service users and protected characteristic groups.

Who is responsible for delivery of the policy?

Responsibility for the delivery of the MTFS lies with the Corporate Management Board and Heads of Service

The following sections must be completed for all policies being reviewed or revised:

Is this a review of an existing policy?

Yes

If this is a review or amendment of an existing policy, has anything changed since it was last reviewed?

Has an EIA previously been carried out on this policy?

An Equality Impact Assessment is undertaken annually on the council's Medium Term Financial Strategy.

If an EIA exists, what new data has been collected on equality groups since its completion?

This is the third Equality Impact Assessment undertaken on the council's Medium Term Financial Strategy. Additionally, a detailed consultation exercise will be undertaken which will gather updated qualitative and quantitative data.

Screening questions

- 1. Is this policy an important or 'large scale' function, and/or is it likely the policy will impact upon a large number of staff, residents and/or contractors?**

Yes

- 2. Is it possible that any aspect of the policy will impact on people from different groups in different ways? (See guidance for list of 'protected characteristics' to consider)**

Characteristic	Yes	No	Unknown	Explanation of impact
Age	X			<p>The impact on age will differ and will depend on the nature of the service delivered and the service user. From the 2011 census the age breakdown of people living in Bridgend is:</p> <ul style="list-style-type: none"> ➤ 0 – 15 = 18.3% (25,572); ➤ 16 – 64 = 63.2% (88,316); ➤ 65+ 18.5% (25,852). <p>The budget proposals contain reductions that could potentially negatively impact older and younger people. The full impact of the proposals will be better understood following the consultation exercise with the public where feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered.</p>
Disability	X			<p>From the 2011 census, there were 18,796 people (out of a county borough total of 139,740 people) who considered they had a physical, sensory or learning disability or long term illness. The full impact of the proposals will be better understood following the consultation exercise with the public where feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered.</p>
Gender reassignment			X	<p>The potential impact of the budget reductions on this particular protected characteristic group is unknown as, although consultees are asked to share their personal and sensitive data with the council, this is not always disclosed. The full impact may not be known even following the consultation exercise to be undertaken with the public. Ongoing efforts are being made to encourage service users, customers, visitors and staff to disclose information regarding gender reassignment.</p>
Pregnancy and maternity			X	<p>The potential impact of the proposed budget reductions on pregnancy and maternity is currently unknown. The council's libraries and life centres are</p>

Characteristic	Yes	No	Unknown	Explanation of impact
				registered Breast Feeding Friendly venues. Some of the proposed reductions may influence the decisions of women to have (or not) children as it may no longer be economically and socially viable. Women could face the decision of either staying at home (which has shown to have a negative impact on their income, career prospects and their longer term income) or paying private nursery fees until their children reach the age of 4 – 5. The full impact of the proposals will be better understood following the consultation exercise to be undertaken with the public where feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered.
Race			X	From the 2011 census there were approximately 2,000 Black, Minority and Ethnic (BME) people living in Bridgend comprising of 1.5% of the total population. The full impact of the budget restrictions is currently unknown however we will continue to monitor the impact and introduce mitigating actions where possible. The council provides information in languages other than Welsh, English and British Sign Language. The full impact may be better understood following the consultation exercise to be undertaken with the public. Feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered.
Religion/belief			X	From the 2011 census there were approximately 2,000 BME people living in Bridgend comprising of 1.5% of the total population. In terms of religion and belief there were: <ul style="list-style-type: none"> ➤ 350 Buddhists; ➤ 270 Hindus; ➤ 500 Muslims; ➤ 33 Jews; ➤ 50 Sikhs. The full impact of the budget restrictions is currently unknown however we will continue to monitor the impact and introduce mitigation where possible.
Sex	X			The impact on women and men may differ based on the demographics of

Characteristic	Yes	No	Unknown	Explanation of impact
				the county borough rather than service delivery/provision. However, the council recognises that the life expectancy of women in Bridgend is greater than that of men and, therefore, any reduction in social care provision may subsequently impact women more than men. The full impact will be better understood following the consultation exercise to be undertaken with the public where feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered and individual EIAs to be undertaken on specific budget proposals.
<i>Sexual orientation</i>			X	The potential impact of the budget reductions on this particular protected characteristic group is unknown as, although consultees are asked to share their personal and sensitive data with the council, this is not always disclosed. The full impact may be better understood following the consultation exercise to be undertaken with the public where feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered. Ongoing efforts are being made to encourage service users, customers, visitors and staff to disclose information regarding their sexual orientation.
<i>Civil Partnerships and Marriage</i>		X		The potential impact of the budget reductions on this particular protected characteristic group is unknown however there is not expected to be an impact either positive or negative.

Yes

Please expand on your answer:

The council's Medium Term Financial Strategy outlines proposed budget reductions and further proposals on how the council will need to prioritise its services within the current financial environment. It is likely, therefore, that some protected characteristic groups will be negatively impacted by one/some of these proposals. However, the possible impact on some other protected characteristic groups is currently unclear. A full consultation exercise will be undertaken on the MTFS which it is hoped will help clarify the impact on these other groups in order that the council may consider any options in terms of mitigation.

- 3. What is the risk that any aspect of the policy could in fact lead to discrimination or adverse effects against any group of people? (See guidance for list of protected characteristics?)**

This risk is currently unknown

What action has been taken to mitigate this risk? [Guidance](#)

A full consultation exercise will be undertaken to establish the risks in further detail.

Please expand on your answer:

- 4. Could any aspect of the policy help BCBC to meet the main public sector duties? Bear in mind that the duty covers 9 protected characteristics. [Guidance](#)**

Duty	YES	NO	Unknown
Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Act	X		
Advance equality of opportunity between persons who a relevant protected characteristic and persons who do not share it	X		
Foster good relations between persons who share a relevant protected characteristic and persons who do not share it	X		

Please set out fully your reasoning for the answers given to question 4 including an awareness of how your decisions are justified.

The council's Medium Term Financial Strategy outlines how the council will have to prioritise its service delivery based on the financial resources available. There may be a public perception that certain sectors of our local communities are benefitting from council services more than others however the council will undertake a community based consultation exercise which will seek to allay these concerns and forge / maintain strong community relations. This consultation will need to maximise its reach into its communities and use innovative methods such as social media.

5. Could any aspect of this “policy” assist Bridgend County Borough Council with its compliance with the Welsh Language Standards and the Welsh Language (Wales) Measure 2011 which are as follows:-

- a. consider whether this new/revised policy has a positive or negative effect on:-
 - opportunities for people to use Welsh and
 - treating Welsh and English equally.
- b. consider how this policy could be reviewed so that any decision would have a positive (or a more positive) effect on:-
 - opportunities for people to use Welsh and
 - treating Welsh and English equally.
- c. consider how the policy could be reviewed so that any decision would not have adverse effects (or decreased adverse effects) on:-
 - opportunities for people to use Welsh and
 - Treating Welsh and English equally.

The proposed budget reductions within the MTFS will impact service delivery and will require the council to, in some situations, reprioritise its services. However, the current service level in terms of Welsh language will be maintained as far as possible. There is not expected to be a positive or negative effect on the Welsh language. In terms of the delivery of social care the council will maintain its policy of adopting the active offer.

6. Are you aware of any evidence that different groups have different needs, experiences, issues and/or priorities in relation to this policy?

Yes

If ‘yes’, please expand:

The council delivers services to people from each protected characteristic group. It is clear, therefore, that all groups will have different needs, experiences, issues and priorities.

7. Is this policy likely to impact on Community Cohesion?

Yes. Community cohesion issues can become apparent when one group of people believe that another group is being treated differently to them and receiving better / increased services. This may be the case with the Council's MTFS as different groups of people will be treated differently because of the need for the council to prioritise its available budget and redirect resources to where they are most needed.

Conclusions**8. What level of EIA priority would you give to this policy? [\(Guidance\)](#)**

HIGH - full EIA within 6 months, or before approval of policy

Please explain fully the reasons for this judgement including an awareness of how your decisions are justified.

The Medium Term Financial Strategy will potentially have an immediate impact (positive and/or negative) on all protected characteristic groups. Given the immediacy of this impact, a Full Equality Impact will be commenced during the public consultation exercise drawing on the qualitative and quantitative data provided. The final Full Equality Impact Assessment will be concluded prior to Cabinet / Council making any final decisions on proposals.

9. Will the timescale for EIA be affected by any other influence e.g. Committee deadline, external deadline, part of a wider review process?

The Medium Term Financial Strategy will require Cabinet / Council approval at a future date.

10. Who will carry out the full EIA?

Bridgend County Borough Council's Section 151 Officer (Head of Finance).

EIA screening completed by: Bridgend County Borough Council's Equality Officer.

Date: 30 September 2016

When complete, this initial screening form and, if appropriate, the full EIA form must be sent to [Paul Williams](#).

Full Equality Impact Assessment

Name of project, policy, function, service or proposal being assessed:	Medium Term Financial Strategy 2017/18 to 2020/21
Date assessment completed	30 December 2016

1. Introduction

The Council's MTFS (Medium Term Financial Strategy) is set within the context of UK economic and public expenditure plans, Welsh Government's priorities and its legislative programme. The MTFS outlines how the council proposes to use its resources to support the achievement of corporate priorities and its statutory duties which include managing financial pressures and risks over the next four years. The MTFS also helps the council work more effectively with its partners in other sectors and provides a strategy for the use of balances to meet changes in resources or demands from year to year without impacting unduly on services or council tax payers.

The Medium Term Financial Strategy 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 2026/27, linked to priority areas for capital investment and Capital Financing Strategy;
- The Treasury Management Strategy and Corporate Risk Register.

It also links to the following:

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

The Council's budget since 2011/12

Since 2011/12 the council's aggregate budget reductions have been:

2011/12	£7,386,000
2012/13	£4,796,000
2013/14	£3,706,000
2014/15	£11,274,000
2015/16	£11,225,000
2016/17	£7,477,000

The total reductions over this period were £45,864,000.

As part of a management restructure, the service area of Safeguarding & Family Support transferred from the then Childrens' Directorate to the Directorate of Social Services and Wellbeing in April 2015. For the purpose of expressing budget reductions, Family Support has been included within the Childrens' Directorate in the table below for 2014-15 and 2015-16.

Service area budgets have been subject to the following budget reduction totals:

	Savings 2011-12 £'000	Savings 2012-13 £'000	Savings 2013-14 £'000	Savings 2014-15 £'000	Savings 2015-16 £'000	Savings 2016-17 £'000	TOTAL SAVINGS £'000
Service Budgets							
Childrens *	-1,176	-801	-655	-2,932	-2,751	-1,467	-9,782
Schools	-1,350	-200	0	-116	-170	0	-1,836
Adult Social Care	-925	-600	-685	-3,099	-2,787	-1,837	-9,933
Sport, Play & Active Wellbeing	-580	-325	-315	-516	-277	-296	-2,309
Communities	-1,614	-1,021	-1,191	-1,728	-2,488	-1,336	-9,378
Resources	-1,006	-628	-410	-1,399	-1,153	-1,205	-5,801
Legal & Regulatory Services	-335	-106	-150	-449	-554	-398	-1,992
Corporate Budgets	-400	-1,115	-300	-1,035	-1,045	-938	-4,833
Total	-7,386	-4,796	-3,706	-11,274	-11,225	-7,477	-45,864

In April 2016 following the deletion of the Corporate Director - Resources post, the functions and portfolio of services of the council's Corporate Management Board were amended. The **proposed budget reductions** / savings for 2017/18 have therefore been distributed accordingly:

	Revised Budget 2016- 17 £'000	Proposed Savings 2017-18 £'000
Service Budgets **		
Education and family Support	21,308	-577
Schools	86,901	-869
Social Services & Wellbeing	60,534	-2,244
Communities	24,820	-806
Operational & Partnership Services	14,990	-535
Chief Executives /Finance	4,331	-414
Corporate Budgets	42,067	-407
Net Budget Requirement	254,951	-5,852

The impact on individual service areas as a result of the budget reductions from 2011/12 to 2016/17 are as follows:

Service	2011/12 reduction	2012/13 reduction	2013/14 reduction	2014/15 reduction	2015/16 reduction	2016/17 reduction	Reduction 11/12 – 16/17
Childrens	£1,176,000 (3.2%)	£801,000 (2.1%)	£655,000 (1.7%)	£2,932,000 (7.1%)	£2,751,000 (6.8%)	£1,467,000 (3.8%)	£9,782,000
Schools	£1,350,000 (1.7%)	£200,000 (0.3%)	0 (0%)	£116,000 (0.1%)	£170,000 (0.2%)	0	£1,836,000
Adult Social Care	£925,000 (2.7%)	£600,000 (1.7%)	£685,000 (1.9%)	£3,099,000 (7.5%)	£2,787,000 (6.9%)	£1,837,000 (4.5%)	£9,933,000
Sport, Play, Active Wellbeing	£580,000 (7.3%)	£325,000 (4.7%)	£315,000 (4.7%)	£516,000 (7.5%)	£277,000 (9.3%)	£296,000 (10.8%)	£2,309,000
Communities	£1,614,000 (6.2%)	£1,021,000 (4.1%)	£1,191,000 (5.0%)	£1,728,000 (7.3%)	£2,488,000 (9.4%)	£1,336,000 (5.3%)	£9,378,000
Resources	£1,006,000 (5.7%)	£628,000 (3.7%)	£410,000 (2.4%)	£1,399,000 (8.2%)	£1,153,000 (7.8%)	£1,205,000 (8.4%)	£5,801,000
Legal/Regulatory services	£335,000 (5.9%)	£106,000 (1.9%)	£150,000 (2.6%)	£449,000 (7.7%)	£554,000 (8.5%)	£398,000 (6.6%)	£1,992,000
Corporate Budgets	£400,000 (1.6%)	£1,115,000 (4.3%)	£300,000 (1.2%)	£1,035,000 (3.0%)	£1,045,000 (2.7%)	£938,000 (2.4%)	£4,833,000
Net reduction	£7,386,000(3.2%)	£4,796,000 (2.1%)	£3,706,000 (1.6%)	£11,274,000 (4.4%)	£11,225,000 (4.4%)	£7,477,000 (3.0%)	£45,864,000

These further proposed savings bring the total budget reductions made by Bridgend County Borough Council to £51,716,000.

The above figures demonstrate the scale of the council's budget reductions are having on services to customers but particularly with regard to social care for children, young people, older/elderly people, disabled people and people with mental health and/or substance misuse issues. These people are amongst the most vulnerable in Bridgend County Borough's communities. It is inevitable that such a high percentage of budget reduction will negatively impact those people who use our services. The impact of these budget reductions is described in further detail in section 5, Assessment of Impact.

2. Consultation overview

A public consultation reviewing the council's corporate principles and proposed budget reductions up to 2020/21 was undertaken over an eight week period from 6 October 2016 to 1 December 2016. The consultation received 2,533 responses from a combination of the consultation survey, 15 engagement events held across the county borough, social media interactions and from the Citizens' Panel.

The consultation survey was available for completion online through a link on the consultations page of the council's website. Paper copies of the consultation survey were made available at local libraries, the 15 community engagement events (including one question and answer session held by BAVO) or, alternatively they could be sent directly to residents upon request in English or Welsh.

Seven budget reduction questions requiring replies from respondents were asked, all other questions in the survey were optional and all offered the option of anonymity. The council's standard set of equalities monitoring questions was included in the survey (recommended good practice) and comments regarding the consultation were invited via letter, email and phone call.

The consultation focussed on ten main questions full details of which including response numbers and those in support of or against the proposals are included in the consultation report. The twelve questions were on:

1. the council's corporate priorities;
2. highway repairs;
3. current level of service funding;
4. working with our partners;

5. subsidies;
6. the removal of protected school budgets;
7. a review of cleaning in the community;
8. investment in property;
9. the community action fund;
10. saving money and making money.

Promotional tools and engagement methods

Details of the consultation were sent to:

- Bridgend business forum and business directory;
- Elected members;
- Town and Community Councils;
- members of the Local Service Board (LSB);
- the Youth Service Cabinet (YSC);
- Bridgend Equality Forum (BEF);
- all secondary school head teachers and admin teams and
- local media outlets.

People who attended the Medium Term Financial Strategy engagement events in 2015 were emailed directly to encourage further interaction regarding the “Shaping Bridgend’s Future” consultation during 2016.

A replication of the questions asked in the consultation was sent to all 1,248 Citizens’ Panel members. Facebook and Twitter were widely used to promote the consultation, which included sharing a collection of short videos and holding two social media Q&A sessions.

Trade Unions

Trade unions were also invited to take part in the consultation exercise however the invitation was declined in favour of the council engaging with trade union colleagues on specific proposals / consultations.

Social Media

Information was posted to the council's corporate Facebook and Twitter channels throughout the consultation period to raise awareness of the consultation and to encourage citizens to share their views on the proposals. The council currently has 8,075 followers on its corporate Twitter account and 6,386 'fans' on its Facebook page. While content is most likely to be seen by these users, it is also displayed to users who are not connected to the accounts. During the consultation period, the authority 'tweeted' 150 times and posted to Facebook eight times about the consultation. This content was seen 85,179 times and 178,750 times respectively. Live Twitter and Facebook Question & Answer sessions were held with the Chief Executive on 19 October and 9 November respectively. These events were promoted to generate awareness and interest and to encourage debate. The Chief Executive opened the sessions by inviting questions which were themed around the consultation review. The Twitter account's tweets were seen 30,880 times on the day of the debate, a decrease of 18.8 per cent from 38,011 last year. The Facebook session was seen 11,304 times, up by 4.2 per cent from 10,842 last year.

Social media videos

Five videos were produced to promote the consultation and its key issues, to improve citizens' understanding of the situation and what the consultation exercise was designed to achieve. The videos comprised one general four-minute video which was embedded on the "Shaping Bridgend's Future" web page and shown at community engagement events, and four shorter videos focussing on key issues and proposals within the consultation which were promoted via social media. The videos received a total of 13,017 views during the consultation period with the duration of over 30% of these views being 10 seconds or longer.

Local press

The consultation featured in the Glamorgan Gazette newspaper and in elected members' columns in local publications. A three week campaign was undertaken on Bridge FM to raise awareness of the budget consultation and encourage the public to participate via the online survey and/or attend a community engagement event. Bridge FM also placed a link to the budget consultation document on its website and promoted the day and evening events throughout the campaign. Information was also made available on the Bridgend County Borough Council website via the consultation webpages or by visiting www.bridgend.gov.uk/future.

Members' budget workshop

A number of councillors attended the Members' budget workshop which was designed for councillors to experience using the budget survey and responsecards. Councillors were then asked to discuss the most disputed outcomes from the presentation and share their collective opinions on how the council could save money and create income.

Online budget survey

The online survey included an interactive tool designed to give respondents the ability to allocate the council's budget in relation to the specific budget reductions proposed. The tool used sliders to allow respondents to alter each budget, which triggered positive and negative consequences designed to increase understanding of the impact of making changes to the council budget overall. A qualitative section within the survey allowed respondents to suggest how the council can save money and create income.

Youth survey

A bespoke youth survey using a largely image based (easy read) design was created in order to attract a younger audience. Questions were asked from the standard online budget survey that a younger audience would understand and could be impacted by. There were fifteen budget questions in total which were written in a more basic format and all questions were optional. All Head Teacher and school administration accounts were contacted on two occasions. Head Teachers were reminded of the consultation at a budget meeting and were written to by the council's Head of Finance. The third sector (front line youth support services provided via the voluntary sector) was also contacted as was the Youth Council. The survey link was tweeted to thirty six active school twitter accounts and ten youth groups for additional promotion and a Facebook advert targeting young people in the county borough was also used to promote the youth survey.

Community engagement workshops

Three community engagement workshops were held across the county borough at:

- Caerau Community Centre;
- Brynteg Comprehensive School in Bridgend town and

- Porthcawl Rugby Club.

The events were held with the support of community groups to encourage a higher attendance than in previous years. Attendees answered questions during a presentation using response cards which were accompanied by a participant worksheet to collate personal and qualitative data. The engagement events followed the pattern of the qualitative section of the online budget survey allowing individuals to add to their presentation responses or suggest alternatives.

Community engagement stands

Ten community engagement stands were held at five locations in Bridgend County Borough:

- Sainsbury's (Sarn);
- Tesco Extra (Bridgend town);
- John Street (Porthcawl);
- Maesteg Market and
- Bridgend Market.

Passers-by were asked to take part in a small straw poll coin-game and to support or reject three service reductions. Comment cards, event sign up forms, paper surveys and business cards directing recipients to the online survey were also made available at the stands.

Posters

Posters promoting the engagement events and the budget survey were circulated to:

- the twelve local libraries;
- PACT coordinators;
- Elected Members;
- University of the Third Age;
- Caerau Community Centre;
- Bridgend Equality Forum;

- Bridgend Business Forum and
- Bridgend Youth Council.

Response rate

There was a total of 2,533 separate interactions with consultees (equating to 1.8% of the county borough population). The response rate has been separated into:

- Shaping Bridgend's Future survey responses = 666 (26.3%) online responses (none offline);
- Youth survey = 46 (1.8%) online responses;
- Citizens' Panel survey = 498 (19.7%) responses and 334 (13.2%) offline responses;
- Community Engagement Events =
 - Caerau Community Centre = 10 interactions (0.4%);
 - Brynteg Comprehensive School = 14 interactions (0.6%);
 - Porthcawl Rugby Club = 52 interactions (2.1%);
 - Elected Members' workshop = 10 interactions (0.4%);
- Engagement stands = 262 interactions (10.3%) from ten engagement stands;
- Social media Questions and Answer sessions = 123 interactions (4.9%);
- Social Media = 518 interactions (20.5%).

The consultation process was fully accessible in terms of font size, language and online/hard copy completions.

3. Using the consultation data to understand the impact on protected characteristic groups.

98% (1,464) of the 1,496 respondents to the consultation stated they were resident within the County Borough which represents a good cross section of the county borough's population. 38% of the 1,380 respondents to the "do you have caring responsibilities" question stated they had caring responsibilities for a child. The age breakdown of respondents to the survey was as follows:

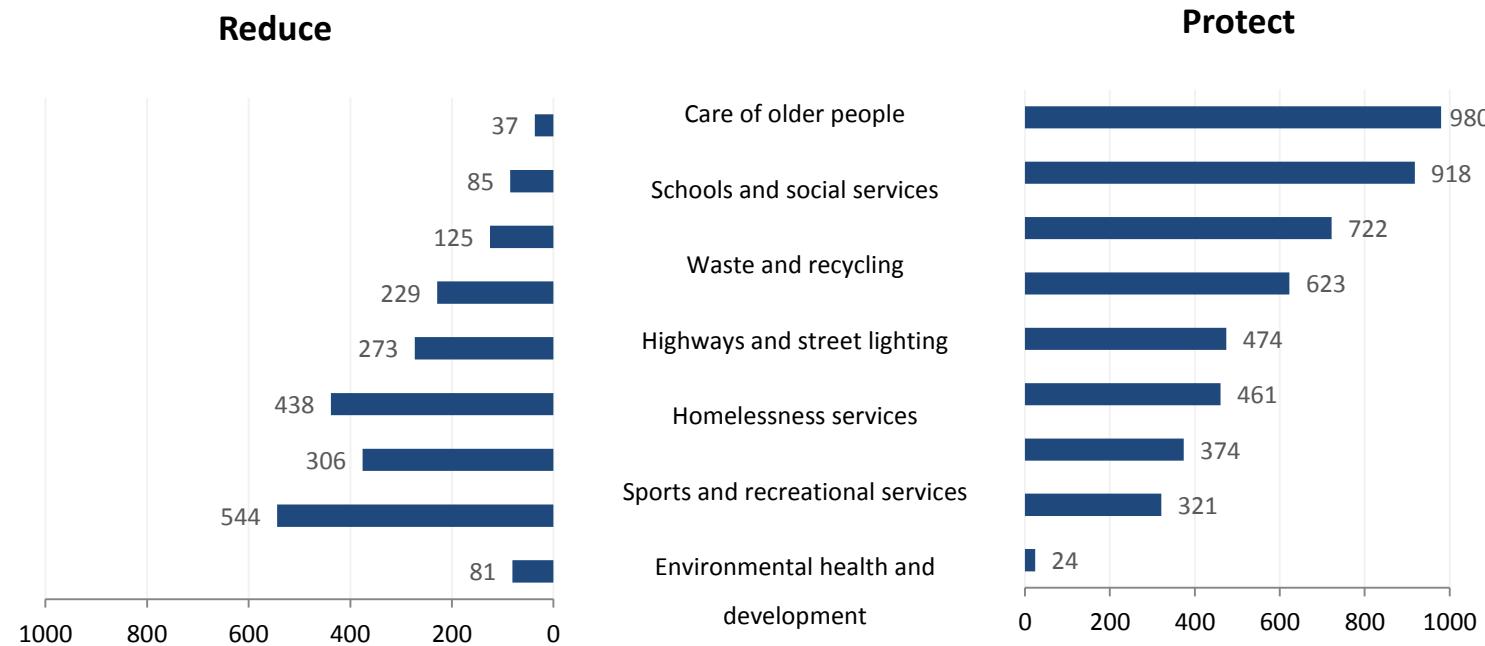
Age	Shaping Bridgend's Future survey	Citizens' Panel	Youth survey	Total
Under 18	5	0	26	31
18 - 24	18	3	0	21
25 - 34	146	37	0	183
35 - 44	153	74	0	227
45 - 54	181	113	0	294
55 - 64	122	180	0	302
65 - 74	42	157	0	199
75+	7	107	0	114
Prefer not to say	7	8	3	18
Grand Total	681	679	29	1,389

Approaching 70% of respondents were either fairly aware or very aware of the council's current financial position whilst 19% stated they were not aware of this.

77% (three in four) respondents believed that certain services should be protected over others. These services were:

- Care for older people (86%);
- Schools and social services (81%) and
- Waste and recycling (64%).

Respondents selecting "yes" to protecting certain services over others were then asked which specific areas should be protected and which should be reduced. This is summarised below.



There is a clear indication that the responses favour protecting Caring for Older People, Schools and Social Services and Waste and Recycling.

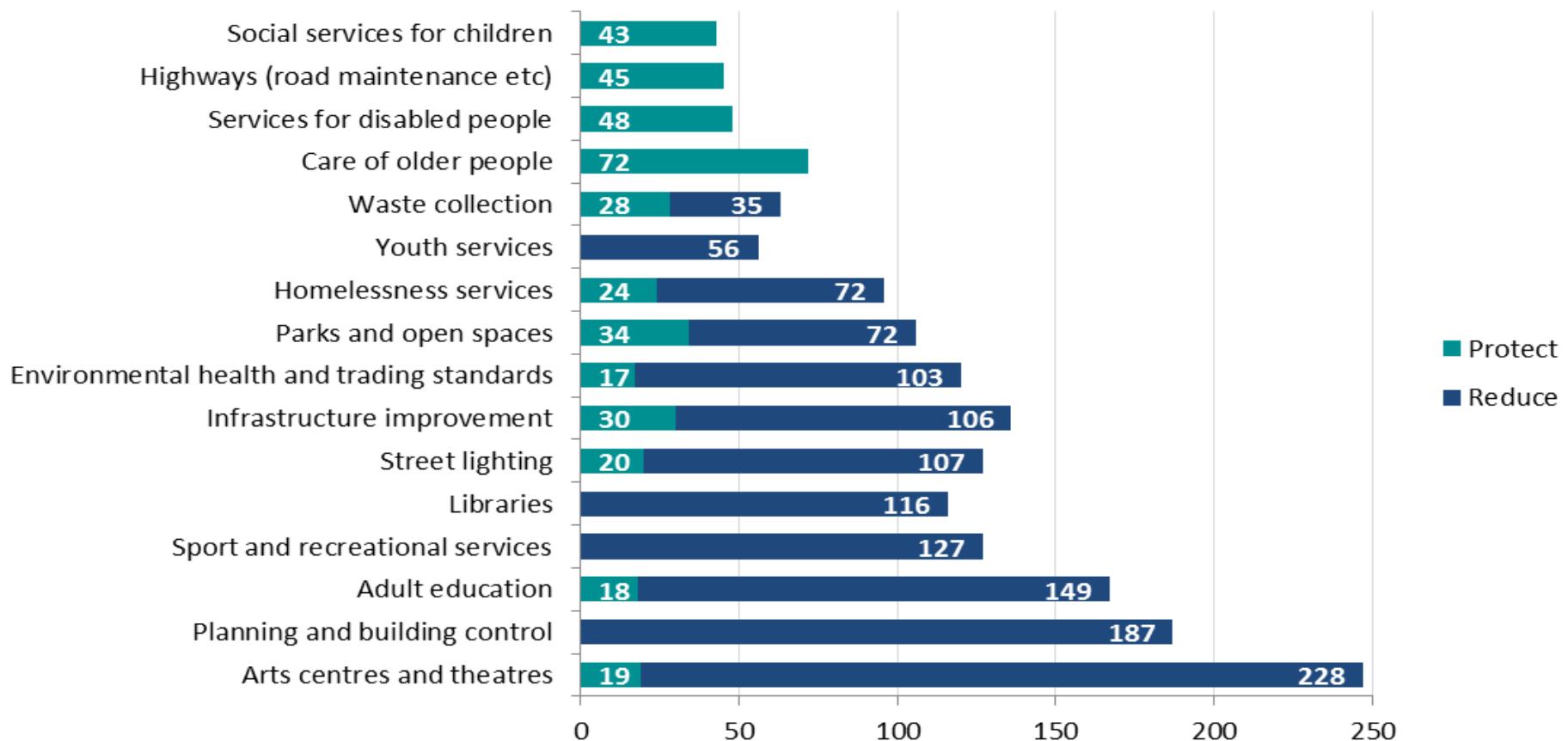
Respondents were also asked for their views on subsidies. 54% of respondents supported increasing the school meal subsidy and 58% supported increasing the costs of using playing fields. The significant difference between the demographics of these answers is that the playing fields proposal is more supported by people without children than with children.

Budget reductions**School Budgets**

In terms of the removal of the protection of school budgets, the proposed reduction of £3,476,000 was supported by 38% of respondents, 21% suggested making the cuts in other services and 26% supported introducing a reduction in the current provision but at a lower rate than that proposed. 18% of respondents suggested reducing the funding by more than that proposed.

Support for the proposal was more likely to come from respondents aged 45 with support steadily increasing from 58% for 45 – 54 year olds to 69% for those aged 75+. In total 44% of parents supported the proposal against 61% of respondents without a caring responsibility for children.

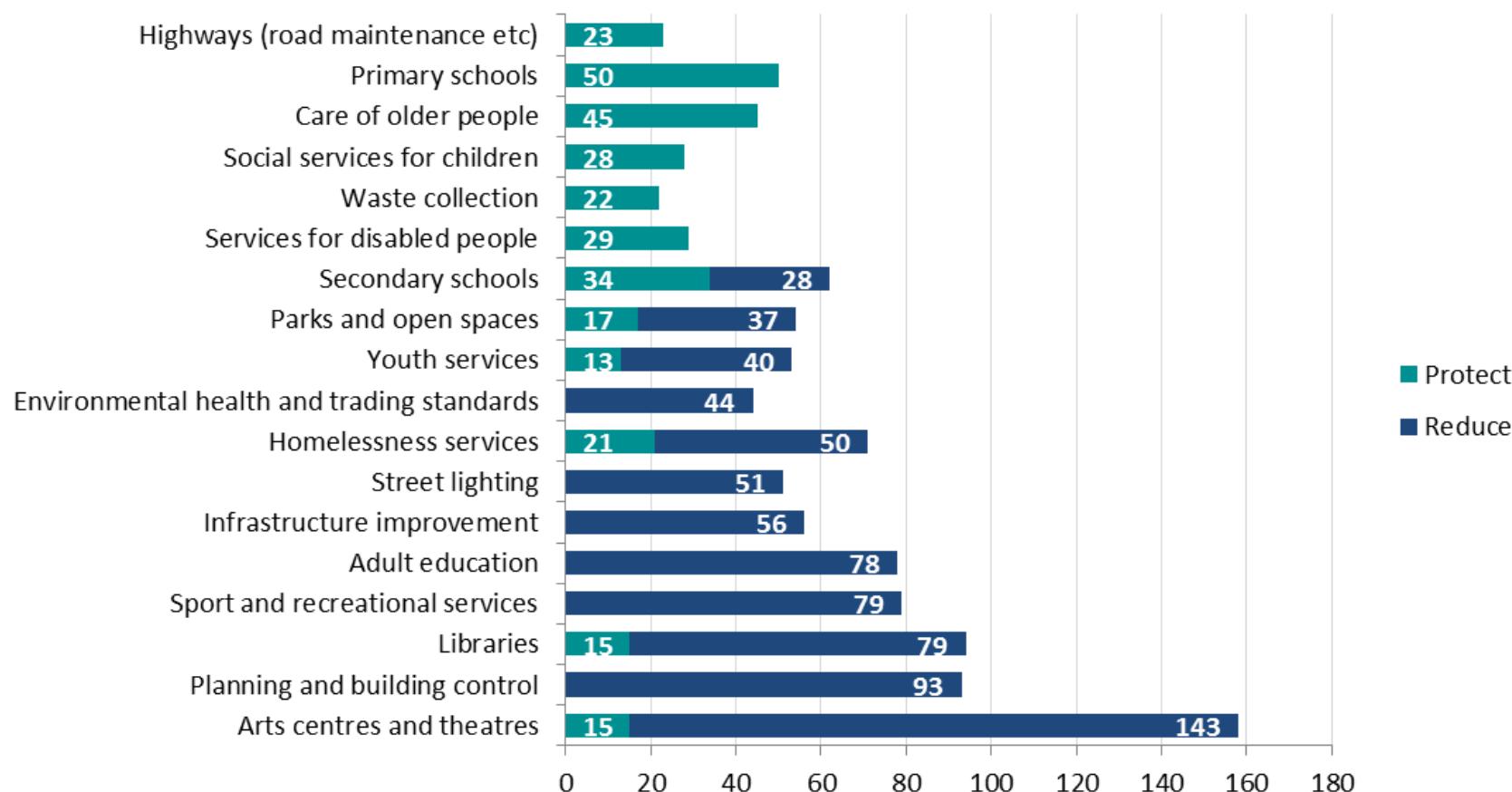
Respondents selecting “yes” to protecting services with the savings from the school budget reductions were asked which specific areas should be protected and which should be reduced. This is summarised below.



398 individual areas were selected by 142 respondents with Care for older people being the priority supported by 50.7% of respondents. Social Services for Children, Highways and Services for Disabled people were also popular suggestions.

Cleaning in the community

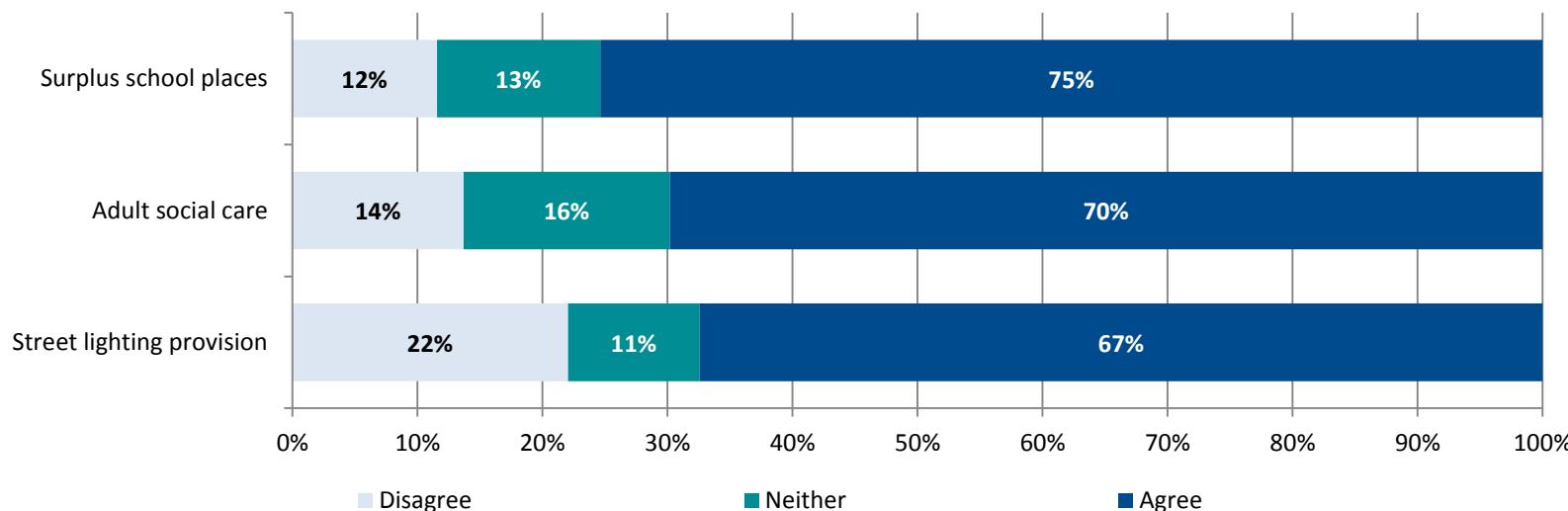
Respondents selecting “yes” to protecting services by reducing the Cleaning in the Community budget were asked which specific areas should be protected and which should be reduced. This is summarised below.



Primary schools were regarded as the most popular selection with 50 (39%) individual responses. Care for older people 45 (35%) and secondary schools 34 (26%) completed the top three areas to spend the saving generated from the proposal.

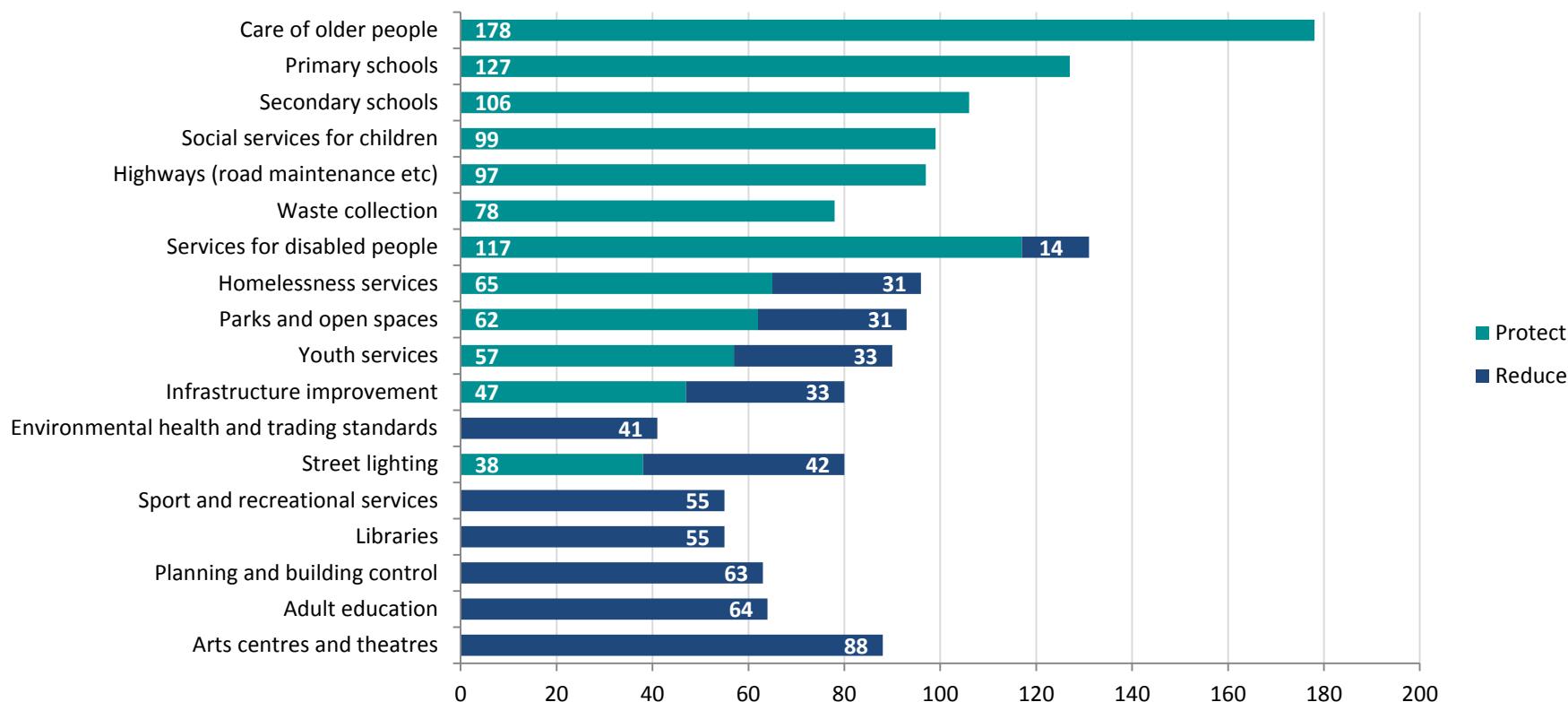
General proposed reductions

Respondents were then asked to comment (strongly disagree or strongly agree) to three proposals which were supported by the majority of respondents. Three in four (75%) respondents supported reviewing school surplus places. 70% of respondents agreed that Adult social care was important whilst street lighting was the least supported of the three with 67 per cent of respondents accepting a proposal to save up to £500,000 by reducing street lighting where it is safe to do so. 75% of parents supported the review of surplus school places.



Investing in property

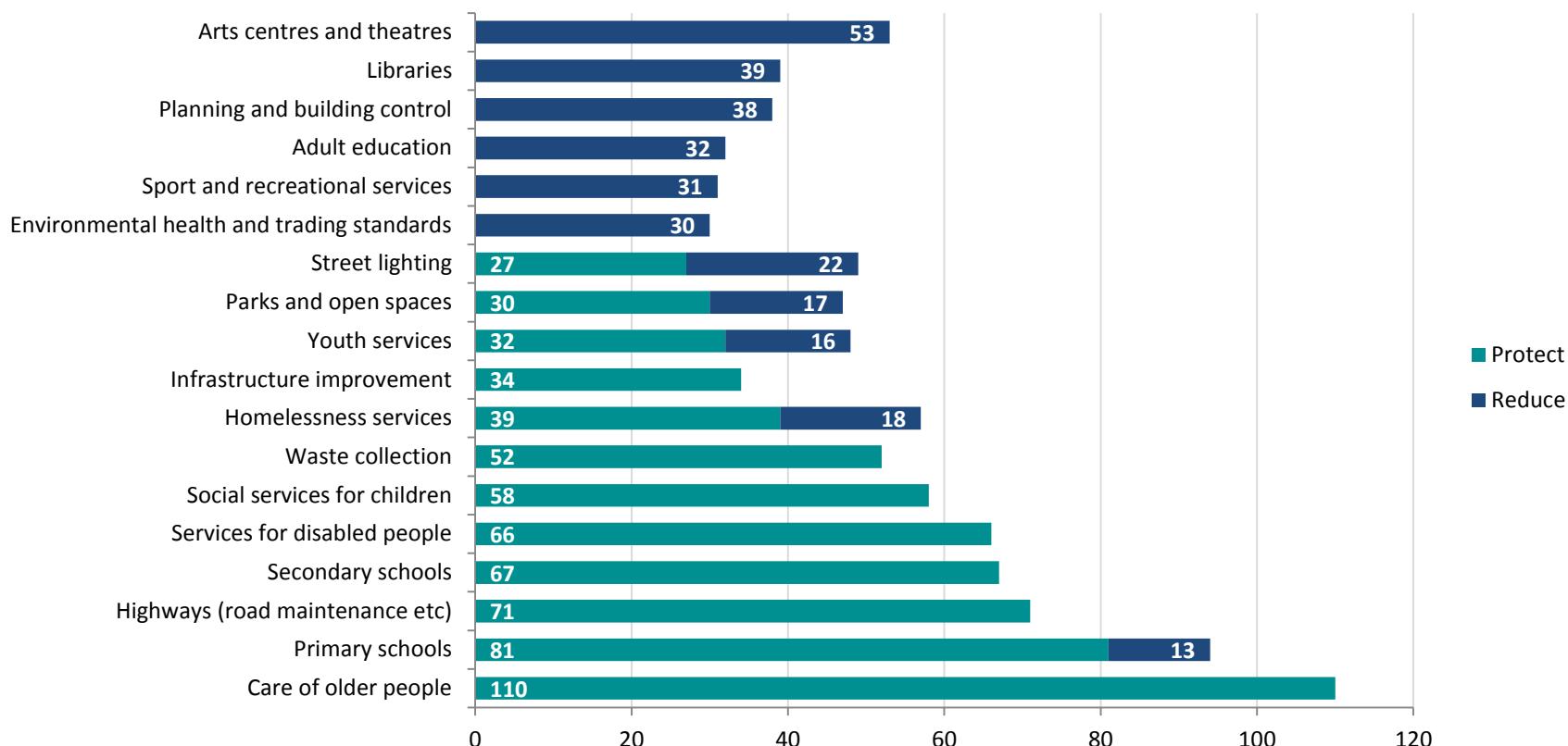
Respondents were then asked to comment on the investment in property proposal. Those respondents who had suggested increasing the level of income generated from property investment were asked where they would spend this saving. This is summarised as follows:



Care for older people was regarded as the most popular selection with 178 (49%) individual responses. Primary schools 127 (35%), and services for disabled people 177 (34%), completed the three most selected areas for additional investment.

Community Action Fund

Respondents who had suggested decreasing the level of investment in the community action fund were asked where they would reallocate this saving. This is summarised below:



Care for older people was regarded as the most popular selection with 110 (49%) individual responses. Primary schools 81 (36%), and highway maintenance 71 (32%), completed the three most selected areas for investment.

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

4. Consultation

		Action Points
Who do you need to consult with (which equality groups)?	The council was mindful that the full impact of the proposed budget reductions detailed in the Medium Term Financial Strategy will potentially be high level, negative and may impact many customers, citizens, visitors and service users from all protected characteristic groups. The council was also mindful that, in order to maximise its reach into its communities and the people who use its services, it needed to consider further innovative engagement methods. The council, therefore used social media, local newspapers and radio, online consultation methods, distributed hard copies of consultation documents to libraries and public buildings, worked with the citizens' panel and arranged a series of community engagement workshops encouraging citizens to attend and give their views on the consultation. In addition, the Bridgend Equality Forum, comprising representatives from across all of the protected characteristic groups was also consulted on three occasions.	The approach adopted by the council is described in the paragraphs above.
How will you ensure your consultation is inclusive?	The council was mindful that different groups have different needs in terms of accessibility. The consultation was therefore carried out in as inclusive a	The consultation methods comprised of hard copy materials in various font sizes, online methods for customers and citizens who wished to feedback in a digital

		Action Points
	manner as possible.	environment, face to face focus groups, and community workshops enabling people to feedback verbally to council representatives and the Bridgend Equality Forum who engaged with their individual groups on the council's behalf.
What consultation was carried out? Consider any consultation activity already carried out, which may not have been specifically about equality but may have information you can use	<p>The council's MTFS consultation continued from 6 October 2016 to 1 December 2016. The Bridgend Equality Forum, which meets on a bimonthly basis with representative groups, also holds their own individual meetings:</p> <ul style="list-style-type: none"> ➤ Bridgend Visually Impaired Society; ➤ Bridgend Deaf Club; ➤ Bridgend Coalition of Disabled People; ➤ Stroke Association; ➤ Bridgend People First; ➤ Mental Health Matters Wales; ➤ Race Equality First; ➤ Bridgend LGBT+ Forum; ➤ Calan DVS; ➤ Stand Against Bullying and ➤ Bridgend Shout. <p>Trade unions were also consulted.</p>	Please see the Consultation Report for full details of questions asked and actions.

Record of consultation with people from equality groups

Group or persons consulted	Date, venue and number of people	Feedback, areas of concern raised	Action Points
Bridgend Equality Forum	14 September 2016, Innovation Centre, Bridgend, 10 people in attendance	Feedback/areas of concern summarised in full consultation report.	Please see the full consultation report for all action points.
Community event	11 and 12 October 2016, Sainsbury's, Sarn, 54 people in attendance.	As above	As above
Community event	18 and 19 October 2016, Tesco Extra, Bridgend, 37 people in attendance	As above	As above
Twitter Debate	19 October 2016	As above	As above
Community event	1 and 2 November 2016, Bandstand, John Street, Porthcawl, 36 people in attendance	As above	As above
Facebook Q & A	9 November 2016	As above	As above
Community event	10 and 11 November 2016, Maesteg Market, 30 people in attendance	As above	As above
Community event	14 and 15 November 2016, Bridgend Market, 11 people in attendance.	As above	As above
Community event	17 November 2016, Caerau Community Centre, 10 people in attendance	As above	As above
Community event	21 November 2016, Brynteg School, 14 people in attendance	As above	As above
Bridgend Equality Forum	23 November 2016, St Johns Day Centre, Bridgend, 10 people attending	As above	As above
Community event	24 November 2016, Porthcawl Rugby Club, 52 people in attendance	As above	As above
Elected Members	30 November 2016, Civic Offices, 10 members in attendance.	As above	As above

5. Assessment of Impact

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

- a) Liaise with the Engagement Team who may seek legal advice as to whether, based on the evidence provided, an adverse impact is or is potentially discriminatory, and**
- b) Identify steps to mitigate any adverse impact – these actions will need to be included in your action plan.**

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

Data from the consultation and the 2011 census has been compared at section 6 below.

Gender	Impact or potential impact	Actions to mitigate
Identify the impact/potential impact on women and men.	The Full Equality Impact Assessment reinforces the detail in the Initial Screening EIA which is that “the impact on women and men may differ based on the demographics of the county borough rather than service delivery/provision. The full impact will be unknown until a consultation exercise has been undertaken with the public where feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered.” From the 2011	There will be an impact on women and men as a result of some of the proposed budget reductions although, potentially, the impact may differ depending on the service being delivered / reviewed. For each of the proposed budget reductions included in the Medium Term Financial Strategy a consultation exercise and an Equality Impact Assessment will be undertaken prior to the final approval (or not) of the proposal by Cabinet / Council. Members will then be in a position to make an informed decision based on a

	<p>census there were 139,740 people living in the county borough comprising of a gender split of 49.4% male (69,031) and 50.6% (70,709) Female. Many of the proposals will also impact carers, parents and children. The vast majority of caring and parenting responsibilities are undertaken by women, some proposals therefore regarding caring, children and nursery provision are likely to negatively impact women. Within the consultation, 1,114 people responded to the question regarding gender as follows:</p> <ul style="list-style-type: none">➤ Female – 549➤ Male – 568➤ Other – 1➤ Prefer not to say – 6 <p>Additionally, 207 people stated they had caring responsibilities, 8 women said they were pregnant and 7 had given birth in the last 28 weeks.</p>	more focussed consultation and engagement exercise.
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Disability	Impact or potential impact	Actions to mitigate
<p>Identify the impact/potential impact on disabled people (ensure consideration of a range of impairments, e.g. physical, sensory impairments, learning disabilities, long-term illness).</p>	<p>The Full Equality Impact Assessment reinforces the detail in the Initial Screening EIA which is that “from the 2011 census, there were 18,796 people (out of a county borough total of 139,740 people) who considered they had a physical, sensory or learning disability or long term illness. The full impact will be unknown until a consultation exercise has been undertaken with the public where feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered.” Of the 1,114 people responding to the consultation survey, 184 (16.4%) stated they had a disability or long term illness. Whilst the council is mindful of the potential impact of the budget proposals on disabled people, there are opportunities for us to work with our third sector partners to deliver an alternative form of service. The budget proposals will include reviews of services for disabled people (physical, learning and mental health disabilities).</p>	<p>There will be an impact on people with disabilities as a result of some of the proposed budget reductions. For each of the proposed budget reductions included in the Medium Term Financial Strategy a consultation exercise and an Equality Impact Assessment will be undertaken prior to the final approval (or not) of the proposal by Cabinet / Council. Members will then be in a position to make an informed decision based on a more focussed consultation and engagement exercise.</p>

Race	Impact or potential impact	Actions to mitigate
Identify the impact/potential impact of the service on Black and minority ethnic (BME) people.	<p>The Full Equality Impact Assessment reinforces the detail in the Initial Screening EIA which is that “from the 2011 census there are 2000 BME people living in Bridgend comprising of 1.5% of the total population. The full impact of the budget restrictions is currently unknown however we will continue to monitor the impact and introduce mitigating actions where possible. The council currently provides information in languages other than Welsh, English and British Sign Language. The full impact will be unknown until a consultation exercise has been undertaken with the public where feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered. The responses to the consultation exercise were from:</p> <ul style="list-style-type: none"> ➤ Welsh – 685; ➤ English – 72; ➤ British – 339; ➤ Scottish – 9; ➤ Northern Irish – 3; ➤ Prefer not to say – 9; 	<p>There may be an impact on race as a result of some of the proposed budget reductions. For each of the proposed budget reductions included in the Medium Term Financial Strategy a consultation exercise and an Equality Impact Assessment will be undertaken prior to the final approval (or not) of the proposal by Cabinet / Council. Members will then be in a position to make an informed decision based on a more focussed consultation and engagement exercise.</p>

	<ul style="list-style-type: none"> ➤ Other – 11. <p>In terms of ethnicity, the following data was captured:</p> <ul style="list-style-type: none"> ➤ White – 1089; ➤ Mixed – 8; ➤ Asian – 1; ➤ Black – 1; ➤ Other – 2; ➤ Prefer not to say – 18. <p>We will continue to monitor the impact of our proposed budget reductions on this protected characteristic.</p>	
Religion and belief	Impact or potential impact	Actions to mitigate
Identify the impact/potential impact of the service on people of different religious and faith groups.	<p>The Full Equality Impact Assessment reinforces the detail in the Initial Screening EIA which is that “from the 2011 census there are 2,000 Black, Minority Ethnic (BME) people living in Bridgend comprising of 1.5% of the total population. In terms of religion and belief there were:</p> <ul style="list-style-type: none"> ➤ 350 Buddhists; ➤ 270 Hindus; ➤ 500 Muslims; ➤ 33 Jews; 	There may be an impact on religion and belief as a result of some of the proposed budget reductions. For each of the proposed budget reductions included in the Medium Term Financial Strategy a consultation exercise and an Equality Impact Assessment will be undertaken prior to the final approval (or not) of the proposal by Cabinet / Council. Members will then be in a position to make an informed decision based on a more

	<ul style="list-style-type: none"> ➤ 50 Sikhs. <p>From the consultation exercise, the following data was collected:</p> <ul style="list-style-type: none"> ➤ No religion - 456; ➤ Christian – 596; ➤ Buddhist – 4; ➤ Hindu – 2; ➤ Muslim – 1; ➤ Other – 14; ➤ Prefer not to say – 44. <p>The full impact of the budget reductions is currently unknown however we will continue to monitor the impact and introduce mitigation where possible.</p>	focussed consultation and engagement exercise.
Sexual Orientation	Impact or potential impact	Actions to mitigate
Identify the impact/potential impact of the service on gay, lesbian and bisexual people.	The Full Equality Impact Assessment reinforces the detail in the Initial Screening EIA which is that “the potential impact of the budget reductions on this particular protected characteristic group is unknown as, although consultees are asked to share their personal and sensitive data with the council, this is not always disclosed. The full impact will be unknown until a consultation exercise has been undertaken with the public where	There is not expected to be an impact on sexual orientation as a result of some of the proposed budget reductions. For each of the proposed budget reductions included in the Medium Term Financial Strategy a consultation exercise and an Equality Impact Assessment will be undertaken prior to the final approval (or not) of the proposal by Cabinet / Council. Members will then be in a position to make an informed decision based on a

	<p>feedback and concerns regarding the proposed budget reductions may be gathered and mitigation considered. Further efforts will be made to encourage service users, customers, visitors and staff to disclose information regarding sexual orientation." From the consultation exercise, the following data was collected:</p> <ul style="list-style-type: none"> ➤ Straight – 1,014; ➤ Gay man – 13; ➤ Gay women/lesbian – 9; ➤ Bisexual – 9; ➤ Other – 3; ➤ Prefer not to say - 59 	more focussed consultation and engagement exercise.
Age	Impact or potential impact	Actions to mitigate
Identify the impact/potential impact of the service on older people and younger people.	<p>The Full Equality Impact Assessment reinforces the detail in the Initial Screening EIA which is that "the impact on age will differ and will depend on the nature of the service delivered and the service user. From the 2011 census the age breakdown of people living in Bridgend is:</p> <ul style="list-style-type: none"> ➤ 0 – 15 = 18.3% (25,572); ➤ 16 – 64 = 63.2% (88,316); ➤ 65+ 18.5% (25,852). <p>The budget proposals contain some</p>	There may be an impact on people of varying ages as a result of some of the proposed budget reductions. For each of the proposed budget reductions included in the Medium Term Financial Strategy a consultation exercise and an Equality Impact Assessment will be undertaken prior to the final approval (or not) of the proposal by Cabinet / Council. Members will then be in a position to make an informed decision based on a more

	<p>reductions that could potentially negatively impact older and younger people. The full impact will be unknown until a consultation exercise has been undertaken with the public where feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered". From the consultation exercise, the following data was gathered:</p> <ul style="list-style-type: none">➤ Age under 18 = 31;➤ Age 18 – 24 = 21;➤ Age 25 – 34 = 183;➤ Age 35 – 44 = 227;➤ Age 45 – 54 = 294;➤ Age 55 – 64 = 302;➤ Age 65 – 74 = 199;➤ Age 75+ = 114;➤ Prefer not to say = 18. <p>Grand total – 1,389.</p> <p>Some of the proposals could impact childrens' social and educational development and household incomes.</p>	focussed consultation and engagement exercise.
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Pregnancy & Maternity	Impact or potential impact	Actions to mitigate
<p>Identify the impact/potential impact of the service on older people and younger people.</p>	<p>The Full Equality Impact Assessment reinforces the detail in the Initial Screening EIA which is that “the potential impact of the proposed budget reductions on pregnancy and maternity is currently unknown. The council’s libraries and life centres are registered as Breast Feeding Friendly venues. Some of the proposed reductions may influence the decisions of women to have (or not) children as it may no longer be economically and socially viable. Women could face the decision of either staying at home (which has shown to have a negative impact on their income, career prospects and their longer term income) or paying private nursery fees until their children reach the age of 4 – 5. The full impact will be unknown until a consultation exercise has been undertaken with the public where feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered.” From the consultation exercise, the following data was collected:</p> <ul style="list-style-type: none"> ➤ Pregnant – 8; ➤ Given birth in the last 26 weeks - 7 	<p>There may be an impact on pregnancy and maternity as a result of some of the proposed budget reductions. For each of the proposed budget reductions included in the Medium Term Financial Strategy a consultation exercise and an Equality Impact Assessment will be undertaken prior to the final approval (or not) of the proposal by Cabinet / Council. Members will then be in a position to make an informed decision based on a more focussed consultation and engagement exercise.</p>

Transgender	Impact or potential impact	Actions to mitigate
Identify the impact/potential impact of the service on people who identify as transgender.	The Full Equality Impact Assessment reinforces the detail in the Initial Screening EIA which is that “the potential impact of the budget reductions on this particular protected characteristic group is unknown as, although consultees are asked to share their personal and sensitive data with the council, this is not always disclosed. The full impact will be unknown until a consultation exercise has been undertaken with the public where feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered. Further efforts will be made to encourage service users, customers, visitors and staff to disclose information regarding reassignment. From the consultation data, no respondents identified as transgender.	There is not expected to be an impact on transgender people as a result of some of the proposed budget reductions. For each of the proposed budget reductions included in the Medium Term Financial Strategy a consultation exercise and an Equality Impact Assessment will be undertaken prior to the final approval (or not) of the proposal by Cabinet / Council. Members will then be in a position to make an informed decision based on a more focussed consultation and engagement exercise.
Marriage and Civil Partnership	Impact or potential impact	Actions to mitigate
Identify the impact/potential impact of the service on marriage and civil partnerships.	The Full Equality Impact Assessment reinforces the detail in the initial screening EIA which is that “the potential impact of the budget reductions on this particular protected characteristic group is unknown however there is not expected to be an impact either positive or negative.”	There is not expected to be an impact on marriage and civil partnership as a result of some of the proposed budget reductions. For each of the proposed budget reductions included in the Medium Term Financial Strategy a consultation

		exercise and an Equality Impact Assessment will be undertaken prior to the final approval (or not) of the proposal by Cabinet / Council. Members will then be in a position to make an informed decision based on a more focussed consultation and engagement exercise.
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In summary, Bridgend County Borough Council has, since 2011/12, made budget reductions of £51,716,000 and will need to make additional budget reductions over the next four years. An historic budget reduction total of nearly £52 million comprises approximately 20% of the council's net budget. Additionally, the council expects continued reductions will lead to further downsizing in terms of its corporate employee numbers. It is clear that the likelihood of a negative impact being experienced by one or more protected characteristic groups is high. This is particularly the case with age, gender and disability. The council is committed to targeting its resources to where they are most needed and, whilst under the circumstances mitigation may not be possible, it will do its utmost to ensure that any reallocation of resources is not discriminatory. The council is also confident that a response rate of 1,630 to the survey questions is robust and subject to a maximum standard error of ± 2.03 per cent at the 95 per cent confidence level. This means that if the total population of Bridgend had taken part in the survey and a statistic of 50 per cent was observed, we can be 95 per cent confident that the actual figure lies between 47.97 per cent and 52.03 per cent. The response rate to the overall consultation was 2,533 which is a 26 per cent increase on last year's response rate of 1,819.

6. Comparing data from the consultation with the census 2011.

The consultation data gathered compares to the data available from the 2011 census as follows:

Gender

Source	Total	Male No.	Male %	Female No.	Female %	Other no.	Other %	PNTS no.	PNTS %
Census 2011	139,740	69,031	49.4%	70,709	50.6%	N/A	N/A	N/A	N/A
Consultation	1,114	568	51%	549	49.3%	1	0.1%	6	0.5%

Disability

Source	Total	Disabled no.	Disabled %
Census 2011	139,740	18,796	13.5%
Consultation	1,114	184	16.4%

Race

Source	Total	White	Mixed	Asian	Black	Other	PNTS
Census 2011	2,000 (1.5%)	N/A	N/A	N/A	N/A	N/A	N/A
Consultation	1,119	1,089 (97%)	8 (0.7%)	1 (0.1%)	1 (0.1%)	2 (0.2%)	18 (1.6%)

Religion / Belief

Source	Total	Buddhist	Hindu	Muslim	Jewish	Sikh	Christian	No religion	Other / PNTS
Census 2011	2,000 (1.5%)	350 (17.5%)	270 (13.5%)	500 (25%)	33 (1.7%)	50 (2.5%)	N/A	N/A	N/A
Consultation	1,117	4 (0.4%)	2 (0.2%)	1 (0.1%)	0	0	596 (53.4%)	456 (41%)	58 (5.2%)

Sexual orientation

Source	Total	Straight	Gay Man	Gay Woman / Lesbian	Bisexual	Other	PNTS
Census 2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Consultation	1,107	1014 (91.6%)	13 (1.2%)	9 (0.8%)	9 (0.8%)	3 (0.3%)	59 (5.3%)

Age (census data)

Source	Total	0 - 15	16 - 64	65+
Census 2011	139,740	25,572 (18.3%)	88,316 (63.2)	25,852 (18.5%)

Age (consultation data)

Source	Total	Under 18	18 – 24	25 – 34	35 – 44	45 – 54	55 - 64	65 – 74	75+	PNTS
Consultation	1,389	31 (2.2%)	21 (1.5%)	183 (13.2%)	227 (16%)	294 (21.2%)	302 (21.7%)	199 (14.3%)	114 (8%)	18(1.3%)

Pregnancy and maternity

Source	Total	Pregnant	Given birth in last 26 weeks
Census 2011	N/A	N/A	N/A
Consultation	15	8	7

Gender reassignment

Source	Total	Transgender
Census 2011	N/A	N/A
Consultation	Nil	N/A

Marriage and civil partnerships

Source	Total	Breakdown
Census 2011	Nil	N/A
Consultation	495	Civil partnered: 5 Married: 294 Partnered: 74 Prefer not to say: 16 Other: 106

7. Include examples below of how any aspect of this “policy” could assist Bridgend County Borough Council to comply with the Welsh Language Standards and the Welsh Language (Wales) Measure 2011 by:-

Considering whether this new/revised policy has a positive or negative effect on:-

- opportunities for people to use Welsh and
- treating Welsh and English equally.

Considering how this policy could be reviewed so that any decision would have a positive (or a more positive) effect on:-

- opportunities for people to use Welsh and
- treating Welsh and English equally.

Considering how the policy could be reviewed so that any decision would not have adverse effects (or decreased adverse effects) on:-

- opportunities for people to use Welsh and
- treating Welsh and English equally.

Welsh Language	Impact or potential impact	Actions to mitigate
Identify the impact/potential impact on Bridgend County Borough Council, the Welsh Language, Welsh Culture, Welsh Language (Wales) Measure 2011 and the Welsh Language Standards.	The Initial screening EIA describes the proposed budget reductions within the MTFS as potentially impacting service delivery and requiring the council to, in some situations, reprioritise its services. However, the current service level in terms of Welsh language will be maintained as far as possible. There is not expected to be a positive or negative effect on the Welsh language. From the consultation responses the following data	Respondents to the consultation survey were asked for their language of choice. 1,612 (98.9%) stated English and 18 (1.1%) stated Welsh.

Welsh Language	Impact or potential impact	Actions to mitigate
	<p>relating to fluency in the Welsh language has been captured:</p> <ul style="list-style-type: none"> ➤ Speak Welsh fluently = 41; ➤ Read Welsh fluently = 43 and ➤ Write Welsh fluently = 35. <p>The application of and compliance with the Welsh language standards (other than those standards currently under appeal) is now business as usual within Bridgend County Borough Council and there is not expected to be an impact on the Welsh language.</p>	

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

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

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

1. Non-discrimination
2. Survival and development
3. Best interests
4. Participation

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

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

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

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

What do we mean by “best interests”?

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

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

Please detail below the assessment / judgement of the impact of this policy on children aged 0 – 18. Where there is an impact on “Best interests” and “Survival and development”, please outline mitigation and any further steps to be considered.

Impact or potential impact on children aged 0 - 18	Actions to mitigate
Article 12: Children have the right to say what they think, when adults are making decisions that affect them, and to have their opinions taken into account.	From a childrens perspective (including children with disabilities), some of the budget proposals could negatively impact childrens' social and educational development, impact household incomes and influence child poverty and mortality rates. The full impact of the proposed budget reductions will be better understood following individual consultation exercises on specific approved budget reductions impacting children and young people. Such consultation will involve the general public, other stakeholders and stakeholders themselves. Subsequent mitigating actions will then be considered.
Article 20: Children who cannot be looked after by their own family must be looked after properly, by people who respect their religion, culture and language.	Please see above
Article 21: When children are adopted, the first concern must be what is best for them.	Please see above
Article 23: Children who have any kind of disability should have special care and support so that they can lead full and independent lives.	Please see above
Article 25: Children who are looked after by their local authority rather than their parents should have their situation reviewed regularly.	Please see above

Impact or potential impact on children aged 0 - 18	Actions to mitigate
Article 28: Children have a right to an education. Discipline in schools should respect childrens' human dignity	Please see above
Article 29: Education should develop each child's personality and talents to the full.	Please see above
Article 31: All children have a right to relax and play and to join in a wide range of activities.	Please see above
Article 33: We should provide ways of protecting children from dangerous drugs.	Please see above
Article 34: We should protect children from sexual abuse.	Please see above
Article 35: We should make sure that children are not abducted or sold.	Please see above
Article 39: Children who have been neglected or abused should receive special help to restore their self-respect.	Please see above

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

Within the Medium Term Financial Strategy, the key proposed budget reductions will be subject to separate scrutiny by Cabinet and will require, where appropriate, further individual consultation and Equality Impact Assessment. All significant changes are the subject of periodic post implementation monitoring and review by Cabinet, relevant Overview and Scrutiny Committees and, in

some cases, by regulatory bodies. Directorates' Business Plans are aligned with the council's budget and performance against these (and the wider performance of council services) is monitored at quarterly Comprehensive Performance Assessment meetings. Budgets are monitored via quarterly reports to Cabinet and performance reports are produced for Overview and Scrutiny Committees on a half yearly basis. This Full Equality Impact Assessment outlines the possibility of high level negative impacts on protected characteristic groups. Separate Equality Impact Assessments will be undertaken on each proposed budget reduction in order that informed decisions can be made based on consultation, engagement, feedback and evidence that is as robust as possible on which to approve (or not) the proposed budget reductions.

Action	Lead Person	Target for completion	Resources needed	Service Development plan for this action
Undertake a consultation and engagement exercise and produce a meaningful and robust Equality Impact Assessment on each proposed Budget Reduction.	Relevant Corporate Director / Head of Service with support and advice from the Consultation and Engagement Team (consultation and equalities)	Prior to submission of reports to Cabinet and/or Council on Medium Terms Financial Strategy reductions.	Support and advice from the Consultation and Engagement Team (consultation and equalities).	Each relevant service area

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

Paul Williams, Equality Officer

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

A review of this Full EIA will take place on an annual basis and data that is subsequently made available following consultation and engagement on the individual proposed budget reductions will also be considered.

Signed: Randal Hemmingway

Date:

Publication of your results and feedback to consultation groups

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

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

Please send completed EIA form to [Paul Williams, Equality Officer](#)

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE

	BREP/Scrutiny Recommendation	Cabinet Response
1	The Panel expanded upon their recommendation from last year and proposed that a data exercise be carried out to track the number of pupils using the buses throughout the year to determine how significant a decrease there is in service users. This information can then be used to inform whether a mechanism for revisiting contracts mid-year would be beneficial and cost effective.	While Cabinet understand and welcome this suggestion, they note that the Council has a legal requirement to provide a transport place for every eligible child, whether that child chooses to utilise the transport or not. The education directorate intend to explore with providers how usage could be collected, but this may not be possible if the costs of doing so are disproportionate.
2	The Panel recommend that BCBC put out an expression of interest to other LAs to take forward the regionalisation of payroll; in order to give an indication of whether there could be a gain for the LA and the region as a whole.	Bridgend continues to deliver against the collaboration agenda in areas of major spend such as social care, education and transportation / city deal. All collaborations require significant resource investment from across the Council and therefore payroll as a relatively small area of the Council's operations is not currently a priority.
3	The Panel recommend that for future consultation reports, the findings be displayed as the number of people, not just as percentages as this can sometimes be misinterpreted as the percentage of all constituents in the County Borough.	Cabinet accept the recommendation, whilst also noting the very significant growth in response rate that reflects favourably
4	The Panel recommend the need to coordinate the TCC Budget setting process with the BCBC Budget Setting Process to ensure the TCCs have information in time to inform their precept. The latest the information would need to be communicated with the TCC is the by the September Budget Review.	While a sensible suggestion, this is impossible in practical terms, as BCBC's budget is influenced by the WG settlement which is not available in September. However, Cabinet will give consideration to what information could be decided upon early and communicated to TCCs to improve collaboration and joint working.

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE

BREP/Scrutiny Recommendation	Cabinet Response
5 The Panel recommend the need for improved communication between the LA and TCCs over planned policy changes or cuts that the Authority is introducing i.e. if a service is going to cease to be continued the TCC may need to put in place some transitional planning, rather than it being cut and finding out too late.	Noted – see response to recommendation 4
6 The Panel recommend that any communication between the LA and TCCs involve the clerk who, undertaking a coordinating role, can then ensure that matters are taken before the full Town or Community Council as appropriate. Similarly, it is recommended that TCC clerks be invited to attend the TCC Forum to ensure that they are kept informed of the discussions and outcomes.	Cabinet agree with this recommendation, though note that there is also a role in implementation for TCCs themselves
7 The Panel recommend that a standardised structure be established for approaching TCCs for assistance with future service provision and that they be provided with suitable detail and information to ensure that there is clarity from the start. Supplement dialogue needs to be provided from the Authority to determine what services, beyond the core services that BCBC will continue to maintain, that TCCs could potentially take ownership of. It is proposed that estimated figures could be provided to TCCs in the first instance in order that they can respond as to whether there is an appetite/expression of interest. Following which the Authority will be able to determine the viability of providing further detailed information. Further to this it is recommended that the Authority share its knowledge and provide additional support to TCCs as requested such as contractual assistance in order to take forward proposals for the transfer of services.	Cabinet are keen to support Town and Community Councils as much as possible to encourage greater partnership working and where appropriate assistance with future service provision. Unfortunately it is not always possible to provide estimates ‘upfront’ for the cost of a wide range of services as often they are part of a wider ‘peripatetic’ service covering the whole of the County Borough and breaking that cost down to an individual Town and Community Council area can be difficult. However, the idea of giving high level estimates to see whether there is an appetite / expression of interest may be workable and is one that can be pursued. In addition the Council is seeking to provide greater assistance for third sector organisations and Town and Community Councils with regard to the kind of matters highlighted, recognising this is an area where greater support would be welcomed. Unfortunately in some Council services there is insufficient resource for this to be easily provided.

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE

	BREP/Scrutiny Recommendation	Cabinet Response
8	The Panel recommend that formal arrangements be established for TCCs to co-operate more together, share best practice and possibly look at sharing resources and joint commissioning of services. One proposal was to consider the possibility of utilising the TCC Forum to take on a coordinating role. Such cooperation would also assist the LA in engaging with TCCs to determine expressions of interest for the future provision of services on a much simpler and larger scale rather than approaching each TCC individually which can be extremely time consuming.	Cabinet agree that potential opportunities for TCC co-operation and collaboration, but would see BCBC's role as a facilitator in this process
9	The Panel also recommended that TCCs discuss and share experience of the issue of double taxation to discover from those who have already hired private contractors whether this is actually an issue for members of the public and if it is really a barrier to taking on community services.	Cabinet do not consider this is currently an issue or a barrier, and do not consider the recommendation is appropriate for Cabinet to respond to
10	The Panel recommend that the Capital fund designed for allocation to TCCs to assist them with renovation of Community Assets, be used to repair and renovate the Authority's buildings before getting people interested, as the current state of the buildings could be a significant barrier to asset transfer.	In practice, Cabinet consider that the two things must be aligned – the Capital Fund is specifically designed to enable assets to be transferred on a sustainable basis – it would not represent value for money for the Council to invest in an asset that might otherwise close without successful asset transfer

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE

	BREP/Scrutiny Recommendation	Cabinet Response
11	Based on the fact that funding for schools varies for each LA and that Bridgend has historically been poorly funded per pupil; rated as one of the lowest in Wales and with one of the highest pupil teacher ratios in Wales; the Panel recommend that Cabinet put pressure on Welsh Government to rectify the issue of school funding in order that funding is distributed in a more fair and balanced manner across Wales.	BCBC has the 3 rd highest PTR in Wales at primary schools (20/22 LAs). This equates to an average of one adult to 22.6 pupils. BCBC is average in terms of PTR for secondary schools. The Education Secretary has announced £36m to cut infant class sizes. BCBC has 13 infant classes in excess of 30 pupils. The funding will ensure that we can cut class sizes across the county borough in these schools.
12	The Panel recommend that the proposal for a 1% school efficiency not be progressed in light of the risks it poses to pupils and their attainment as well as continued school improvement. It also could potentially impact negatively on pupil teacher ratios and the most vulnerable pupils with Special Educational Needs.	Cabinet disagree with this recommendation. In determining the final range of budget reductions to include in the 2017-18 MTFS for full Council approval, Cabinet have sought to follow the Council's corporate priorities, whilst also being mindful of public consultation and scrutiny responses. In being tasked with a 1% efficiency target, school budgets will still be the most protected area of Council budgets. Once pay and inflationary pressures are allowed for, school budgets actually increase slightly.
13	Members were in agreement that the Community Action Fund was a good idea in principle, but that it was not an appropriate initiative to take forward at this time given the level of cuts that are being made in other areas.	Cabinet have considered this proposal carefully, including majority support from the public consultation. Whilst recognising the inevitably trade off, Cabinet believe in the importance of trialling this innovative approach.
14	The Panel recommend that the savings against the school efficiency proposal be partially offset by the funding that was proposed for the Community Action Fund, with consideration given to the remainder of the savings being taken from the £6,194,000 allocated for other Corporate Budgets' for 2017-18; as recommended by the CYP Overview and Scrutiny Committee.	See response to recommendation 13

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE

	BREP/Scrutiny Recommendation	Cabinet Response
15	The Panel recommend that the initial proposal of 3.9% increase for Council Tax be reinstated instead of the 2.9% put forward in the draft budget proposals.	In light of the better than expected WG settlement, Cabinet have sought to balance the financial needs of the Council in the delivery of services with the impact on residents' bills.
16	The Panel recommend that the proposal COM15 for 2018-19 to turn off all street lights in areas other than key sites and junctions be reconsidered in light of the potential risks of increased crime and accidents as well as a risk to the general feeling of safety for residents.	Cabinet have tasked officers with further investigating the potential savings which LED replacement lighting could deliver to mitigate the impact of this proposal in future years
17	The Panel recommend that the proposal COM 23 to reduce the frequency of gully cleansing not be progressed for 2017-18 in light of the increased risk of flooding reduction would create. Alternatively, Members recommend that savings are achieved through Council Tax income with a 3.9% increase.	Cabinet accept this recommendation and the proposal has been removed
18	The Panel did not support the proposal to reduce weed spraying over the year and recommend that Town and Community Councils be approached to consider taking part of the cost of this service on when determining their precept.	Cabinet accept this recommendation and the proposal has been removed
19	The Panel recommend that the Authority carry out a review of potential retiring Headteachers and work with schools on succession planning and possible savings that could be achieved through various options and models such as Federations.	This review has carried out by the task and finish group and informs the strategic review. The workstream on leadership will report to Cabinet in summer 2017.

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE

	BREP/Scrutiny Recommendation	Cabinet Response
20	The Panel recommend that the opening times of the Rhiw Car Park be changed to 24hr in order to encourage and support night time economy within the town centre.	This option was considered when the Rhiw car park was being developed but ruled out at that time based on security and cost grounds. There are other pay and display car parks available to serve the night time economy (both Council and privately operated) which adequately cope with the current demand for parking in the evening, and the particular characteristics of the new park, which is not staffed, it is thought on balance could lead to potential problems. There will be a full review of car parking undertaken in 2017-18.

CORPORATE RISK ASSESSMENT

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
Links to all priority themes	<p>Making the cultural change necessary to deliver the Medium Term Financial Strategy:</p> <p>Whilst the overall headline increase of 0.1% in AEF is a better settlement for 2017-18 from Welsh Government (WG) than was anticipated, funding on a like for like basis is a reduction of -0.3%. This compares favourably to the -3.2% "most likely" assumption that is in the Council's Medium Term Financial Strategy 2017-18, however, it still provides significant challenges particularly in view of unavoidable pressures on the budget such as the national agreements on pay, including the Living Wage, the apprenticeships levy, price inflation, legislation such as the Welsh Language Standards and demographic pressures within Social Services.</p> <p>The WG Minister has given no indication of allocations for 2017-18 onwards and the future is difficult to predict. The UK Chancellor has announced that the target of being in budget surplus by 2020 is unrealistic in the current economic context. Following the EU Referendum there is great uncertainty about how these factors will impact WG funding but the Autumn Statement forecast that UK Government finances will be worse off by £122bn in the period to March 2021 than was predicted in March 2016 was not encouraging.</p> <p>The updated MTFS and draft budget report to Cabinet is based on an assumption that AEF will most likely reduce by 3.2% per annum to 2020-21 plus an increase in Council Tax. The</p>	<p>The Council's budget for 2017-18 to 2020-21 forecasts a £33.610m budget reduction requirement.</p> <p>More obvious budget reductions have already been made and increasingly difficult spending decisions will have to be taken including those which have awkward political implications that may have previously been rejected.</p> <p>In the future the Council will look very different as it becomes a different sort of Local Authority that will do less but be better. The cost of redundancy payments will be a significant item given that around two thirds of net expenditure is staff, as will funding a pension deficit that will increase as fewer people contribute, outgoings increase and there is increased uncertainty around investments, particularly following the result of the EU Referendum.</p> <p>If there is a shortfall in savings the Council might fail to deliver the MTFS. This could necessitate the unplanned use of reserves to bridge the funding gap or unplanned cuts to services which could put vulnerable people at risk.</p> <p>Citizens may become increasingly dissatisfied with the Council as expectations around service delivery have not reduced in line with budgets. The Council's reputation is being damaged as Council Tax bills increase year</p>	<p>Likelihood - 6 Impact - 4 Total - 24</p>	<p>There will be an ever increasing focus on the main aims of the Council. The corporate plan with its revised corporate objectives will direct the allocation of resources in the MTFS period 2017-21.</p> <p>All areas of the Council will be set a 1% annual efficiency target, with further reductions over and above this targeted more heavily towards budget areas which contribute less towards the Council's objectives. This approach aligns the MTFS directly with the corporate plan and supports the Council in the delivery of its goals. Budget reduction proposals of £6.187m have been identified from service and corporate budgets to achieve a balanced budget.</p> <p>The settlement from WG did not include funding from Local Authorities to protect school budgets. School funding accounts for nearly a third of net revenue expenditure and protection inevitably leads to increased pressure on other budgets. In 2017-18 the council will be asking all schools to make an efficiency saving of 1%. This will mean that school budgets are treated on an equivalent basis to other areas of the council and as a consequence there will be nearly £1m to support other services that children and young people, and the community benefit from.</p> <p>The Council will continue to manage its resources very carefully, in accordance with MTFS principles, and make difficult spending decisions. This will have to carry on for some years as the outlook for the public finances continues to look difficult.</p> <p>To improve its Financial Strategy development, the Council has expanded the budget development process to more proactively consider how the Council might respond to different settlement scenarios. Also a budget narrative has been added to the MTFS. This seeks to make the MTFS more accessible and informative, improve understanding of the council's financial strategy, its links to corporate priorities, and explain the goal of delivering sustainable services in line with the overarching ambition of the Wellbeing of Future Generations Act. The MTFS emphasises the significant financial investment in public services in the County Borough.</p> <p>An MTFS budget reduction contingency reserve has been created to enable the Council to manage delays or unforeseen obstacles to the delivery of significant budget reduction proposals. There have been allocations during 2016-17.</p> <p>The financial resilience of the Council will be improved as it seeks to increase the Council Fund reserve to the Welsh average of 2.7% by the end of the MTFS period. During 2017-18 the Council will maintain its general fund at no less than £7m</p> <p>The workforce will reduce over the life of the MTFS. This will be</p>	Head of Finance	Likelihood - 6 Impact - 4 Total - 24

CORPORATE RISK ASSESSMENT

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
	<p>better than anticipated settlement has allowed the council to reduce the increase in Council Tax to 2.9%.</p> <p>The revised savings targets are:</p> <ul style="list-style-type: none"> 2017-18: £6.187m 2018-19: £9.474m 2019-20: £9.141m 2020-21: £8.808m <p>Budget reduction proposals over the term of the MTFS have been formulated but currently £18.870m have not yet been developed or given consideration.</p> <p>The successful delivery of the MTFS is increasingly at risk as it becomes ever harder to make savings from more efficient services and substantial savings are relying on single projects that may not deliver. Over the last four years the Council has reduced budgets by £34m. The reductions of the next four years will mean that total reductions will amount to about a quarter of the net budget.</p> <p>The budget reductions required will mean that deep transformational change is needed impacting the culture of the entire Council. There is a risk that the Council will not achieve the degree of change required due to increasingly difficult choices having to be made, the length of time it takes to make change or because the Council does not have the necessary skills and experience needed.</p>	on year whilst discretionary and preventative services are cut and statutory services come under increasing pressure.		<p>managed through a year on year reduction in the headcount through redeployment, early retirements, voluntary redundancies and some compulsory redundancies.</p> <p>The way that staff work will change. Raven's Court will be leased out and staff transferred to Civic Offices and Sunnyside House. The ICT strategy prioritises the delivery of agility with more staff working remotely.</p> <p>The ICT strategy also prioritises a transformational shift towards digital access to services and the digitisation of most common internal processes. However, to realise savings the Council must stop delivering services through the traditional route as well and this may be resisted. The public may become frustrated as they can deal with the Council digitally in some areas, but not in others or if the back office process cannot keep pace with a digital public face to the service. In 2017-18 digital transformation within the Council Tax and Benefits Service will be prioritised.</p> <p>Delivery of the MTFS will be supported as the Council finds the best management arrangements for property assets including Community Asset Transfer. Priority 1 proposals include public toilets, parks pavilions, bus shelters and Community Centres. Playgrounds, playing fields and bowling greens may follow. Up to £200,000 will be set aside in the Change Management ear marked reserve to fund a fixed term dedicated Community Asset Transfer post and to meet additional legal and property requirements.</p> <p>In addition to different management arrangements, delivery of the MTFS will be supported by the disposal of assets. An estimated £21m could be generated by the enhanced disposals programme with £13m already delivered. It is anticipated that this will increase to £14.3m by the end of 2016-17 with a further £6.6m over the next three years.</p> <p>As a minimum, fees and charges will be increased by at least CPI plus 1%. A corporate income generation policy has been agreed. A principal is that the council will seek to recover the full cost of the service other than if there is a conscious decision which is consistent with Council priorities.</p>		
Helping people to be more self-reliant	Supporting adults at risk: If the Council in partnership with Western Bay and other partners	The population is aging. Between 2014 and 2020, the number of people aged 65 and over is estimated to increase	Likelihood - 6 Impact - 4	The Council will reduce demand by investing in targeted early help and intervention programmes which will lead to people becoming more independent through reablement, recovery and progression.	Corporate Director Social Services &	Likelihood - 5 Impact - 4

CORPORATE RISK ASSESSMENT

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
Smarter use of resources	<p>do not transform how services are delivered, they will not be able to meet the challenges brought about by high public expectations, a significantly worsening budget and a population that is both older and has more complex physical and mental health needs.</p> <p>Transformation is very significant and includes:</p> <ul style="list-style-type: none"> • Embedding the provisions of the Social Services and Wellbeing Act (Wales) 2014 including duties to prisoners in the secure estate • Continuing use of the Welsh Community Care Information System (WCCIS) and the potential challenges as the system is rolled out to other authorities • Caring for increased numbers of persons with Dementia • Encouraging greater use of direct payments • Managing risks associated with the use of independent providers • The transfer of more homecare to the independent sector • An increase in safeguarding activity including the Deprivation of Liberty Standards. There is a plan in place to manage the significant number of cases that are coming through under the Deprivation of Liberty legislation. • The risk of significant increases in the cost of 	<p>by 12.1% whilst the number of people over 85 is projected to increase by 24.4%. This changing demographic means that there will be more people with Dementia, It is estimated that need will double between 2001 and 2030.</p> <p>At the same time there are more young people with complex health needs living into adulthood. Whilst this is good, it means that more citizens are living with long term health problems that lead to an increasing need for support. This increasing demand will place additional cost pressure on the service.</p> <p>Failure to remodel services will:</p> <ul style="list-style-type: none"> • Restrict the Council's ability to respond to assessed needs as set out in the Social Services and Wellbeing Act (Wales) 2014 • Mean that the Council will be unable to meet its essential obligations and deliver the MTFS • Result in longer lengths of stay in acute hospital services • Result in a greater need for expensive hospital treatment • Mean that vulnerable people lead less fulfilled lives 	Total - 24	<p>Transformation is being driven forward as the Council works with a range of partners to deliver a broad range of support and services, across adult social care. The Remodelling Adult Social Care (RASC) Board continues to be the foundation of the transformation journey as the Council changes the emphasis from a model of "caring" to a more preventative approach of working with partners such as the NHS and third sector organisations to assist and support adults as they live independently in their own communities.</p> <p>The Council is exploring ways to include service users and communities within aspects of commissioning especially in the development of new service models for the future. There is an earmarked reserve that has been created to support the remodelling of adult social care that the service can draw on as appropriate.</p> <p>The RASC is aligned to corporate priorities and most of the projects under the Board have progressed to implementation stage and require specific focus and monitoring. The Social Services and Wellbeing (Wales) Act 2014 has been implemented from April 2016. This is overseen by a project group and has required significant work with managers and practitioners to map out the new requirements and integrate them into practice tools and the new Welsh Community Care Information System which is being implemented at the same time. Implementation of the Act is supported by WG Delivering Transformation Grant and its preventative approach is also promoted through support for the Dewis Cymru, all Wales information and advice website.</p> <p>A competent and skilled workforce is required in order to deliver this significant change agenda. The Social Care Workforce Development Programme is providing an extensive programme of training including the Continuing Professional Education and Learning of Social Workers in the 1st and 2nd year of professional practice workforce development. This includes the establishment of a team to work with persons in the secure estate and this is supported by a WG grant.</p> <p>The Council has been planning, in partnership with other agencies, how it will meet its obligations for the secure estate population. There is a well-established, care and support for adults implementation group, with all affected stakeholders represented. In addition a separate working group has been established to lead and agree processes and responsibilities to ensure that the Council meets all its obligations to children. This is a new responsibility for the council and its response continues to evolve.</p> <p>The Valuing Carers Compact is providing a framework for collaborative working and is a practical response to the requirement to support carers in the Social Services and Wellbeing (Wales) Act 2014.</p>	Wellbeing	Total - 20

CORPORATE RISK ASSESSMENT

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
	<p>external contracts as a result of the implementation of the living wage from April 2016</p> <p>Demand for services is increasing and at the same time resources are decreasing. This makes the MTFS challenging. There is currently a shortfall in the savings identified. It is imperative that the Council continues to identify further savings to meet the MTFS.</p>	<ul style="list-style-type: none"> Mean that the Council does not meet the public's expectations and consequently the reputation of the organisation will suffer 		<p>The evidence base in relation to future care and support needs and the needs of carers will be enhanced by the Population Assessment. This will be completed by 31 March 2017 and it will support the commissioning plan.</p> <p>The Council has worked with ABMU to develop a joint Dementia Strategy 2015-18 which provides an overarching context in respect of the current service provision, gaps in services, the challenges ahead and priorities. Beneath this is a Dementia Delivery Plan showing how the strategy will be delivered during the next three years including milestones, target dates and responsible officers. This links to the local implementation of the Ageing Well in Wales Plan which aims to make Bridgend a County of Age Friendly Communities.</p> <p>In appropriate cases the Council is seeking to increase the number of service users receiving direct payments. In the future these may be used to purchase services from the Council as well as external providers.</p> <p>The remodelling homecare implementation plan is ongoing. At this stage, fewer hours have been transferred to the independent sector than was anticipated. The implementation plan has been reviewed and corrective actions are being progressed. In addition to this a formal contingency plan is being drawn up with planned actions to take if an external provider goes into administration.</p> <p>The project to change the residential care model will be subject to market conditions. Buildings are old and not future proof. It will become increasingly difficult to keep them at an acceptable standard. The Council is planning to develop two Extracare homes to replace three care homes. The timescale for the completion of the two new Extracare homes has slipped. If there is further delay then there will be a risk to both the development plans and the MTFS. The programme is being closely monitored and managed.</p> <p>There are monitoring and safeguarding procedures in place to ensure that the services that are commissioned meet quality of care requirements. Independent residential care providers have been helped by the production of a Regional Quality Framework which provides a clear vision for quality in order to improve the lives of people and promote positive outcomes.</p> <p>The recruitment and training of existing staff to be Best Interest Assessors.</p> <p>The living wage is a foreseen pressure. The exact amount to fund it is not known so an assumption has been made for the MTFS.</p>		

CORPORATE RISK ASSESSMENT

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
				Robust monitoring of absence levels continues including scrutiny on a case by case basis.		
Helping people to be more self-reliant Smarter use of resources	Supporting vulnerable children, young people and their families: A significant proportion of funding for work with vulnerable children, young people and their families is via grants provision. These may come under threat at a time when budgets are already stretched. If the Council in conjunction with partner organisations does not transform services it will not be able to meet the challenges of: <ul style="list-style-type: none">• providing high quality care to vulnerable children and their families including the increased demands for safeguarding activity, for example, CSE, missing children, LAC and children and young people who are subject to care and support plans• Embedding the provisions of the Social Services and Wellbeing (Wales) Act• Continued implementation of Welsh Community Care Information System	If services are not transformed the wellbeing and safety of children might be compromised. They may be unable to: <ul style="list-style-type: none">• Thrive and make the best use of their talents• Live healthy and safe lives• Be confident and caring throughout their lives• Know and receive their rights Patterns of behaviour, such as poor parenting will be repeated in subsequent generations. A potential increase in the proportion of young people identified as not in education, employment or training (NEET). A less skilled and flexible workforce. Increased social and economic costs. A loss of reputation to the Council. An increase in the need to commission expensive placements with independent fostering and adoption providers. Increased demands on social work teams, reviewing officers and support teams.	Likelihood - 5 Impact - 4 Total - 20	The Council is committed to safeguarding the children and young people within the community. The council will reduce demand by investing in early help and intervention programmes. A Remodelling Board has been established which will oversee the planning of new models of service delivery. The Social Services and Wellbeing (Wales) Act 2014 has been implemented from April 2016. This is overseen by a project group and has required significant work with managers and practitioners to map out the new requirements and integrate them into practice tools and the new Welsh Community Care Information System which is being implemented at the same time. Implementation of the Act is supported by a WG Delivering Transformation Grant. Part 6 of the Social Services and Wellbeing (Wales) Act 2014 concerns children who are looked after by the Council. The Act was implemented on 6 April 2016 and stipulates that: <ul style="list-style-type: none">• The child should have a care and support plan• The Council should make it easy for the child to stay in touch with parents, family and friends where it is safe to do so• Each child should have an independent reviewing officer• The Council should provide support and advice for young people coming out of care Significant training has been carried out to ensure that the Council meets its duties under the Act. The Council is taking a lead role in the development of a national approach to statutory advocacy for Looked After Children and Children and young people who are subject to care and support plans. There is an earmarked reserve for Looked After Children that will support the service area and help cushion any sudden increases in Looked After Children numbers. Childrens Safeguarding and Early Help and Prevention teams will work closely together to deliver both the Early Help and Intervention Strategy and the Placement and Permanency Strategy to vulnerable groups. The re-structure of Family Intervention Services which was completed in March 2015 is working well. Three Early Help locality hubs (North, East and West) have been created to work with	Corporate Director Social Services and Wellbeing Corporate Director Education and Family Support	Likelihood - 5 Impact - 4 Total - 20

CORPORATE RISK ASSESSMENT

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
				<p>families in a more joined-up way. Family Support Workers, Education Welfare Officers, Family Engagement Officers, Counsellors and Youth Workers have been co-located in each of the hubs as well as Safeguarding Social Work Teams to support a whole system approach to ensuring that the needs of all our children and young people will be met at the earliest opportunity. In addition, the Council has created a central hub of specialist Family Support Services (e.g. Connecting Families) who provide a range of services across the whole County Borough.</p> <p>The activity regarding increases and decreases on both the Child Protection Register and Looked After Children fluctuates weekly and is subject to robust monitoring by the Children's Services senior management team.</p> <p>The Council will strive for stability and permanence for Looked After Children. This will include using increased numbers of adoptions, special guardianship orders, residence orders and other long term arrangements with Foster Carers or extended family. The Western Bay Regional Adoption Service has been established and will help make the best use of resources so that improvements can be made to ensure that children requiring adoptive placements are speedily and appropriately matched with adopters who can meet their needs for their entire childhood. The development of a new local parent and child fostering service will also improve use of resources.</p> <p>A multi-agency safeguarding hub is being developed to improve outcomes for children, young people and their families, by making sure that systems and processes enable needs to be identified as early as possible and responded to proportionately and by the right person/service. Work is progressing well and the majority of agencies within scope for the MASH have already co-located to within the Assessment Team. An options appraisal for future accommodation has been scoped, and a final decision is awaited. All other preparatory work is underway.</p> <p>The Council is ensuring that robust mechanisms are in place to identify and provide appropriate services to children at risk from child sexual exploitation (CSE). This includes the early identification of CSE as practitioners have either received CSE training or are part of an ongoing programme to enhance their knowledge and the completion of Care and Support Assessments and Section 47 investigations. All Social Workers are familiar with the Sexual Exploitation Risk Assessment framework.</p> <p>CSE meetings are held in Bridgend on a weekly basis which allows for continuous evaluation of the level of risk. The Council is also part of a focused multi-agency "CSE Task Force" including Police, ABMU Health, BCBC Education Department, Barnardo's, the Youth Service and Early Help Services which assists good communication.</p>		

CORPORATE RISK ASSESSMENT

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
				<p>There are also close links with A&E within ABMU and schools and colleges</p> <p>The current respite arrangements for disabled children will be reviewed and new models of service delivery will be considered that will provide flexible support for people when they need it. The revised programme also includes a scheme to rationalise assets at Heronsbridge School to enable residential provision for children with disabilities on a 52 week a year basis, to enable children to stay within Bridgend rather than being placed in establishments far from the family home.</p> <p>The Council will develop appropriate mechanisms to provide good information, advice and assistance. This includes Dewis Cymru, the all Wales information and advice website and services in support of Carers.</p> <p>The development of services which will help children transition into adulthood including children with disabilities and those leaving care.</p>		
Links to all key priority themes	<p>Welfare reform:</p> <p>The UK Government has introduced a number of significant welfare reforms over the last three years and Universal Credit (UC) was implemented in the County Borough in June 2015. Further reforms were introduced in the July 2015 Budget which will mean that more citizens in the County Borough will be impacted.</p>	<p>Changes being made by the UK Government to benefit entitlements mean that some citizens will be in greater poverty including increased child poverty. Demands on services for vulnerable people are likely to increase at the same time as the Council's resource base reduces. This will be exacerbated by the further changes introduced in the July 2015 UK Government budget. These include a freeze on most benefits for 4 years, a further reduction in the benefit cap, no automatic entitlement to Housing Benefit for 18 to 21 year olds and Tax Credits and UC being restricted to a maximum of two children.</p> <p>Since 15 July 2013 there has been a limit on the total benefit a working age person can receive. This affected 82 households in Bridgend but the number will increase to about 200 as the benefit cap reduced from £23,000 to £20,000. This</p>	<p>Likelihood - 6 Impact - 4 Total - 24</p>	<p>The Council will monitor the impact of welfare reforms on citizens in terms of their needs across the range of Council services including housing and is developing proposals for dealing with changes in demand.</p> <p>The Benefits Service works closely with Housing Associations to support the people affected by the caps by identifying those that are exempt from it, providing debt and money management advice and in qualifying cases awarding Discretionary Housing Benefit payments. The grant for payments in 2016-17 was £306,262.</p> <p>The Council's Housing Section has agreed a protocol with Registered Social Landlords for dealing with existing tenants who fall in arrears specifically due to the application of the bedroom cap. Bridgend Housing Partnership meets quarterly and discusses the impact as an agenda Item.</p> <p>When advised by the DWP of a new benefit cap case, the Benefits Service contacts the affected claimants to discuss their options. The Benefits Service works closely with these families to ensure that they are adequately equipped to deal with the reduction in their income, or, in conjunction with DWP, assist the family where possible with the transition into employment.</p> <p>Officers are fully apprised of UK Government and WG plans to ensure that the Council understands and can deal with the staff implications of moving from Housing Benefit (etc) to UC.</p> <p>During the rollout of UC the Council is required to provide support services to claimants and DWP UC staff as follows:</p>	Head of Finance	<p>Likelihood - 6 Impact - 3 Total – 18</p>

CORPORATE RISK ASSESSMENT

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
		<p>was implemented in Bridgend County Borough during November 2016.</p> <p>From April 2013, maximum rent has been reduced in the social rented sector depending on the number of bedrooms required. 1,241 households are affected which represents 29% of the total working age Housing Association benefit claimants. The total number of households in Bridgend is about 59,000.</p> <p>The Council will need to manage the Council Tax Reduction (CTR) scheme within its budget. WG has provided funding for 2016-17 of £12.7m and provision has been made in the Council's annual revenue budget for 2016-17 for an additional £1.6m to fund the projected total budget requirement of £14.6m.</p> <p>The potential number of persons who may claim UC is estimated at 180 per month, with around 40 of these receiving support with housing costs. Positively, the UC taper rate is to be cut from 65% to 63% from April 2017. This means that benefits will be withdrawn at a rate of 63p for every £ of net earnings.</p> <p>The UC caseload is building from 2016 onwards until the benefit is established for all claimants by the end of 2022.</p> <p>Disability Living Allowance is being replaced by Personal Independence Payments. This will impact a significant number of residents as amounts paid</p>		<ul style="list-style-type: none"> Helping to prepare landlords for the change Supporting claimants with online administration Supporting claimants with complex needs and those that require personal budgeting Provide expertise to UC service centre staff on housing issues Process CTR for UC claimants <p>The Benefits Service has been discussing UC changes with landlords since its announcement.</p> <p>As part of the MTFS, the Council has an earmarked reserve specifically for welfare reform.</p> <p>The living wage will increase to £7.50 and to £9.00 by 2020.</p> <p>The Head of Finance has initiated and chairs a welfare reform cross functional working group to proactively identify and implement measures which will mitigate the impact on citizens.</p> <p>Registered Social Landlords and Councils are seeking to influence the way that any changes to Housing Benefit for supported accommodation are implemented.</p>		

CORPORATE RISK ASSESSMENT

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
		<p>might be different and there is the possibility of delays, particularly through the appeals process.</p> <p>The UK Government had intended to bring Housing Benefit for social housing tenants in line with private sector local housing allowance rates from 1 April 2017. This could impact on all supported accommodation and some Registered Social Landlord's elsewhere cancelled or postponed Extra Care housing schemes. Following pressure from Registered Social Landlords Ministers have offered full exemption to supported housing until a long term solution is devised,</p> <p>It is too early to say what the impact will be on the number of households affected by the latest welfare reform proposals.</p>				
Supporting a successful economy	<p>The economic climate and austerity:</p> <p>If the economy continues to perform badly the quality of life for residents will suffer. There will be no positive long lasting economic, environmental and social change as our towns, local businesses and deprived areas suffer decline.</p> <p>Individuals, particularly young people, may be unable to secure employment because they lack the basic skills and confidence necessary and suitable jobs are not available in the economy.</p> <p>There will be cuts in Welsh Local Government spending over the MTFs period 2017-18 to 2020-21. These cuts will impact on the local</p>	<p>There will be cuts in the public sector and these will disproportionately affect regeneration activities as spending on other services are protected.</p> <p>Reductions in regeneration funding have a disproportionate affect because each £1 of Council funding leverages between £8 and £13 from other sources.</p> <p>There could be further job losses and business failures in the local economy if the UK and European economies don't get stronger. The quality of life within the County Borough may decline.</p>	<p>Likelihood - 5 Impact - 4 Total - 20</p>	<p>The Council supports the business community via the Business Forum, Bridgend Tourism Association, the Destination Management Partnership, Coastal Partnership, and town centres, through the Town Centre Manager, BID Partnership (Bridgend) and THI Programmes. Targeted investments have been made and successes achieved in key sectors such as tourism and the encouragement of micro business centres. The Council is working with Bridgend Business Forum to review business support in the context of the Cardiff Capital Region City Deal and establish a development strategy;</p> <p>The Council has an apprenticeship programme in operation.</p> <p>The Smart System and Heat project puts Bridgend at the forefront of emerging technology but key decisions must be made about project delivery.</p> <p>Increasing footfall via a greater number of residents living in town centres and by running high quality events.</p>	Corporate Director Communities	<p>Likelihood - 4 Impact - 4 Total - 16</p>

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
	<p>economy disproportionately because the Council is one of the key local employers.</p> <p>Following the EU Referendum there is great uncertainty about the impact on resources. Bridgend County Borough receives significant levels of EU funding. Current programmes run to the 2020-21 financial year and there is approved funding of £4.926m. In addition there are also further grant applications of up to £18m at various stages of development. There is uncertainty about what will happen to ongoing projects when Article 50 is triggered. Once the UK is outside of the EU there is even less certainty about funding because monies may be redirected away from regeneration to other government priorities.</p> <p>In addition there is a greater risk of general economic downturn following the vote to leave the EU. This is highly likely to impact on local economic viability and jobs.</p> <p>If the economy is less buoyant the Local Development Plan (LDP) will come under increasing pressure because sites available under the LDP become less attractive to housing developers.</p> <p>The drainage and flood risk mitigation requirements from NRW have become much more onerous on capital schemes</p>	<p>Pressure will be placed on diminishing Council services which support local businesses and employment.</p> <p>Town centres continue to suffer, predominantly the retail sector. Without regeneration they will not be attractive places to visit or able to compete with retail developments in neighbouring centres such as Talbot Green and Neath. Even with regeneration, competition and resilience will be difficult, as the nature of town centres is changing.</p> <p>The proposed regeneration programme assumes £2.6m of capital receipts. This includes an anticipated receipt from Porthcawl Regeneration Phase 1.</p> <p>Existing capital schemes will be affected if there are cost overruns on regeneration projects. There is no provision to fund unforeseen works.</p> <p>As a result of cuts in the service, the Council is unable to provide a coherent economic development response to the impact of Brexit, and fails to meet the needs of businesses and citizens, resulting in reputational damage and an increase in complaints.</p> <p>Delivery of housing was on track in 2015 but will slip behind target in 2016. If the LDP fails Housing developers may come forward with alternative projects on sensitive sites which may escalate to appeals.</p>		<p>The Bridgend local development strategy under the Rural Development Plan for Wales has been approved with a funding allocation of £1.886m.</p> <p>Implement the Youth Engagement And Progression Framework.</p> <p>Strategic Regeneration Fund (SRF) allocations are committed to projects up to 2016-17. However, following the announcement of the WG's Structural Funding Programme 2014-20, and the additional funding that can be secured using the SRF as matched funding, it has been agreed that the period of matched funding in the capital programme up to and including the 2020-21 financial year has been extended.</p> <p>A cross directorate working group will continue to co-ordinate the development and delivery of European funded projects. A package of employment support projects are being taken forward for European Social Fund grant aid.</p> <p>Bridgend</p> <p>The Rhiw Car park redevelopment, aimed at bringing footfall and vitality to the town centre, is now complete, but work is still underway on the residential development. The project, funded by WG via a Vibrant and Viable Places grant, is on track.</p> <p>Parts of the Parc Afon Ewenni development scheme will become available for housing development.</p> <p>Maesteg/Llynfi Valley</p> <p>The first stage of desktop feasibility work on the Llynfi Valley sites has been completed. The town centre action plan is being implemented and is funding a range of activities in partnership with local stakeholders. The final evaluation of Maesteg THI has been issued, and confirms the success of the scheme in bringing historic buildings back into economic use in the town. A project submission has been made for Maesteg Town Hall under WG's Building for the Future programme.</p> <p>Porthcawl</p> <p>A new masterplan is being produced in support of phase 1 of the Seven Bays Project.</p> <p>Considerable progress has been made on regeneration in Porthcawl, including the completion of refurbishment of key buildings</p>		

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		<p>The drainage and flood mitigation requirements from NRW impact all capital projects causing delay and often extra cost. In some cases schemes become unviable and cannot be developed.</p> <p>Many towns are built on rivers, and this could have a severe impact on the corporate priority to regenerate town centres.</p>		<p>in the harbour quarter through £890,000 of THI funding and further development of the Maritime Centre project. The Partnership Action Plan for the town centre is being implemented.</p> <p>The Council has been successful in its bid for £4.5m of Attractor Wales money. This will fund a maritime and water sports centre and an extension of the coastal pathway. A bid is also being made to the Coastal Community fund.</p> <p>WG funding for a new town centre partnership is now delivering projects.</p> <p>Cardiff Capital Region has secured a City Deal worth £1.28bn. This will allow Councils and partners to unlock significant growth across the Cardiff Capital Region. The City Deal will provide an opportunity to continue tackling the area's barriers to economic growth by: improving transport connectivity; increasing skills levels still further; supporting people into work; and giving businesses the support they need to innovate and grow. The Council is contributing to the development of the business plan for the Cardiff Capital Region City Deal, with the aim of bringing increased investment and economic control into the local area. A joint project is being developed to establish a network of enterprise hubs across the City Region, building on the Sony model in Bridgend. An options appraisal has been completed in draft to consider the future land use planning framework for South East Wales.</p> <p>The council is placing evidence in front of the Inspector in support of the LDP.</p> <p>Updated flood risk assessments can be prepared for sensitive areas such as town centres. There may be a need to explore a mixed approach to risk management, by developing updated flood evacuation plans, rather than have schemes fail to progress as a result of the prohibitive cost of mitigation measures.</p>		
Supporting a successful economy Smarter use of resources	Disposing of waste: The EU Waste Framework Directive promotes waste prevention and increased recycling. WG's waste strategy 'Towards Zero Waste' sets challenging targets. Since 2012-13 there has been an obligation to recycle / compost 52% of waste and this will rise to 64% by 2019-20 and 70% by 2025. A new service is	Failure to achieve recycling/composting targets could result in: <ul style="list-style-type: none"> • Inefficient use of resources as waste goes to landfill sites • Penalties of £200 per tonne if we fail to achieve landfill allowance targets Increased recycling has a knock on effect to the contract	Likelihood - 5 Impact - 4 Total - 20	The Kier contract has delivered a stable recycling performance and this will continue until the end of the current contract term in March 2017. From April 2017 the Council will continue to collect waste on a fortnightly basis however homes will be limited to a two bag collection policy. In the original consultation, residents proposed making additional allowances in certain circumstances. This has now been consulted on and dispensations will be allowed of one further bag for properties with 6 or 7 residents and two if there are 8 or more residents. Also one extra bag will be allowed for properties where the main source of heat is coal. Also waste going to Household Recycling Centres will need to be pre-sorted and an absorbent hygienic products collection will be introduced.	Corporate Director Communities	Likelihood - 4 Impact - 4 Total - 16

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
	expected to commence in April 2017. Timescales are tight but this will deliver improved performance. In the meantime maintaining momentum behind the existing scheme and hitting the target is a challenge.	requirements of MREC.		<p>The introduction of the Council's new waste collection policy will only be successful if the changes, and the reasons for them, are conveyed to the public in advance of the commencement of the scheme and during contract mobilisation. Consequently, the Council will appoint an education and engagement partner and additional call centre staff. The new contract will improve the Council's environmental performance protecting future generations. It will assist the Council in meeting the WG waste targets and avoid the imposition of fines.</p> <p>BCBC and Swansea CBC, under the South West Wales hub have procured an Anaerobic Digestion facility provided by Biogen. An interim contract of two years has been let commencing on 1 August 2015. The procurement of a more permanent contract has commenced and the process is in the final evaluation period.</p> <p>A tender was let to allow an operator to provide residual waste handling facilities at MREC. The results and their implications are being considered.</p>		
Corporate Governance	Equal Pay Claims: The result of the Abdulla Group case involving former employees of Birmingham City Council means that there is a risk of further equal pay claims against the Council. The courts are reviewing rulings on male dominated claims which have been listed. To date the Council has refused to settle these as they are outside the scope of the Memorandum of Understanding. The court decision remains outstanding.	The ruling has created the possibility that employees who left the Council up to six years ago might claim under equal pay legislation. Previously, to make a claim, the person had to be either employed by the Council or have left its employment within the last six months. Claims for compensation can now be made through the Civil Courts rather than via an Employment Tribunal. This will increase Legal Costs.	Likelihood - 5 Impact - 4 Total - 20	The Council is aware of the issues and is monitoring developments. Following the equal pay exercise, the Council is in a good position to be able to respond to any further claims in an appropriate manner.	Head of Finance	Likelihood - 4 Impact - 4 Total - 16
Helping people to be more self-reliant	Healthy Life Styles: There are significant health inequalities within the County Borough and national statistics show that some parts are amongst the least healthy in Wales. Many people in the County Borough live unhealthy lifestyles and this might deteriorate as welfare reform	Unhealthy lifestyles have many affects. These include: <ul style="list-style-type: none"> • Shortened life expectancy. Life expectancy in the County Borough is below the Welsh average • Shortened healthy life expectancy. Some areas of 	Likelihood - 5 Impact - 4 Total - 20	The Council aims to support a wide range of people, at all stages of life, to achieve health gains by encouraging them to be more active, more often. The Welsh NHS confederation identifies that the all-cause mortality risk is reduced by 30% amongst those who are physically active and that physically active people will spend on average 38% fewer days in hospital. The Sport, Play and Active Wellbeing service targets collaborative working to increase physical activity rates. In addition the service has responded to the challenge of the Social Services	Corporate Director Social Services & Wellbeing	Likelihood - 4 Impact - 4 Total - 16

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
	<p>continues and some people become poorer. The Welsh Health Survey highlights the need to increase adult physical activity rates with only 52% of adults deemed sufficiently active.</p> <p>The Council must continue to find innovative ways of working to maximise the impact of reduced resources. This includes Community Asset Transfer (CAT) of assets including parks pavilions, playgrounds and playing fields. The CAT programme is at risk of slowing down because of the need to recruit in this area. Nationally there is a skills shortage.</p> <p>If the Council does not find ways to promote healthy living the emotional and physical wellbeing of citizens will suffer.</p>	<p>the County Borough have a healthy life expectancy which is 20 years longer than others</p> <ul style="list-style-type: none"> • Higher rates of obesity. Over half the County Borough population is overweight or obese. This results in significant costs to the economy and health and social services • Worse emotional health • Less fulfilled lives as people lose their independence due to ill health <p>These result in greater demand for expensive medical and care services provided by ABMU and the Council.</p>		<p>and Wellbeing (Wales) Act 2014 by focussing on prevention and wellbeing based interventions that can reduce the need for higher cost provision or support in the future.</p> <p>The Council develops services and opportunities that encourage and promote life-long physical activity particularly amongst underrepresented groups by working in partnership with HALO Leisure and a range of community partners. This includes delivering the National Exercise Referral Programme to 1,186 people in partnership with HALO Leisure to help reduce obesity levels and encourage better weight management. The Welsh Health Survey shows that there have been reductions in the number of obese and overweight people in the County Borough against an increase nationally.</p> <p>The "Getting Bridgend Moving" programme which is part of the "Getting Wales Moving" initiative will bring further health benefits and the role of movement and gentle exercise in improving mental health for persons with Dementia has been recognised,</p> <p>The number of physical activity visits to Council operated leisure facilities have increased by 92,508 over a two year period. Visits to HALO facilities have also increased. The total for 2015-16 of 1,191,386 was 37,800 higher than in 2014-15.</p> <p>Children and young people are encouraged to be physically active. Participation within children's sport is increasing and the School Sport Survey shows that the number of children participating in school based extracurricular sport or sport with a club on three or more times a week has increased from 40% to 47% between 2013 and 2015.</p> <p>The Sport, Play and Active Wellbeing Service have formal partnerships with many schools. In addition the National School Sport programme is being implemented as is the "Every Child a Swimmer" initiative. The school swimming programme has secured 100% participation in the intensive model. This has delivered a 5% increase in young people meeting curriculum standards.</p> <p>The Dame Kelly Holmes "Get on Track" programme has successfully supported people with learning and behavioural disabilities to engage in sports leadership programmes. The good practice in the County Borough has been recognised by Welsh Government.</p> <p>The secondary schools programme achieved 71,352 participants and supported 5,448 physical activity sessions.</p> <p>Other examples of how the community is being encouraged to exercise are:</p>		

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
				<ul style="list-style-type: none"> • Developing community based sporting opportunities with Disability Sport Wales for children and adults with disabilities. There are 923 junior and 623 senior participants. • Increasing the activity levels of women and girls through initiatives such as "Us Girls". • The "Move More Often" programme is being developed to support users of day care and residential services. • The Love to Walk programme. • The "over 60" free swimming initiative which achieves the highest participation rates in Wales. This also supports loneliness and isolation reduction targets of the Aging Well plan. • An Armed Forces and veterans free swimming scheme. • The OlympAge Games which forms part of a Wellbeing initiative has been rolled out in care settings to improve physical and mental wellbeing. <p>The Council is pursuing CAT with priority given to assets that are linked to proposals within the MTFS. Up to £200,000 had been set aside in the Change Management earmarked reserve to fund a fixed term dedicated CAT Officer post for 3 years and to meet additional legal and property requirements. Priority 1 CAT proposals include parks pavilions, community centres, public conveniences and bus shelters and priority 2 playgrounds and playing fields. The success of the proposals depends on the proactive participation of Town and Community Councils and community organisations, together with their ability to manage the asset. Different assets will generate different levels of interest. There is a £100,000 per annum over three years, ring fenced for capital investment for Town and Community Councils as well as potentially £1m prudential borrowing for sports pavilions to ensure that they are in a good condition, to encourage take up of assets.</p> <p>The Council works with partners to develop projects that tackle health issues such as weight management, harmful drinking and smoking. The Welsh Health Survey indicates a 4% reduction in smoking rates with Bridgend below the Welsh average.</p> <p>There are ongoing Licensing and partner meetings to review any emerging issues around the licence trade and the sale of alcohol.</p> <p>The multi-agency Tobacco Control Steering Group developed an action plan for partnership working across the County Borough.</p>	Corporate Director Communities Corporate Director Operational and Partnership Services	

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
				<p>There are various awareness raising initiatives across the County Borough and Trading Standards, as part of the newly formed regulatory service, which inspects premises and enforces legislation concerning sales to those who are underage.</p>		
Supporting a successful economy	Maintaining infrastructure: If there is further harsh weather there may be an increase in the number of roads in poor condition, more repairs being required in the future and the Council might fail to meet its statutory obligations. The risk is exacerbated because the Local Government Borrowing Initiative (LGBI) has ended and reductions must be found in the Highways budget.	Failure to maintain infrastructure will result in the Council not meeting its statutory obligations and the % of roads that are in overall poor condition increasing. A poor quality highway network leads to increased third party liability claims, a loss of reputation, a possible adverse impact on economic activity and reduced quality of life for citizens. Further budgetary pressures could occur due to unpredictable weather patterns and the worsening condition of the infrastructure. This will lead to an increased requirement for emergency repairs.	Likelihood - 5 Impact - 4 Total - 20	<p>The LGBI provided funding of around £6.8m over the period 2012-15 for highway infrastructure improvements. The principal adopted for the programme of works was to provide good quality resurfacing which will be sustainable in the long term rather than quick overlay which requires higher maintenance in future years. 2014-15 was the last year of the LGBI and there has now been a reduction in maintenance budgets.</p> <p>In 2017-18 there will be budget reductions in the areas of winter maintenance, weed spraying, technical surveys and road marking.</p> <p>The Highways and Transport capitalised annual allocation was maintained at £200,000.</p> <p>Unless there is further investment there will now inevitably be deterioration in the proportion of roads that are in a satisfactory condition and an increase in expensive reactionary maintenance.</p> <p>The Council's Highways Asset Management Plan provides information to assist the Council in considering the highway asset risk and apportion funding from the Council's budget strategy. The ability to digitally scan the highway helps in objective decision making but fewer scans will now be made.</p> <p>The risk around the condition of the highway will be managed by a proactive system of highway inspections and by responding positively to complaints.</p>	Corporate Director Communities	Likelihood - 4 Impact - 4 Total - 16
Links to all priority themes	Educational provision If the Council does not adopt a strategic approach for sustainable educational provision in Bridgend, after the proposed 1% annual school efficiency target, then there is a risk that it may not be able to offer sufficient educational provision or of the right type in the right locations in the County Borough and with partners. Neither will the Council be providing 'fit for purpose schools' capable of delivering high quality educational experiences for all pupils.	An inability to offer a broad range of educational opportunities will ultimately result in poorer outcomes for children and young people. Outcomes for groups of vulnerable learners may not improve quickly enough or not at all. Continued falling school rolls and a large number of surplus places. Financial constraints leading to a growing number of	Likelihood - 4 Impact - 4 Total - 16	<p>A strategic review into the development and rationalisation of the curriculum and estate provision of Primary, Secondary and Post 16 Education is being undertaken. The four work streams are:</p> <ul style="list-style-type: none"> • School Modernisation Band B 2019-24. This focuses on the Band B including the provision of sufficient primary school places in Bridgend town and the delivery of Band B schools • Post 16 Education, focusing on exploring options for the delivery of Post 16 education including options around a new post 16 centre • School leadership and federations which will focus on reviewing guidance with WG and a strategic road map for deeper school partnerships in line with the Robert Hill review • Curriculum and workforce focusing on the implementation of Donaldson and GCSE reform and workforce changes including Education Workforce Council and supply 	Corporate Director Education & Family Support	Likelihood - 4 Impact - 4 Total - 16

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Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
		<p>schools in a deficit budget situation.</p> <p>School improvement schemes continue to be reactionary rather than strategic.</p> <p>Insufficient Welsh medium and faith based provision to meet demand.</p> <p>The strategic future of whole life learning across the County Borough will not be fully integrated into our strategy e.g., Bridgend College.</p> <p>The organisation of school places in Bridgend County Borough will not be supported by a clear strategy.</p>		<p>These work streams will provide an evidence based rationale for change and will help the council reach informed conclusions about the nature of future provision.</p> <p>An increase in the pace of school improvement.</p> <p>Succession planning and strong recruitment of Headteachers.</p> <p>Band B of the school modernisation programme, if agreed, will provide the mechanism to deliver the developed strategy. Whilst not giving a firm commitment, there has been an indication from WG of a significant match element to funding. There has been no commitment as yet to funding by the Council.</p> <p>The council publishes its Welsh Education Strategic Plan (WESP) each year and is currently consulting on its new draft WESP with statutory consultees. The public consultation on the demand for Welsh Medium Education within Bridgend is currently ongoing and will report in the new year and support the delivery of the WESP. Strong collaboration with communities and strategic partners, in particular Bridgend College.</p> <p>Monitoring the impact of the agreed changes to the Council's Learner Travel Policy from September 2016.</p> <p>Greater join up at both a strategic and operational level via the Safe Dry and Warm project.</p> <p>Close monitoring of surplus places and the development of opportunities to utilise surplus places with secondary schools in particular.</p> <p>Ongoing scrutiny and support around the management of school budgets.</p>		
Helping people to be more self-reliant	<p>The impact of homelessness:</p> <p>Homelessness may increase because of the current economic climate and ongoing austerity measures and welfare reform. This may result in a greater dependence on the Council to provide temporary accommodation for residents. This may happen at a time when the service itself is coming under increasing pressure because of its reliance on grant funding which is now subject to greater uncertainty.</p>	<p>Homelessness is often a culmination of several problems, such as debt, relationship difficulties, mental health issues and substance misuse. For many, homelessness leads to increased stress, depression, and isolation. It can lead to a need for other costly service interventions.</p> <p>The impact is greater on some groups e.g. 16/17 year olds and people with a chaotic</p>	<p>Likelihood - 5 Impact - 3 Total - 15</p>	<p>The Housing (Wales) Act gives the Council a strategic role in the functioning of the local housing market. The Council has developed a strategy for the period 2016-18. It contains five priorities. These are:</p> <ul style="list-style-type: none"> • Take reasonable steps to prevent homelessness • Make the best use of existing homes • Work with partners to deliver the right type of new housing • Help vulnerable people to stay independent, safe and secure in accommodation that best meets their needs • Create sustainable town centres through housing led regeneration <p>WG have made available transitional funding to support the implementation of the Housing (Wales) Act. However, the money is</p>	<p>Corporate Director Operational and Partnership Services</p>	<p>Likelihood - 5 Impact - 3 Total - 15</p>

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	<p>The Housing (Wales) Act 2014 has been enacted and places a duty on the Council to 'take all reasonable steps' for a period of 56 days to prevent homelessness. There is continuing uncertainty about what this means and WG have provided transitional funding to Local Authorities to implement the Act.</p> <p>The Act also removed the Priority Need status of former prisoners who are potentially homeless from Prison. The Council has been able to provide interim accommodation under WG transitional funding however this is not a long term solution so the impact on repeated presentation and street homelessness cannot be quantified at this point.</p>	<p>housing history.</p> <p>The use of temporary bed and breakfast accommodation results in high costs both in terms of finance for the Council and the wellbeing of individuals.</p> <p>The introduction of Universal Credit may increase rent arrears and evictions leading to an increase in the number of homelessness cases. This would impact on the welfare of citizens, the Council's Housing Solutions Team, the temporary accommodation budget and other welfare services.</p> <p>Any reduction in the WG grant for the Supporting People Programme might impact on services and the ability to sustain tenancies and increase homelessness.</p>		<p>only guaranteed for one year. This means that it is difficult to find staff of the correct calibre to manage the project because there is no security of employment.</p> <p>The Council continues to take a proactive prevention approach to address homelessness by helping citizens find solutions to their housing needs and getting to the root cause of why people become homeless.</p> <p>The Kerrigan Project commissioned through the Supporting People Programme aims to develop good practice in assisting those who are homeless or vulnerably housed and have co-occurring mental health and substance misuse issues.</p> <p>The Council, in conjunction with Registered Social Landlords, have implemented a Common Housing Register and Social Housing Allocations Policy. This is regularly reviewed and is helping ensure the best use of available social rented property.</p> <p>The Supporting People Team has a programme to re-commission the provision of structured, professional floating support to vulnerable groups which will help support tenancies and prevent homelessness and repeat homelessness.</p> <p>Following the national review of the Supporting People Programme, Regional Collaborative Committees have been established to support greater collaborative working.</p> <p>The impact of welfare reform has been reduced as far as possible. Communities First have commissioned a project to provide advice on financial inclusion across the three Communities First cluster areas.</p> <p>Working with partners to improve private sector housing conditions and bring empty homes back into use. This will be done via the Houses into Homes Scheme, Empty Homes Grants and Homes in Towns Grant.</p> <p>The removal of Priority Need Status for Prisoners means that there is an increased risk of street homeless with their associated social costs. The needs of this group are currently being met through the transitional funding made available by WG to implement the Housing Act.</p> <p>The Council will continue to apply the "intentionality test" to all groups of homeless households.</p> <p>A one stop shop for domestic abuse and violence has been set up in Civic Offices. The aim is to provide a holistic service to victims of domestic abuse and violence, by providing support, target</p>		

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				hardening, early intervention and temporary refuge to assist families to remain in their own home and communities where it is safe to do so.		
Smarter use of resources	<p>Ineffective collaboration with partners:</p> <p>If the Council does not deliver effective collaboration projects where they offer enhanced service quality, increased resilience or significant cost savings, it will not maximise cost effective, tangible, improvements to services.</p> <p>Budget reductions have the potential to affect collaboration where they result in restrictions of spend to single-agency priorities.</p> <p>There are potential risks associated with collaborative projects such as the Regulatory Services initiative, the Western Bay Adoption Service, Youth Offending Service and other areas including the LV20 and Garw Valley projects.</p> <p>The Well-being of Future Generations (Wales) Act 2015 establishes a sustainable development principle which means that the Council must act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. The Council must think long term, act to prevent problems occurring or getting worse, consider how its objectives impact well-being goals, act collaboratively and involve a diversity of people.</p>	<p>In a period of reducing budgets, successful collaborative working is even more essential for the efficient and effective delivery of quality public services. If the Council fails to collaborate successfully some of the most vulnerable people in the community will not have their needs met. This would lead to a loss of reputation with the public and WG and the potential for a drop in performance as measured against established KPIs.</p> <p>As the Council moves towards multi-agency working, there is potential for service instability whilst transformation takes place.</p> <p>Reduction in other public sector partners' budgets may have an impact on their capacity for partnership working.</p> <p>Regulatory Services staff, ie Environmental Health, Trading Standards and Licensing, have now transferred to the Vale of Glamorgan as host employers for the newly formed Shared Service. As the service covers a larger area, line of sight must not be lost to local delivery.</p> <p>If the Council does not comply with The Well-being of Future Generations (Wales) Act 2015 it will suffer a loss of reputation and there will be long-term consequences in the County Borough.</p>	<p>Likelihood - 6 Impact - 4 Total - 24</p>	<p>The Council works in partnership with other councils, public sector and third sector bodies based upon different geographical and service footprints. There is evidence that partnership working and good collaborative arrangements permeate all the main risk areas. Corporate Directors understand the challenges of collaborative working and the importance of recognising different organisational cultures and approaches (e.g. towards data sharing).</p> <p>The Bridgend Local Service Board (LSB) which was led by the Council had a strong and positive record of facilitating collaborative working.</p> <p>In April 2016 the LSB was replaced by the newly formed Public Services Board (PSB) under the Well-being of Future Generations (Wales) Act 2015. The Council is a statutory member of the PSB. The Act details the statutory requirement of specified public bodies (including the Council), to work to improve the well-being of Wales. The PSB has taken over responsibility for implementing the remaining actions in the Bridgend County Together plan while preparing an assessment of the state of economic, social, environmental and cultural well-being in Bridgend County Borough.</p> <p>The PSB held their first meeting in May 2016 and have agreed to meet bi-monthly until it has completed the Joint Wellbeing Assessment of Bridgend and agreed the future collaborative agenda. At that meeting the Bridgend PSB agreed that all members of the board (not just statutory organisations) are equal partners and a PSB Scrutiny panel has been established to oversee the work.</p> <p>The PSB is holding thematic workshops to:</p> <ul style="list-style-type: none"> • trial the concept of using a targeted theme to inform the development of the Public Services Board; • gain increased knowledge of each other as individuals and of each other's organisations; and • identify clear outcomes for collaborative working and for the local well-being plan <p>A PSB Well-being Planning Working Group has been established to support the PSB in developing the local well-being plan.</p> <p>BCBC partners with ABMU, Swansea and NPT Councils to deliver a model of integrated care across a range of services including care for older people, adults with disabilities and mental health provision.</p> <p>The Memorandum of Understanding with Vale of Glamorgan Council</p>	<p>Corporate Director Operational and Partnership Services</p>	<p>Likelihood - 3 Impact - 4 Total - 12</p>

CORPORATE RISK ASSESSMENT

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
				<p>facilitates collaboration in many areas. There is also the joint working agreement with the Vale of Glamorgan and Cardiff in relation to Regulatory Services.</p> <p>The Central South Consortium will drive school improvement.</p> <p>The Data Centre collaboration project with RCT increases the resilience of service provision.</p> <p>Collaboration in the provision of Leisure Services reduces cost and has improved quality.</p> <p>The motor fleet maintenance depot, jointly run with South Wales Police, is increasing efficiency.</p> <p>Partnership agreements and effective scrutiny and monitoring will support the management of these collaborative projects.</p>		
Supporting a successful economy Helping people to be more self-reliant	Educational attainment: If school standards and pupil attainment do not continue to improve, including a narrowing of the gap between vulnerable pupils and others, there are significant risks to the emotional wellbeing of young people and their future employment prospects, the local economy and a range of Council services as young people leave education ill-equipped for employment.	<p>A possible increase in the number of young people not in education, employment and training (NEET).</p> <p>Greater deprivation as young people are unable to sustain a livelihood in the future.</p> <p>More young people with worse emotional health.</p> <p>More schools identified as requiring monitoring and intervention through inspection, with concern and eventual special status.</p> <p>Potential for a decline in Key Stage attainment results, PISA scores and other accreditation.</p> <p>Less capacity for provision for pupils with learning difficulties.</p> <p>Potential for parents to complain and/or take cases to SEN Tribunal.</p> <p>Possible intervention by WG.</p> <p>Continued Estyn monitoring in</p>	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>	<p>GCSE and A Level results in the County Borough have been getting better. The provisional 2015/16 results showed an improvement from 82.8% to 86.7% of pupils who achieved five A* to C grades at GCSE and an improvement from 97.8% to 98.3% of pupils achieving A* to E grades at A Level. In addition there has been a significant narrowing of the attainment gap, between vulnerable groups and others with an improvement in the average points score for Looked After Children. Whilst results vary each year because of the different cohort of children, there is a positive trend and the gap in attainment is less in Bridgend than across Wales as a whole.</p> <p>Good support arrangements are in place for schools. The Central South Consortium (CSC) has recruited Consultant Governors to help governing bodies which are in need of support. The Council has strengthened its own support for schools by identifying an additional Group Manager with responsibility for school improvement. CSC has recently undergone an Estyn inspection (the first in Wales for a regional education consortium), the outcome of which has recognised the rapid improvement across the five authorities in the region, the fastest improvement nationally and that the Consortium is now at or above the national average in all indicators.</p> <p>Coleg Cymunedol Y Dderwen has achieved rapid improvements in results. Provisional figures show that 93% of pupils achieved five A* to C grades at GCSE, an increase year on year of 34%. The improvement follows the development of a strong senior management team and Governing body.</p> <p>The Council is working with CSC and other partners to ensure that governing bodies are effective in providing challenge to schools. This includes working with the Bridgend Governors Association</p>	Corporate Director Education & Family Support	<p>Likelihood - 3</p> <p>Impact - 4</p> <p>Total - 12</p>

CORPORATE RISK ASSESSMENT

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
		<p>schools.</p> <p>A gap in achievement between pupils from vulnerable groups such as Free School Meals, Looked After Children, Children In Need and Special Educational Needs and other pupils.</p>		<p>(BGA) which has been relaunched. The focus of the BGA will be to develop a strategy to roll out Governor Improvement Groups (GIGs) for the County Borough, the first of their kind in Wales. Also a skills audit of all Governors within the County Borough will support the training agenda.</p> <p>Poor attendance leads to a serious loss of learning which is likely to affect achievement and life chances. An attendance strategy is in place and fixed penalty notices are available for Headteachers to use as a sanction. This is supported by the CSC absence management toolkit, Callio.</p> <p>To raise standards, the Council continues to implement the concept of self-evaluation across all its services in particular within Education. A number of events have taken place during 2015 and 2016 with the Directorate's extended senior management team to focus on improving outcome focused self-evaluation.</p> <p>Estyn monitoring visits have taken place and these have been positive.</p> <p>Implement an improvement plan with Band 4 Comprehensive Schools and the development of a 'good to great' programme as an integral part of the CSC School Improvement Strategy.</p> <p>There is a strong focus on raising standards of literacy and numeracy through structured and strategic programmes including:-</p> <ul style="list-style-type: none"> • Identifying underperforming English and Maths Departments and support action to improve • Provide training for staff • Develop a whole school approach to basic skills • CSC literacy and numeracy plans <p>All ALN support has been brought together on one site at Bryncethin Campus. This includes the Bridge Alternative Provision, Ysgol Bryn Castell (YBC) and ALN support e.g., Educational Psychology, Looked After Children etc. Equally the Council will implement the LEAD (more able and talented) project with partners to develop a programme to support young people with leadership potential.</p> <p>Following the work of the Task Group, the strategic review of education in Bridgend has commenced.</p> <p>Informal collaboration between schools is taking place and the collaboration and leadership work stream within the strategic review will deliver a proposal for appropriate models of more formal collaboration including federation.</p> <p>School Improvement Groups (SIGs) have been set up across the 5</p>		

CORPORATE RISK ASSESSMENT

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
				<p>Local Authorities in the CSC so that schools can share best practice and learn from each other.</p> <p>National categorisation of schools helps to identify which schools require support.</p>		
Corporate Governance	Health and Safety <p>The council has a duty to protect the health, safety and welfare of their employees and other people who might be affected by its activities. Staff restructures have resulted in a reduction in the number of experienced supervisory staff and this means that there is an increased risk that opportunities to improve health and safety practice may be missed. Areas for improvement in some health and safety arrangements have been identified.</p> <p>As further budget reductions are required, there is a risk that there will be a decrease in investment in assets and infrastructure.</p>	Failure to manage health and safety could result in: <ul style="list-style-type: none"> • Injury, ill-health or loss of life to employees or members of the public • Total or partial loss of services or buildings used to deliver services to vulnerable people • Criminal prosecution by enforcement bodies such as South Wales Police, the Health and Safety Executive or South Wales Fire and Rescue Service. Sanctions include higher fines under the new sentencing guidelines, imprisonment and disqualification from office • Employers and Public Liability Claims • Increased insurance premiums • Reputational damage • A deterioration in the condition of the council's assets and infrastructure 	Likelihood - 6 Impact - 4 Total - 24	<p>Directorate Risk Registers will be used to methodically review the hazards on a priority basis to develop:</p> <ul style="list-style-type: none"> • Business plans and health and safety objectives • Risk assessment planned programmes • Health and safety competencies and training plans <p>The Directorate Risk Registers will be reviewed to ensure that they reflect the risk profiles of the new Directorate structure.</p> <p>Cascade health and safety objectives within staff appraisals.</p> <p>Monitor health and safety performance through Corporate Performance Assessment, Corporate Management Board and the Corporate Health and Safety Steering group which is Chaired by the Corporate Director - Education and Family Support.</p> <p>Continue to assess the health and safety impacts of the budget reductions required by the MTFS and relevant change programme projects.</p> <p>Establish an awareness raising campaign of regular communications to staff promoting a range of health and safety topics to develop a positive safety culture.</p> <p>Health and safety audits and condition surveys of assets and infrastructure will enable the Council to prioritise works and respond to emerging issues,</p>	Chief Executive	Likelihood – 3 Impact – 4 Total - 12
Links to all key priority themes	School modernisation: <p>Budget pressures may reduce or delay the 21st Century school programme.</p> <p>WG has committed to fund 50% (£22.474m) of the total costs for the Band A programme. To receive this funding the Council</p>	<ul style="list-style-type: none"> • Insufficient progress may have a negative impact on pupils' learning and wellbeing • There is a link between attendance, attainment and the school environment • It may affect the range of educational opportunity for 	Likelihood - 6 Impact - 4 Total - 24	<p>The Council continues to implement a phased schools modernisation programme but within a revised timetable.</p> <p>WG has committed to fund 50% (£22.474m) of the total costs for the Band A programme through a combination of Capital Grant and LGBI. To receive this funding the Council needs to submit detailed business cases for each project including how its match funding will be provided.</p> <p>It is essential that the planned capital receipts already committed</p>	Corporate Director Education & Family Support	Likelihood - 3 Impact - 4 Total - 12

CORPORATE RISK ASSESSMENT

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
	<p>has to provide match funding of £22.474m. Whilst £5m is from core funding allocations the Council is also relying on raising £4m from S106 agreements and £13.475m from the sale of school and other sites.</p> <p>It continues to be a challenge to release sufficient land for sale to support the programme. If the Council is unable to do so, there may be a delay in new builds which may prejudice the Council's ability to provide for sufficient school places.</p> <p>Demand for disabled adaptations and repairs and maintenance are outstripping the budget. Failure to provide for disabled learners may result in litigation or tribunals.</p>	<ul style="list-style-type: none"> • pupils • There may be inefficient use of resources, due to a mismatch in the supply and demand for places in different schools • Deterioration in the state of school buildings will result in increased running costs and the need for emergency repairs. This could result in potential health and safety issues. Resources that could be better spent on direct support to children (BCBC schools are relatively poorly funded) will be diverted to less productive use • New schools are designed as community facilities and in the case of Coleg Cymunedol Y Dderwen is also a multi- agency hub • School facilities which are in a poor condition make it harder to attract high calibre new Headteachers to replace those reaching retirement age. <p>Inadequacies in buildings maintenance have been identified, including fire safety within schools.</p>		<p>and ring fenced from the sale of school sites are retained for school modernisation. Any change to this commitment would require Council approval.</p> <p>Maintain strong programme and project management arrangements. There is a track record of delivering projects to time, cost and quality.</p> <p>Procurement through the South East Wales Schools & Capital Programme Contractor Framework will continue via the new framework SEWSCAP2.</p> <p>Maintain good links with Welsh Local Government Association and WG.</p> <p>Band B of the school modernisation programme, if agreed, will provide the mechanism to deliver the developed strategy. Whilst not giving a firm commitment, there has been an indication from WG of a significant match element to funding. There has been no commitment as yet to funding by the Council.</p> <p>A strategy to utilise the mobile classrooms at Betws Primary school to support other schools is being developed from Summer 2017.</p> <p>Provide temporary accommodation where appropriate.</p> <p>Regular health and safety audits and condition surveys will enable the Council to prioritise improvement works and respond to emerging issues.</p> <p>The Safe, Dry and Warm project continues.</p> <p>The demand for Welsh medium education in the valleys gateway area is being met by the council planning to move YGG Cwm Garw to the Betws school site where it will also be more accessible from other areas of the County Borough.</p>		
Links to all key priority themes	<p>Compliance with the Welsh Language Standards:</p> <p>If the Council has to comply with the Welsh Language Standards which it has appealed there will be additional pressure on the MTFS 2017-18 to 2020-21. There is also an ongoing strain on management capacity as the time taken to work through these issues is considerable and is taken away</p>	<p>There is a recurrent budget pressure of £313,000 and a one off pressure of £81,000 for 2016-17 to meet the estimated costs of implementing the majority of the Standards which the council is complying with. The pressure does not take into account the financial implications of the Standards which the council is appealing. If the council has to comply</p>	<p>Likelihood - 4 Impact - 3 Total - 12</p>	<p>A budget pressure arising from the implementation of the Welsh Language Standards has been recognised in the MTFS 2016-17 to 2019-20. Should the March and September appeals not be successful the Council will meet the additional costs in the short term from the corporate contingency or Council Fund until such time as recurrent funding is identified from budget reductions elsewhere or Council Tax increases.</p> <p>Should the Welsh Language Commissioner determine that it is not unreasonable or disproportionate to comply with any of the standards that have been appealed then there is a further right of appeal to the Welsh Language Tribunal. Following a determination</p>	<p>Corporate Director Operational and Partnership Services</p>	<p>Likelihood - 4 Impact - 3 Total - 12</p>

CORPORATE RISK ASSESSMENT

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
	<p>from the management of core services.</p> <p>The Council was required to implement 144 of the Welsh Language Standards by 30 March 2016 and a further 27 by 30 September 2016. The Welsh Language Commissioner has introduced an appeals process enabling councils to challenge the proportionality and reasonableness of the Standards and compliance timescales. The council appealed 10 of the March standards of which nine have initially not been accepted and a delay of one year has been allowed for the other. The Welsh Language Commissioner invited the Council to submit further information in support of the appeals and this information was provided on 27 June 2016. No response has yet been received.</p> <p>The council also appealed eight of the September 2016 standards and is also awaiting the outcome of these appeals.</p>	with these Standards there will be very significant additional strain on the MTFS for which there is no funding currently identified.		<p>by the Tribunal, the Commissioner or Council can appeal to the High Court on a point of law only. During the appeals process the Council is not required to comply with those standards under appeal.</p> <p>The Council has been in regular contact with neighbouring Councils to establish their interpretation of certain Standards and also with the Welsh Language Commissioner when clarification on points of law and interpretation has been required.</p> <p>.</p>		
Links to all priority themes	<p>Local Government Reorganisation:</p> <p>The new WG Minister has advised that the previous plans to cut 22 Councils to eight or nine will not be pursued. In November 2016 the Local Government Secretary set out new proposals based upon an enhanced level of systematic and regional working. There will be formal consultation in January which will conclude before the Local Government elections,</p> <p>There is uncertainty about the outcome of this consultation.</p>	<p>There is uncertainty about the eventual outcome.</p> <p>If senior management are focussed on structures they may fail to deliver the required services to the public within the MTFS budget reductions.</p> <p>There is also a danger of inertia as managers feel unable to make decisions required now because of increased uncertainty about the future.</p> <p>There is now a greater likelihood of services being reconfigured on the basis of partnerships and regional</p>	Likelihood - 4 Impact - 4 Total - 16	<p>Whilst uncertainty remains, the Council will continue to focus on delivering services to the public within the MTFS. An important part of this will be its collaboration with a range of partners on a pragmatic basis.</p> <p>.</p>	Chief Executive	Likelihood - 3 Impact - 4 Total - 12

CORPORATE RISK ASSESSMENT

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
	There is a risk that continuing uncertainty about the future delivery of services will slow down the pace of transformative change which is required now to deliver services within reduced budgets.	collaborative models but these may not achieve the same scale of savings as mergers.				

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

14 February 2017

REPORT OF THE CHIEF EXECUTIVE

Corporate Plan 2016-20 - Reviewed for 2017-18

1. PURPOSE OF REPORT

- 1.1 To seek Cabinet endorsement of the Council's reviewed Corporate Plan 2016-20 for 2017-18 prior to submission to Council for approval (attached).

2. CONNECTION TO CORPORATE IMPROVEMENT PLAN / OTHER PRIORITIES

- 2.1 The Corporate Plan sets out the Council's priorities for 2016-20 and defines the Council's commitments for 2017-18. It also sets the Council's well-being objectives under the Well-being of Future Generations (Wales) Act 2015 and outlines how the Council's Medium Term Financial Strategy (MTFS) and other strategic plans will support the Council's core business and priorities.

3. BACKGROUND

- 3.1 The Council's Corporate Plan 2016-2020 was published in March 2016, setting out three new priority themes (improvement objectives under the Local Government (Wales) Measure 2009), associated aims and success measures. It also identified commitments to deliver those priorities in 2016-17. The Council needs to review and define its commitments for 2017-18.
- 3.2 In April 2016, the Wellbeing of Future Generations (Wales) Act 2015 (the Act) came into effect. The Act places a duty on each public body to carry out sustainable development. In carrying out sustainable development, public bodies must, among other things:
- set and publish well-being objectives;
 - take all reasonable steps to meet those objectives; and
 - publish a statement about well-being objectives.

4. CURRENT SITUATION / PROPOSAL

- 4.1 The current corporate plan has been reviewed for 2017-18. The review has focused mainly on:
- updating the Council's commitments and measures of success for 2017-18
 - defining and integrating the Council's well-being objectives into the Plan

- 4.2 The Council's vision, values, principles and priorities remain unchanged from the current plan.
 - 4.3 The three corporate priorities are the Council's improvement objectives under the Local Government (Wales) Measure 2009 and wellbeing objectives under the Wellbeing of Future Generations (Wales) Act 2015. The well-being statement, required by the Act, is embedded into the Plan. The commitments are the steps the Council will take to deliver the integrated improvement and wellbeing objectives in 2017-18. The plan also sets out how the objectives make a contribution to the seven national wellbeing goals.
 - 4.4 During the review, attention has been given to two areas that were identified for improvement by the Corporate Assessment, undertaken by the Wales Audit Office in 2015. These two areas are:
 - measures of success to ensure they enable an evaluation of intended performance; and
 - reasons for improvement targets and the scale of improvement expected.Some new indicators are identified for 2017-18. For those new indicators, wherever possible provisional targets have been set.
- 4.5 The Council's Corporate Resources and Improvement Overview and Scrutiny Committee considered the reviewed Corporate Plan on 17 January 2017. Feedback from the Committee has been considered while finalising this Plan.
 - 4.6 The reviewed Plan will be presented to Council for approval on 1 March 2017 together with the Council's MTFS. The two documents are aligned to each other, enabling the reader to make explicit links between the Council's priorities and the resources directed to support them.
 - 4.7 The reviewed Plan must be published by 31 March 2017 to meet statutory and regulatory requirements.

5. EFFECT UPON POLICY FRAMEWORK & PROCEDURE RULES

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

6. EQUALITY IMPACT ASSESSMENT

- 6.1 A full equality impact assessment was undertaken when the Plan was developed. Consideration was given to the potential impact on protected groups within the community and on how to avoid a disproportionate impact on people within these groups. Separate EIAs will be undertaken when proposals for carrying out the plan are developed and implemented.

7. FINANCIAL IMPLICATIONS

- 7.1 None in this report.

8. RECOMMENDATION

- 8.1 That Cabinet endorse the reviewed Corporate Plan 2016-2020 for 2017-18 and recommend it to Council for approval on 1 March 2017.

Darren Mepham
Chief Executive

Contact Officer: Yuan F Shen, Telephone: 01656- 643224; email:
yuan.shen@bridgend.gov.uk

Background Documents - None

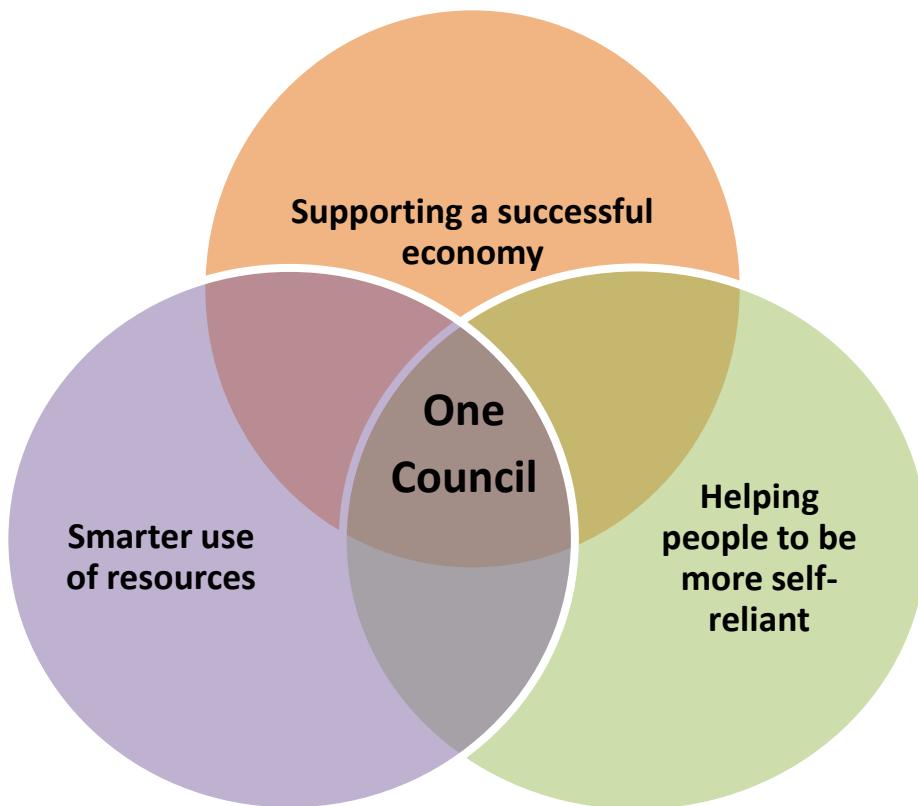
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Corporate Plan 2016 - 2020



Reviewed for 2017- 2018

Our Priorities



Bridgend County Borough Council
Working Together to Improve Lives

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.
This document is also available in Welsh.

Introduction¹

This Council is uniquely placed to bring its own services together with the work of other agencies, communities, families and individuals for the benefit of the people of the county. This is nothing new. However, the world is changing fast, hence this document - our Corporate Plan 2016-20 that sets out how the Council is to change and what its focus will be over the next four years.

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

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

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

We have a clear and simple **vision** for this Council, that is, always to act as '**One Council working together to improve lives**'. To enable us to achieve this vision, our Cabinet has implemented cross-cutting portfolios.

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

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

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

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

- Wherever possible the Council will support communities and people to create their own solutions and reduce dependency on the Council.
- The Council will focus diminishing resources on communities and individuals with the greatest need.

¹ This is our Well-being Statement.

- The Council will use good information from service users and communities to inform its decisions.
- The Council will encourage and develop capacity amongst the third sector to identify and respond to local needs.
- The Council will not let uncertainty over the future of public services prevent meaningful and pragmatic collaboration with other public sector bodies.
- The Council will work as one Council and discourage different parts of the organisation from developing multiple processes or unnecessarily different approaches.
- The Council will transform the organisation and many of its services and in so doing will deliver financial budget reductions as well as improvements.

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

Our priorities

We have specifically identified three outcomes or priorities² that will be our focus over the coming four years. These outcomes are intended to improve the quality of life of people in the county while significantly changing the nature of the Council:

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

Our well-being objectives

In April 2016, the Well-being of Future Generations (Wales) Act 2015 came into effect. The Act is about improving the economic, social, environmental and cultural well-being of Wales. It places a duty upon all public bodies to apply the principles of sustainable development to ensure that present needs are met without compromising the ability of future generations to meet their own needs. The Council is determined to implement the Act by appointing a Cabinet Member for Well-being and Future Generations.

The Act sets out seven long-term national goals:

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales

² These priorities are our improvement objectives under the Local Government (Wales) Measure 2009.

- A Wales of cohesive communities
- A Wales of vibrant culture and thriving Welsh language
- A globally responsible Wales.

As a public body, we have a duty to work towards achieving these seven goals. The Act requires that we set our well-being objectives and take steps to realise them. The three priorities set out above are our well-being objectives. The aims under each priority in this plan specify what we want to achieve. The actions and success measures identified to deliver them are the steps we will take towards meeting those objectives. It is through these three priority areas that we will contribute most to the seven goals.

Our core business and other strategic and operational plans, such as our Strategic Equality Plan 2016-20, our Medium Term Financial Strategy (MTFS) and business plans, will also help us meet our objectives and maximise our contribution to the national goals.

The Act requires us to do things differently, applying sustainable development to everything we do. We are committed to the sustainable development principle, always acting in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their needs. The five ways of working, defined by the Act - long term, prevention, integration, collaboration and involvement - will underpin everything we do and help us to improve the well-being of the area and make the county borough a good place for people to live, work, study and visit. **Appendix 2** shows how the wellbeing goals, the sustainable development principle and the five ways of working relate to each other.

Medium Term Financial Strategy

In 2017-18 Bridgend County Borough Council will have a gross budget of nearly £400 million and a capital programme of currently £42.029 million to support our core business and the corporate priorities set out in this plan. Whilst the 2017-18 budget settlement is favourable compared to recent years, there is considerable uncertainty around 'Brexit' negotiations and the Council is going to be expected to achieve budget reductions of nearly £34 million from 2017-18 to 2020-21. Our Medium Term Financial Strategy sets out how we will achieve our corporate priorities and statutory duties whilst meeting budget reductions and managing financial pressures and risks over the next four years. Our spending plan is shown in appendix 1. Our detailed Medium Term Financial Strategy can be found at www.bridgend.gov.uk.(hyperlink)

Safeguarding

The Council takes the safeguarding of vulnerable adults and children very seriously. Our commitment to safeguarding is set out in Priority Two of this Plan. The actions we will take in 2017-18 are set out on page 11. Our social care services of course address safeguarding as core business but we also ensure that safeguarding considerations influence all services and we take a lead role with partners in the county. This Plan includes the further development of a Multi-Agency Safeguarding Hub as a significant step forward and further detail on other safeguarding measures is highlighted in directorate business plans.

Other important services

The Corporate Plan focuses on key areas that we want to change. However, we have many other core and statutory services that will continue to receive our attention. This includes our work as a planning authority, maintaining highways and public transport, refuse collection, street cleaning, revenues and benefits, public protection, and sports, arts and libraries through our partners HALO

and Awen. This is not an exhaustive list. More information about our plans for these and other services are included in our business plans which are available on request.

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

How we will deliver this plan

- Our Council's Transformation Programme. We have embarked on a programme of key changes to services that will help realise this plan.
- Strong financial management. This plan is supported by our Medium Term Financial Strategy to ensure that we make the most of our shrinking resources. We have to make nearly £34 million of budget reductions by 2020-21. An illustration of where our money comes from and how we spend it is included at the end of this plan.
- Strong performance management. We manage our performance closely and monitor progress regularly so that we can allocate our resources effectively and deliver the best possible services for our citizens.
- Business planning and service planning. The priorities in this plan are delivered through actions and measures detailed in each directorate/service plan and individual staff performance plans.

We will report on progress through our Annual Report. Our previous annual reports are available on www.bridgend.gov.uk.

This plan will be reviewed and refreshed annually.

Your comments

We continue to welcome your comments on this plan. Your feedback will be taken into consideration in the course of the annual review and is always welcome.

You can give it through our website: www.bridgend.gov.uk; through Twitter: @BridgendCBC; via email to improvement@bridgend.gov.uk; or in writing to Corporate Performance Team, Bridgend County Borough Council, Civic Offices, Angel Street, Bridgend CF31 4WB.



Councillor Huw David
Leader of the Council



Darren Mepham
Chief Executive

Priority One - Supporting a successful economy

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

Why is this important?

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

There are signs that Bridgend's economy is improving. Employment rates for people aged between 16 and 64 years have continued to rise, from 69.9% in 2013-14 to 70.2% in 2014-15 and to 73.2% in 2015-16. However, the percentage of children living in households where no one is working rose from 17.3% in 2014 to 19.4% in 2015 and this is greater than the Wales average of 13.6%. The council will continue to work with partners to address this issue.

The Council is working towards a low-carbon economy. We have undertaken a feasibility study for a low carbon heat scheme in Bridgend Town; secured funding (£100,000) for a feasibility study for the Llynfi Valley Heat Scheme, and secured funding (£125,000) to deliver the next phase of the Bridgend Town project.

There is significant uncertainty around 'Brexit' negotiations. However, whilst we cannot influence the outcomes of the negotiations, we will continue to endeavour to make the most of the resources available to support the growth of the local economy.

Our aims:

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

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

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

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

Successful Economy Programme - key regeneration and local development schemes including: the Vibrant and Viable scheme with external funding of £9.6 million, which is redeveloping the Rhiw Car Park in Bridgend and creating affordable housing in the heart of the town centre by converting vacant space over shops into accommodation.

Alignment of the Welsh Government Grants – we will streamline and make flexible use of major grants to support families through early help and to address poverty.

What we will do in 2017-18:

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

- Continue to work with the Cardiff Capital Regional Skills and Employment Board and BCBC led local projects to help shape employment opportunities and develop a skilled workforce to meet those needs.
- Work with individuals and families who are unemployed, economically inactive, experiencing in-work poverty, face barriers to work or are in or at risk of poverty, to improve their job opportunities.
- Work with partners and communities to develop a tackling poverty strategy and better align our anti-poverty efforts to target areas where there is an increasing proportion of workless households with children.
- Work with schools to close the gap in educational attainments for pupils eligible for free school meals and those who are not and improve learner outcomes for other vulnerable groups including looked after children and young carers.
- Progress the implementation of the Good To Great Strategy for young people who are more able and talented than their peers to help them reach their full potential.
- Complete the review into the curriculum and schools estates for primary, secondary and Post-16 education and begin consultation on the proposals, where required, with all stakeholders.

Aim - To create conditions for growth and enterprise

- Develop and deliver the Porthcawl Resort Investment Focus Programme to grow the value of tourism in the economy and increase employment and business opportunities.
- Contribute to the development of the business plan for the Cardiff Capital Region City Deal, with the aim of bringing increased investment and economic control into the local area.
- To support the Bridgend Business Forum with the delivery of its development plan and its programme of events for 2017-2018.
- Continue to progress the development of low carbon heat schemes in Llynfi Valley and Bridgend Town and develop a feasibility study for the innovative Caerau Heat Scheme to draw on a natural heat source underground to heat homes.

Aim - To create successful town centres

- Invest in our town centres to enhance existing facilities and provide new facilities including schemes in Porthcawl Harbourside, Maesteg and Bridgend.

Who will help us?

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

This priority contributes to Wellbeing Goals:

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities
- A Wales of vibrant culture and thriving Welsh language
- A globally responsible Wales

How will we know we are successful?

Aim – To help local people develop skills and take advantage of opportunities to succeed and to extend that success to every community in the County Borough

Measure	Actual 2015-16	Wales Average 2015-16	Target 2016-17	Target 2017-18	Rationale for target
The number of participants we expect to work with under Bridges in to Work	<i>No data. New indicator for 2016-17</i>		227	134	This is a regional project due to end in December 2017. If extended, the number of people we work with in 2017-18 may increase.
The number of apprenticeships and traineeships a) created by external contractors as part of the 21st Century schools programme and other BCBC led projects; and b) taken up by people who live in Bridgend	<i>No data. New indicator for 2016-17</i>		a) 4 b) 2	a) 4 b) 2	We have agreed four new apprenticeships in 17-18 from the Garw Valley South (Betws School) project.
The number of apprenticeships available across the organisation	<i>No data. New indicator for 2016-17</i>		10	15	We aim to see a 50% increase in apprenticeship opportunities.
Percentage of children living in households where no one is working	19.4%	13.6%	to reverse the trend	to reverse the trend	Our trend showed an upward turn and our actual figure was above the Welsh average. We will target available Welsh Government funding to tackle poverty.

Education Measures

(Figures for educational achievement relate to the previous academic year)

Measure	Actual 2015-16	Wales Average 2015-16	Target 2016-17	Target 2017-18	Rationale for target
The percentage of Year 11 leavers from schools in the Authority identified as not being in education, employment or training in the Careers Wales Annual Destination Survey Statistics	3.2%	2.8%	3.4%	2.80%	We are confident that our strategy is effective which will allow us to reach the Welsh average in 2017/18 and to exceed that in subsequent years.
The percentage of schools meeting Learning & Skills Measure in terms of the subject offer at Key Stage 4 & Post 16	<i>No data. New indicator for 2016-17</i>		100% (2016 Actual)	100%	Target retained at 100% as all schools are currently compliant.
Average GCE points score for learners aged 17	777	799.7	810	820	We set a higher target because we are confident that our improvement approach is effective and that we will continue to deliver further improvement.
The percentage of pupils at A level achieving Level 3 threshold	97.6%	Local measure	98.3% (2016 Actual)	99%	We are confident that our improvement strategy is working, hence a higher target of 99%.
The percentage of pupils achieving 3 A*-A grades at A level	5.3%	7.9%	6.1% (2016 Actual)	10%	Our target equates to two thirds of those pupils with the potential to achieve 3A* -A grades at A level actually achieving them.

The percentage of pupils aged 15, at the preceding 31 August, in schools maintained by the local authority who achieved the Level 2 threshold including a GCSE grade A* - C in English or Welsh first language and mathematics	59.7%	58.3%	61.7% (2016 Actual)	63.2%	Bridgend is improving year on year and has performed above the national average in this indicator for the last two years. The target is set to maintain this position.
The size of the gap in educational attainments between pupils 15+ entitled to free school meals and those who are not (measured by Level 2 inclusive indicator)	27.2%	31.2%	32.5% (2016 Actual)	30.1%	There has been fluctuation in the performance of eFSM pupils in Bridgend. The average gap over three years is 31.7%. Therefore, a target of 30.1% is challenging but realistic.

Aim – To create conditions for growth and enterprise

Measure	Actual 2015-16	Wales Average 2015-16	Target 2016-17	Target 2017-18	Rationale for target
The number of VAT/PAYE registered businesses in the borough	4,440	Local measure	Increase	Increase on 16-17 Year End Actual	Outcome indicator not suitable for specific target setting as this is influenced by many factors beyond our control.
The percentage of working age population that is in employment	70.4%	70.3%	Increase	Increase on 16-17 Year End Actual	This is a population outcome indicator which is not suitable for specific target setting and the outcome is influenced by many factors beyond our control.

Aim – To create successful town centres

Measure	Actual 2015-16	Wales Average 2015-16	Target 2016-17	Target 2017-18	Rationale for target
Total annual expenditure by tourists	£306.62m	Local measure	Increase	2% increase on 16-17 Year End Actual	Our strategy is working, and we have programmes in place. We therefore expect an increase in the value of tourism.
The number of visitors to town centres (footfall for Bridgend and Porthcawl)	5,354,363 3,975,792	Local measure	5,800,000 3,000,000	6,000,000 4,300,000	Targets are based on encouraging part year performance in 2016-17.
The number of vacant premises in town centres	Bridgend 55 Maesteg 19 Porthcawl 17	Local measure	Bridgend 55 Maesteg 19 Porthcawl 17	Bridgend 55 Maesteg 19 Porthcawl 17	There is a national trend of increasing vacant premises. Maintaining a net level of vacancies at current level would be a significant achievement in face of the current economic climate and national trend.
The number of residential units in Bridgend town centre, that have been (a) consented (b) completed	<i>No data. New indicator for 2016-17</i>		(a) 8 (b) 28	(a) 30 (b) 14	Target set based on review of activity in 16-17
The financial value of externally funded town centre regeneration projects underway/in development	<i>No data. New indicator for 2016-17</i>		£23m	£16m	Target set based on planned projects.

Actual figure was used whenever data for 2016-17 is available. The targets for 2017-18 are provisional and may change in the light of actual results for 2016-17.

Priority Two - Helping people to be more self-reliant

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

Why is this important?

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

Such an approach is important not only for those requiring social care support but also those requiring a whole range of other Council services. We are committed to providing good information, advice and assistance to the residents of Bridgend so that they are better equipped to manage situations themselves and the Council services can concentrate on those in greatest need. Eighty percent of respondents to our survey said we should focus on helping people to become more self reliant and that we should prioritise services for older people, disabled people and children.

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

Our aims:

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

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

Remodelling Social Care:

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

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

What we will do in 2017-18:

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

- Continue to improve the ways in which the Council provides good information, advice and assistance to the public, including increasing the support available through local community coordinators.
- Continue to involve service users, carers and communities in developing and commissioning services.

Aim - To reduce demand by investing in targeted early help and intervention programmes

- Implement a new 52-week residential service model for disabled children and young people.
- Establish a new model of residential provision for looked after children and young people.
- Finalise a transition service model to help disabled children move smoothly into adulthood.
- Work with households and partners to help prevent homelessness.
- Increase engagement of partners, including schools, in the use of the Joint Assessment Family Framework (JAFF) and Team Around the Family (TAF) processes, which aim to ensure early identification of needs and delivery of support for children and families.
- Ensure that all services available work better together to provide vulnerable children with seamless support when needed and prevent them from becoming looked after.

Aim - To support carers in maintaining their roles

- Work with partners and schools to support carers by providing the right information, advice and assistance where relevant.
- Recruit and retain carers across the range of fostering services.

Aim - To support the third sector, town and community councils and community groups to meet local needs

- Work with partners and the third sector to identify the best way of providing services within local communities.
- Enable community groups and the third sector to have more voice and control over community assets.

Who will help us?

- Western Bay Partners.
- Public Service Board partners, including the Third Sector.
- People in receipt of services, their carers and families.

This Priority contributes to Wellbeing Goals :

- A resilient Wales.
- A healthier Wales.
- A more equal Wales.
- A Wales of cohesive communities.
- A Wales of vibrant culture and thriving Welsh language.

How will we know we are successful?

Aim – To give people more choice and control over what support they receive by providing early access to advice and information

Measure	Actual 2015-16	Wales Average 2015-16	Target 2016-17	Target 2017-18	Rationale for target
The percentage of a) adults and b) children who received advice and assistance from the information, advice and assistance service during the year <i>Definition of these measures continues to be under review nationally but the intention is that this measures the proportion of people who approach us seeking advice and assistance who, through this assistance are prevented from escalating further into the social care system.</i>	<i>No data. New indicator for 2016-17</i>	Establish baseline for a) and b)	a) 30% b) 30%		Until there is national clarity over the definitions it is difficult to set a target that we know will comply with the national definition. (e.g. Other LAs may count housing issues etc as they are in the same directorate as social services.) Howev er we are confident that our response to this new approach will be effective and we expect the percentage to increase year on year.
The percentage of people who are satisfied with the care and support they received a) Children aged 7-17 years b) Adults aged 18 years+	<i>No data. New indicator for 2016-17</i>	Establish baseline (survey data available in April 2017)	a) 55% b) 65%		We aspire to ensure that people are satisfied with the care and support they receive but we recognise that the level of satisfaction is

Measure	Actual 2015-16	Wales Average 2015-16	Target 2016-17	Target 2017-18	Rationale for target
					likely to be greater in adults than in children in need because the intervention with children will be at a time when they are at their most vulnerable. The element relating to children is new and the surveys sent out in 2016/17 are still being analysed.
The percentage of adults who completed a period of reablement and six months later have: a)a reduced package of care and support or b) no package of care and support <i>Definition of these measures continues to be under review nationally.</i>	<i>No data. New indicator for 2016-17</i>	Establish baseline	60%		Until there is national clarity over the definitions it is difficult to set a target that we know will comply with the national definition. However we are confident that our response to this new approach will be effective and we expect the percentage to increase year on year.
Number of people who have been diverted from mainstream services to help them remain independent for as long as possible	129	Local measure	130	200	The target is based on current performance (showing 134 at

Measure	Actual 2015-16	Wales Average 2015-16	Target 2016-17	Target 2017-18	Rationale for target
					Q3, so 200 would be an improvement). The service continues to give this a focus as this is a corporate priority and a core aspect of the directorates work.

Aim – To reduce demand by investing in targeted early help and intervention programmes

Measure	Actual 2015-16	Wales Average 2015-16	Target 2016-17	Target 2017-18	Rationale for target
The percentage of people presenting as homeless or potentially homeless, for whom the Local Authority has a legal responsibility to provide suitable accommodation <i>Low is good. The fewer people become homeless the better.</i>	32.43%	35.80%	23.60%	14.07%	The Council's priority is to prevent homelessness. We have a strategy in place, hence lower target.
The percentage of children supported to remain living within their family	<i>No data. New indicator for 2016-17</i>		65%	65%	Because the Children in need, Looked After Children and Child Protection populations are stabilising and not declining, the percentage target remains challenging, so we have committed to the same proportion in the next year.
The average length of time older people (aged 65 or over) are supported in residential care homes	<i>No data. New indicator for 2016-17</i>		1055 days	1000 days	This is an improving target. We believe that the less time spent in care homes the better as this indicates greater independent living.
The percentage of looked after children on 31 March who have had three or more placements during the year	13.7%	9.8%	12%	12%	The target is based on current and past performance and knowledge of the

Measure	Actual 2015-16	Wales Average 2015-16	Target 2016-17	Target 2017-18	Rationale for target
					Looked After Children population which is stabilising but not declining. Q3 is showing 13.2%. The 12 percentage target remains challenging so we have committed to the same proportion in the next year.
The percentage of children who receive Connecting Families interventions during the year who remain out of the care system as at 31 March of that year	<i>No data. New indicator for 2017-18</i>		80%		The 80% target represents a 5% improvement, as currently the data we hold, which relates to the 24 months period 1 st April 2014 to 31st March 2016, tells us that 75% of children who received Connecting Families intervention remained out of the care system (i.e. 144 children received Connecting Families intervention and of those, 108 remained out of the care system).

Measure	Actual 2015-16	Wales Average 2015-16	Target 2016-17	Target 2017-18	Rationale for target
The percentage of individuals discussed at Transition Panel that have a transition plan in place by age 17				100%	It is important that all 17 year olds should have a transition plan in place, hence target is 100%.
Percentage of completed TAF (Team Around the Family) support plans that close with a successful outcome <i>TAF refers to the model of support that oversees and coordinates the interventions received by families through the Families First programme. A TAF is expected to take account of the needs of the whole family and involve the coordination of multiple agencies in delivering a seamless service for the individual family.</i>		The latest data (2015-16) showed a 50% closure rate, and the national average was 59%.		60%	We aim to increase the success rate year on year. The 10% increase is challenging but can be achieved.

Aim – To support carers in maintaining their roles

Measure	Actual 2015-16	Wales Average 2015-16	Target 2016-17	Target 2017-18	Rationale for target
The percentage of people who feel they are able to live more independently as a result of receiving an adaptation in their home			No data. New indicator for 2017-18	75%	Target for this new indicator is based on existing studies undertaken on the effectiveness of housing adaptations.
The percentage of carers of adults who were offered an assessment or review of their needs in their own right during the year	95.3%	91.4%	94.0%	96.0%	Target is set with the aim to drive relative improvement against previous performance.
The percentage of identified young carers with an up-to-date care and support plan in place			No data. New indicator for 2017-18	90%	The target acknowledges that some young carers will choose not to engage or may not feel the need to engage.

Aim – To support the third sector, town and community councils and community groups to meet local needs

Measure	Actual 2015-16	Wales Average 2015-16	Target 2016-17	Target 2017-18	Rationale for target
The number of community groups using packages of support to manage transferred assets	<i>No data. New indicator for 2016-17</i>		3	6	We wish to double the number of groups supported in this way.
The number of adults who received a service provided through a social enterprise, cooperative, user-led service or third sector organisation during the year	<i>No data. New indicator for 2016-17</i>	Establish baseline	175		The target is set based on continued work to develop this area and strong half year results from 2016-17.
The number of Council owned assets transferred to the community for running	<i>No data. New indicator for 2016-17</i>		5	5	We wish to transfer another 5 assets to the community for running, to double our total.

(NB: there is a new performance framework in the Social Services and Wellbeing (Wales) Act 2014. This means that there are many new performance indicators and measures. There is still some national debate over what is included in the indicator, which has made target setting for 2017/18 difficult.)

The targets for 2017-18 are provisional and may change in the light of actual results for 2016-17.

Priority Three - Smarter use of resources

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

Why is this important?

Over the next four years the Council is expected to make a budget reduction of almost £34 million. This year as in previous years, we are committed to finding at least 50% of the planned budget reduction for the year by making smarter use of resources, and thus to minimise its impact on services. As austerity continues, it becomes harder each year to make further budget reductions, but we continue to seek ways of working that will save us money, primarily by making smarter use of our buildings, our people and our spending.

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

Our aims:

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

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

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

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

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

What we will do in 2017-18:

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

- Implement the planned budget reductions identified in the 2017-18 budget.

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

- Increase the number of citizens using our online system to manage their council tax and housing benefit accounts and deliver financial savings.
- Automate most common internal processes to reduce transaction costs and streamline processes.
- Deliver the schools commercialisation project to optimise the use of collective resources available to support schools.

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

- Provide new and improved schools by delivering the schools' modernisation programme.
- Rationalise further the Council's administrative estate to ensure the Council operates from one core office by March 2018.
- Develop an approach to commercialisation of Council assets.
- Market the part of the Waterton site that is due to be vacated for housing development under the Parc Afon Ewenni scheme.
- Implement energy and carbon reduction measures and promote good practice in all our public buildings to help them reduce their carbon footprint.
- Review capital expenditure to ensure alignment with corporate objectives.

Aim -To develop the culture and skills required to meet the needs of a changing organisation

- Support managers to lead staff through organisational change.
- Provide the learning and development opportunities for staff to meet future service needs.
- Improve our understanding of citizens' views by developing and promoting mechanisms that increase responses to consultations.

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

- Review procurement processes and procedures to ensure best value is achieved through eProcurement and utilising national and regional arrangements.
- Monitor the corporate contracts register to ensure compliance and opportunities to aggregate spend.

Who will help us?

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

This Priority contributes to Wellbeing Goals:

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities

How will we know we are successful?

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

Measure	Actual 2015-16	Wales Average 2015-16	Target 2016-17	Target 2017-18	Rationale for target
The percentage of budget reductions achieved	92.5%	Local measure	100%	100%	Budget reductions planned to achieve all savings required.

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

Measure	Actual 2015-16	Wales Average 2015-16	Target 2016-17	Target 2017-18	Rationale for target
The percentage of Council Tax customers accessing on line service through 'my account'	0%	Local measure	30%	50%	Improving target is set on current performance and plans for promotion.

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

Measure	Actual 2015-16	Wales Average 2015-16	Target 2016-17	Target 2017-18	Rationale for target
Ratio of staff to desk in Civic Offices	6:5	Local measure	3:2	3:2	To deliver space rationalisation Target figures are based on the release of Ravens Court.
Realisation of capital receipts target	£5.9m	Local measure	£4m	£1.5m	To help fund the capital programme. Target figure is based on potential disposals for

Measure	Actual 2015-16	Wales Average 2015-16	Target 2016- 17	Target 2017-18	Rationale for target
					17-18
The percentage change in carbon emissions in the non-domestic public building stock on previous year	8.28%	Local measure	3%	3%	The static target set by Welsh Government.
Income generated from the Council's non-operational property portfolio	<i>No data. New indicator for 2017-18</i>			£25k pa added income	To meet MTFS savings. Target figure is based on potential opportunities to increase income within the non-operational estate in 17/18.

Aim – To develop the culture and skills required to meet the needs of a changing organisation

Measure	Actual 2015-16	Wales Average 2015-16	Target 2016-17	Target 2017-18	Rationale for target
The number of working days/shifts per full-time equivalent (FTE) local authority employee lost due to sickness absence	10.85	9.9	8.5	8.5	Target retained at current levels is challenging against current performance
The number of interactions from citizens on the corporate social media accounts (Facebook and Twitter)	28,875	Local measure	10% increase on previous year	5% increase on previous year	The target is based on strong part year performance in 2016-17.
The percentage of employees completing e-learning modules	43.07%	Local measure	40%	45%	Improving target is based in current performance against target.

Measure	Actual 2015-16	Wales Average 2015-16	Target 2016-17	Target 2017-18	Rationale for target
The number of managers receiving training to improve their people management skills (including absence management)	<i>No data. New indicator for 2016-17</i>	New indicator (235 completed)	200		The 200 target is additional staff to be trained, taking account of staff turnover and level of training previously undertaken.

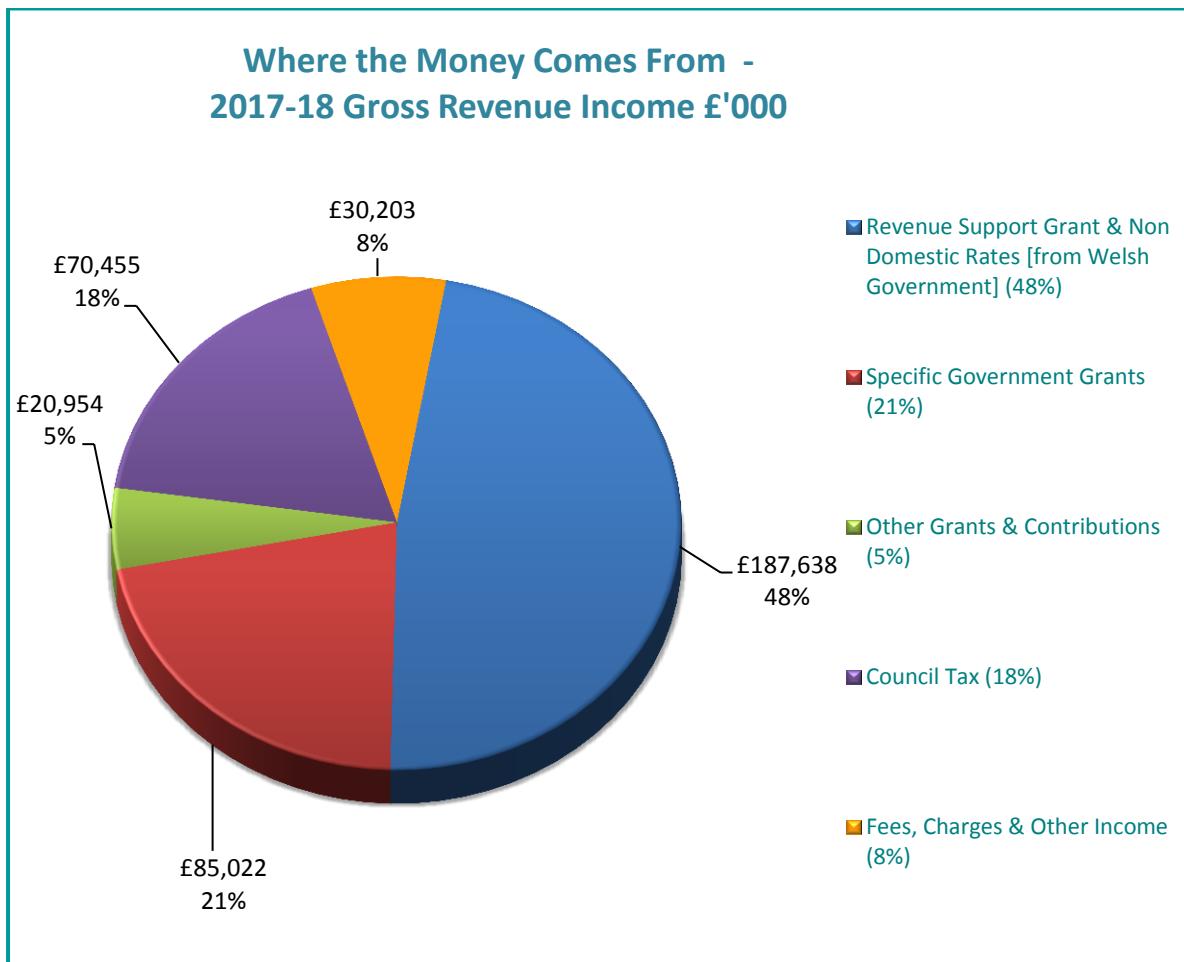
Aim - To make the most of our spend on goods and services

Measure	Actual 2015-16	Wales Average 2015-16	Target 2016-17	Target 2017-18	Rationale for target
The percentage of tenders above EU threshold compliant with the Public Contract Regulations 2015 that are compliant	<i>No data. New indicator for 2016-17</i>	100%	100%		Less than 100% compliance would risk reduced efficiency.

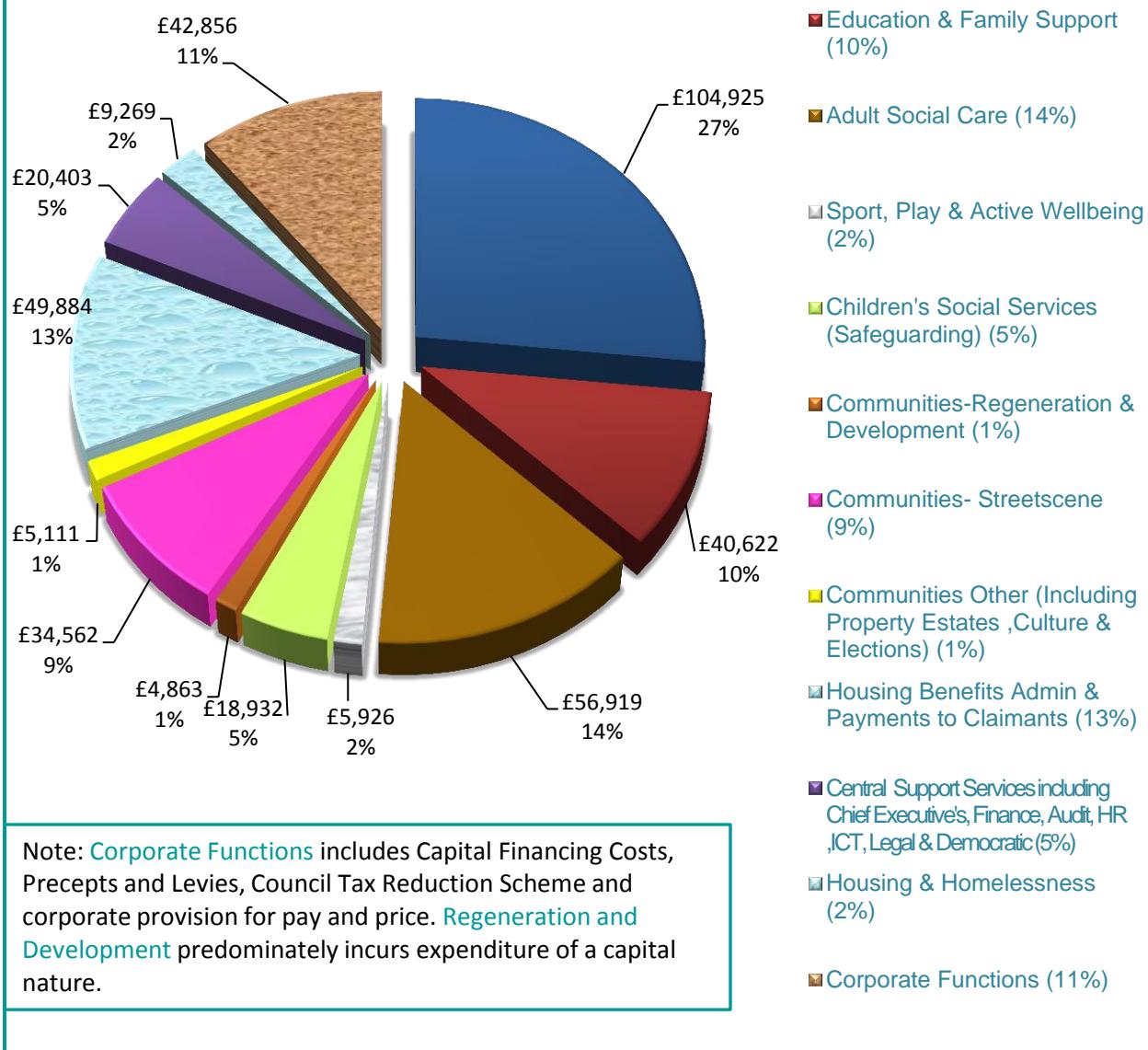
The targets for 2017-18 are provisional and may change in the light of actual results for 2016-17.

Appendix 1 – An outline of our income and spending

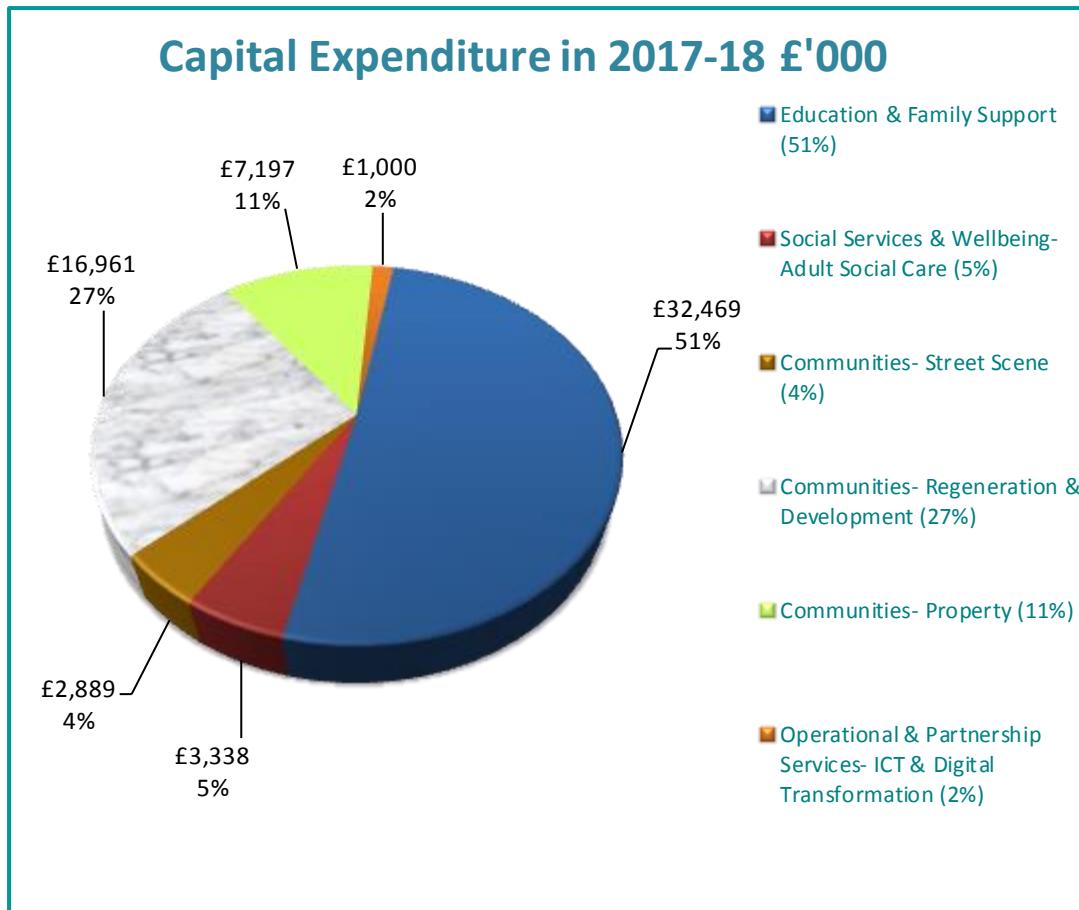
The charts below outline our income and spending plans for 2017-18. The Council's gross revenue income for 2017-18 is £394 million.



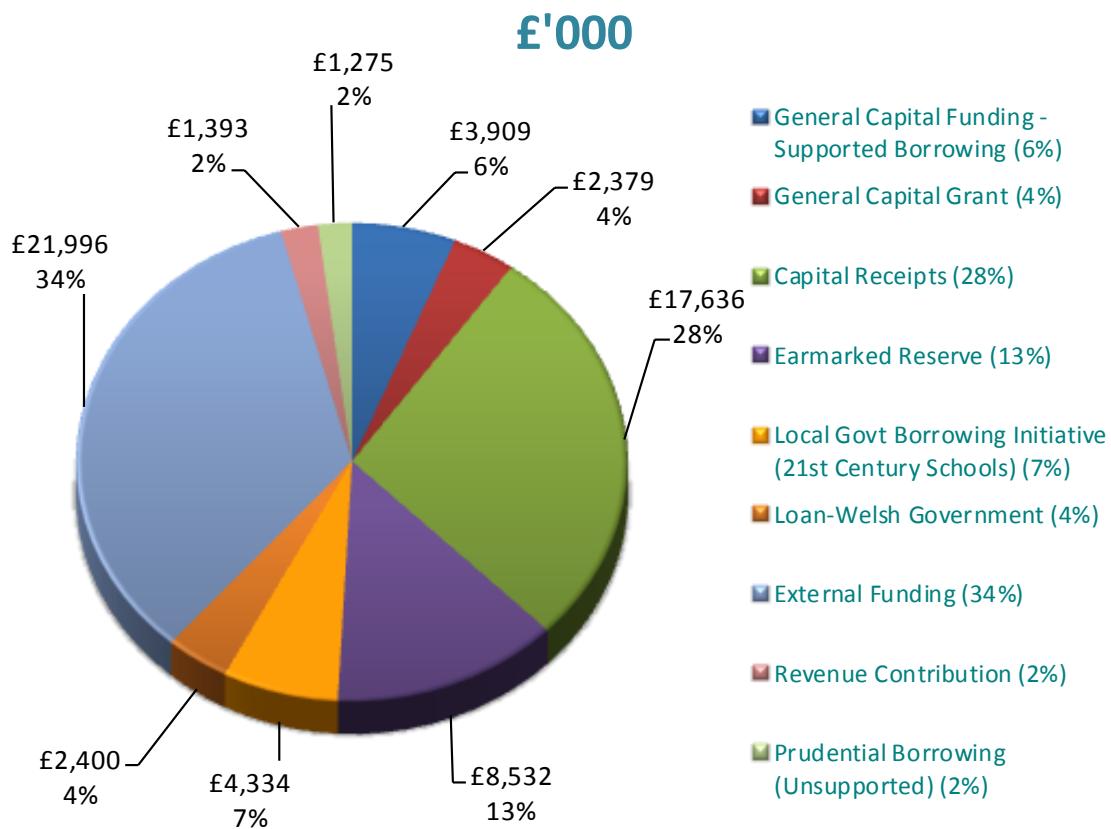
Where The Money Is Spent - 2017-18 Gross Revenue Expenditure £'000



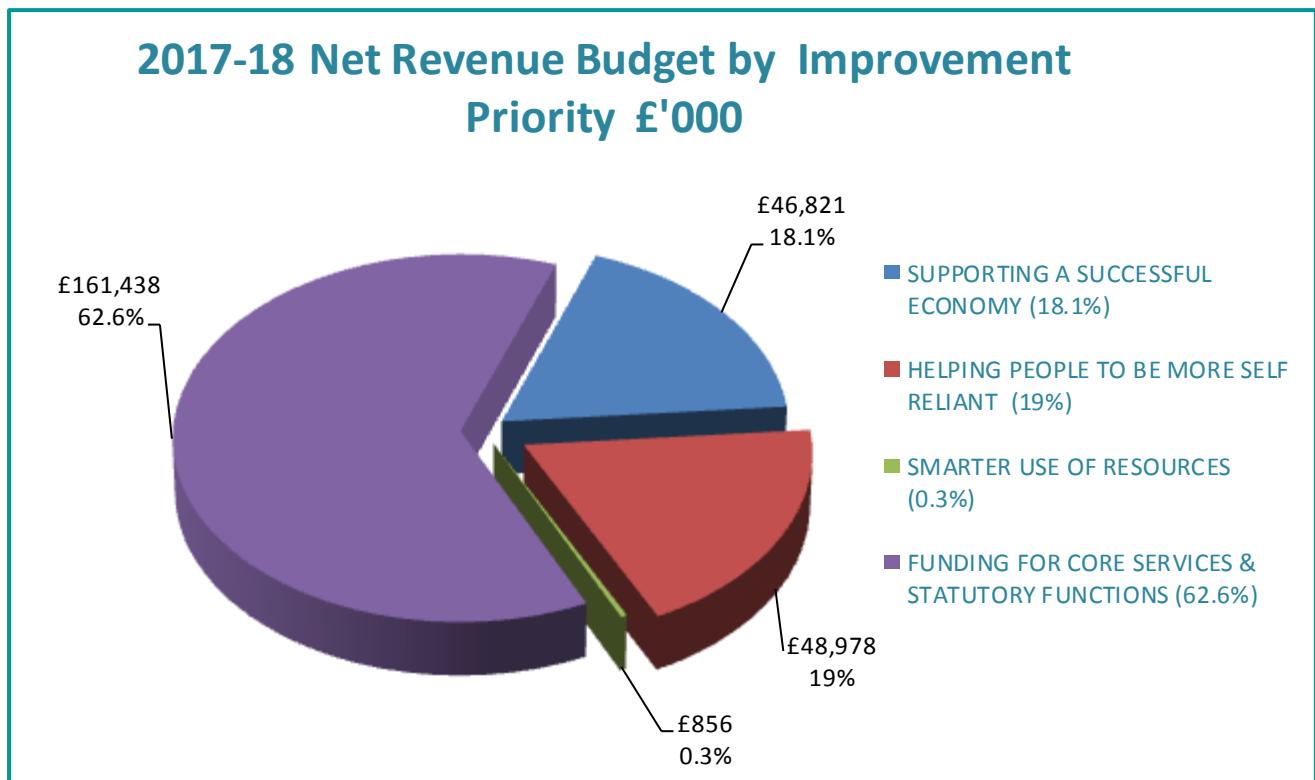
In addition to spending money on providing services on a day to day basis, the Council also spends money on providing new facilities, improving assets and the infrastructure, enhancing assets or providing capital grants to others. Planned capital expenditure for 2017-18 amounts to £63.854 million. The charts below provide details of the service areas where capital expenditure is planned and how the expenditure will be financed in the year.



Sources of Capital Financing in 2017-18



The authority has a net revenue budget of £258,093 million which supports the delivery of the Council's corporate priorities and core services and statutory functions. The net budget is financed by Revenue Support Grant, Non-Domestic Rates (NDR) and Council Tax income and excludes income from other financing streams such as other government grants, customer and client receipts, and interest which finance the gross revenue expenditure. The chart below provides details of how the net revenue budget has been allocated for 2017-18.



Appendix 2 - The Well-being of Future Generations (Wales) Act 2015

The Well-being of Future Generation (Wales) Act 2015 has been put in place to make sure that public bodies are doing all they can to contribute to the improvement of the social, economic, environmental and cultural well-being of Wales.

The Act introduces seven long-term well-being goals, puts in place a sustainable development principle, and defines 5 ways of working that public bodies will need to think about to show they have applied the sustainable development principle. The diagram below shows how the seven national goals, the sustainable development and the five ways of working work together.



The Council is committed to the well-being goals and the sustainable development principle, making sure that when we make decisions we take into account the impact they could have on people living their lives in Wales in the future.

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